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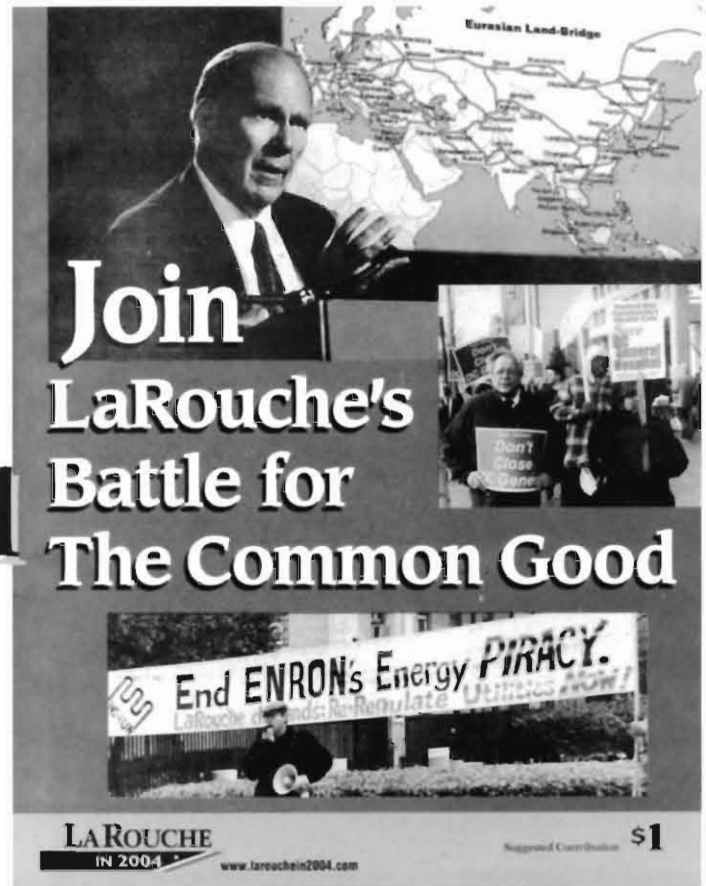
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From the Associate Editor

Labor Day traditionally is supposed to mark the point at which Americans “get serious.” Evidently Treasury Secretary Paul O’Neill didn’t get the message, announcing on Sept. 6 that “our economy is sound, and I look forward to a rising growth path in the months ahead and through 2002.” The next day, as the stock markets continued to be battered worldwide, the Labor Department announced that unemployment had soared to 4.9%: 113,000 Americans lost their jobs in August, according to the official (doctored) statistics.

At the Labor Day weekend conference of the Schiller Institute and International Caucus of Labor Committees, Lyndon and Helga LaRouche challenged Americans to get serious all right — and to have fun doing it! To get serious about mobilizing the citizenry to prevent the ongoing economic-financial crash from leading to catastrophe. Our *Feature* contains their keynote speeches, and a tribute to civil rights heroine Amelia Boynton Robinson, whose 90th birthday was celebrated by conference participants.

We are heading into a Hot Autumn, sure enough, and on every front, the LaRouche forces are clearly arrayed for battle against the oligarchy and their stooges:

- Washington, D.C. is bracing for an explosion of terrorism, at the International Monetary Fund-World Bank meeting at the end of September. See *National* for a report on who is steering the operation. If you’re against the IMF and globalization, you have only one choice: Go with LaRouche, and build the New Bretton Woods financial system; or join the oligarchy’s terrorists in ski-masks.

- LaRouche’s challenge to banker Felix Rohatyn, on the content of a New Bretton Woods policy, published in *EIR* on Aug. 31, is going out nationally as a broadside, in half a million copies.

- LaRouche has opened a new flank in the battle for the General Welfare, which we begin in this issue, with Anton Chaitkin’s article on the Bush Administration’s Faith-Based Initiative, described by LaRouche as “a move to turn religion into a form of state-run prostitution.” We have the facts to prove that, and we’re going to bring about an open fight — in the churches, in the African-American community, and elsewhere — over who is really interested in helping the poor, elderly, and ill, and who is running a scam to line their own pockets. Expect fireworks to come.

Susan Welsh

EIR Contents

Cover This Week

Lyndon LaRouche with student organizers at the Schiller Institute-International Caucus of Labor Committees annual Labor Day conference.



16 You Have Nothing To Fear So Much As Denial Itself

Lyndon LaRouche's keynote speech to the annual Labor Day conference of the Schiller Institute and International Caucus of Labor Committees on Sept. 1, in Reston, Virginia. "What I promised you, in effect, on Jan. 3, of this year, is now happening. No one can stop it, as long as this present system exists: It's doomed. No one can fix it. There is no recovery from it. The system is finished. The question is: Can we kill the system, in time, to save the nations and the economy. No other question."

30 Why Americans *Should* Go There: Eurasian Land-Bridge Determines Your Future

Helga Zepp-LaRouche's speech to the Schiller Institute-ICLC Labor Day conference.

47 Amelia Boynton Robinson: Her Love of Freedom Is 'A Higher Power'

In celebration of the 90th birthday of this living heroine of the civil rights movement, a presentation/slide show on her life was offered to the ICLC-Schiller Institute conference by her longtime friend and editor of her autobiography, Marianna Wertz.

Economics

4 Argentina Crisis: Wall Street Brains Are In Default, Too

Bankers, international financial institutions, and entire governments are scurrying around, frenetically trying to convince each other that the corpse before them—Argentina's totally insolvent foreign debt of nearly \$250 billion—is still alive and "performing."

7 Colonel Seineldín's Call For A New System

9 LaRouche: Let Seineldín Negotiate Argentine Debt

9 Greenspan Peters Out In Jackson Hole

11 Australia's Economy: A Nation In Denial

14 Business Briefs

International

52 **Bush Backing For Israel's Sharon Assailed At Durban**

The Bush Administration's failure to intervene to stop Israeli Prime Minister Ariel Sharon's continuing terror and assassination campaign against the Palestinian Authority now threatens to isolate the United States from the entire Arab world, and from a majority of developing nations as well.

54 **Putin Prepares Russia For A Dollar Crash**

55 **Behind The Threat To Russia's President Putin**

57 **French Courts Reopen Probe Into Princess Diana's Murder**

Documentation: A statement by Mohammed Al Fayed.

59 **Peru: Inca Monetary Fund's Toledo Takes Office**

62 **Army War College In China-Bashing Orgy**

64 **International Intelligence**

National

66 **'Anti-IMF' Jacobins Are Part Of 'Strategy Of Tension' vs. U.S.**

Unless this Jacobin operation is exposed and dismantled, the United States will be hit by the worst wave of terrorism in its history, potentially paralyzing the institutions of government and triggering, from among elements of the Bush Administration, a police-state response, that will threaten the very existence of our Constitutional republic.

69 **The 'Faith-Based' Scam: Religion As State-Run Prostitution**

71 **National News**

Departments

80 **Editorial**

Lest You Be Judged.

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Correction: With reference to the article "Spirit of Bandung, or a New Cold War," in last week's issue (Sept. 7), the Embassy of Thailand to the United States has informed *EIR* that only scheduling difficulties have prevented the arrangement of a meeting between Thai Prime Minister Thaksin Shinawatra and President George W. Bush, and that there have been no conditions placed on the proposed meeting by the United States, as reported in the article.

Argentina Crisis: Wall Street Brains Are in Default, Too

by Dennis Small

Viewed dispassionately, the events of the last few months in Argentina's debt crisis leave the distinct impression, that the world's financial and political elite have "lost it." Bankers, international financial institutions, and entire governments scurry around, frenetically trying to convince each other that the corpse before them—Argentina's totally insolvent foreign debt of nearly \$250 billion—is still alive and "performing."

U.S. Democratic Presidential pre-candidate Lyndon LaRouche recently remarked that this Argentine scene reminded him of the Edgar Allan Poe story, "The Facts in the Case of M. Valdemar," where M. Valdemar was hypnotized at the very instant he passed from life to death. For a period of time, the good gentleman kept up all the outward appearances of being alive—speech, locomotion, and so on—while all the while putrefying and decomposing on the inside. It merely typifies, LaRouche noted, the entire global financial system.

Last December, Argentina's debt was already so hopelessly non-performing that its Wall Street creditors had to be bailed out with a \$40 billion package, put together by the International Monetary Fund (IMF), Group of Seven governments, and others. That bailout was dubbed "financial armor," and was touted as the final solution of all of Argentina's problems.

It didn't last six months. In June 2001, with Argentina at the edge of default, another bailout package had to be concocted, this one a \$30 billion "mega-swap" which replaced high-interest, non-performing Argentine government bonds, with . . . *higher interest* bonds, with a *greater* total face value, which were even *more* non-performing than their predeces-

sors! "We have beaten those who were betting against Argentina," was the irrational victory cry at the time of Economy Minister Domingo Cavallo—a PhD product of the Harvard Economics Department.

Six weeks later, in mid-August, Argentina was again in the default barrel. After 12 days of non-stop negotiations, which the world's financial media followed with morbid fascination, the IMF and Argentina's debt negotiator Daniel Marx gave birth to yet another implausible concoction. Backed by the meagre sum of \$8 billion from the IMF—\$3 billion of which won't even exist until an unspecified, new bond-swap scheme is put together in March 2002—the accord has two essential components:

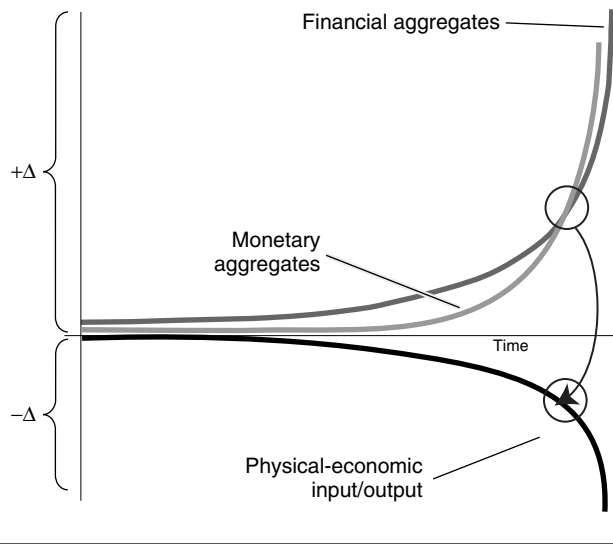
1. An Argentine default will not be countenanced. Everyone has agreed to keep pretending that the putrefying corpse in their midst is alive and well.
2. The Argentina government of President Fernando de la Rúa has signed on the dotted line that it will implement a so-called "zero-deficit budget," starting immediately. We take these two points up, in turn.

Zero-Deficit Lunacy

Asked recently how he intends to avoid declaring a default this time around, Harvard PhD Cavallo waxed poetic: "It's like dropping an egg from 50 meters up, without breaking it." In an Aug. 27 address to 150 prominent Brazilian businessmen gathered at a plenary meeting of the São Paulo Commercial Association, *EIR's* Brazil correspondent Lorenzo Carrasco retorted: "The problem is that Cavallo's egg is already 500 meters up, catapulted by the \$40 billion bailout of December 2000, plus the \$30 billion mega-swap, plus

FIGURE 1

LaRouche Triple Curve, A Typical Collapse Function



The collapse reaches a critical point of instability.

the latest \$8 billion IMF bailout. If you add to that the growing pressures in Turkey, Brazil, Poland, and so on, there is no egg that can survive such a fall.”

Indeed, Argentina’s \$250 billion foreign debt bubble, like the \$400 trillion in global financial aggregates which it typifies, is *so* insolvent, that each effort to maintain that bubble with new debt instruments, requires a *net increase* in those instruments, which overtakes the total financial aggregates in existence. This zone of instability is best described by LaRouche’s “Triple Curve” (Figure 1), and it is the zone in which Weimar-style *hyperinflation* is triggered and spins out of control. (See Richard Freeman, “Hyperinflation in Weimar Germany,” *EIR*, March 24, 2000.)

Argentina, and the world financial system, have entered that zone.

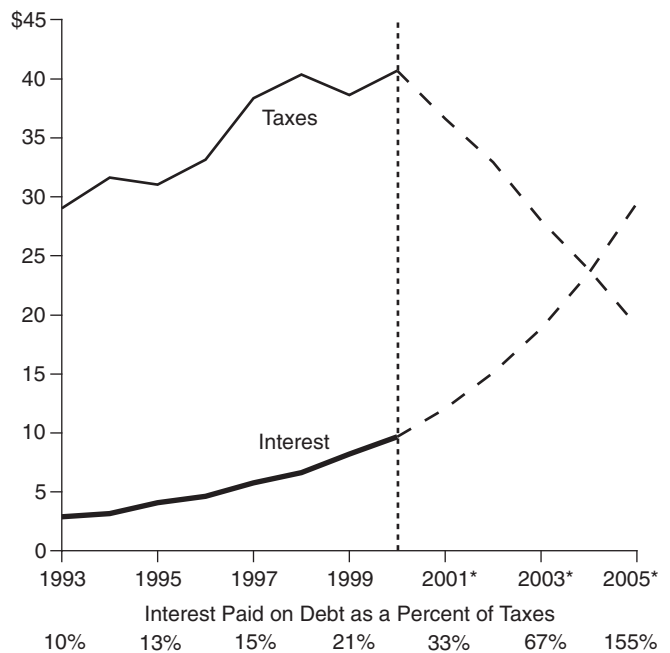
But Wall Street’s geniuses have not only unleashed a hyperinflationary financial process in Argentina; they have also triggered a second, simultaneous hyperdeflationary process in the underlying real economy. This has been done by imposing what Cavallo has baptized as his “zero-deficit budget” solution.

The concept is simple . . . and thoroughly incompetent. First, interest payments on the public debt are pronounced sacrosanct, and will always be paid, regardless of the consequences. Second, the government will only spend what it has left over from taxes and other revenue, *after* subtracting out its debt payments. In other words, the government will not run a deficit and borrow money to cover that deficit: Its deficit must equal zero at all times.

FIGURE 2

Argentina: Taxes Collected vs. Interest Paid on Public Debt

(Billions \$)



*EIR projection.

Sources: Ministry of Economics, Argentina; *EIR*.

But what happens if interest payments keep rising, and tax revenues keep dropping, *as is now occurring in Argentina?* (See Figure 2.) What happens when interest payments take up 15% of the tax revenue (as already happened in 1997, despite the fact that taxes themselves rose sharply in that period, due to an increase in the value added tax from 12% to 21%)? What happens when interest payments hit 25% of tax revenues (as they did last year), leaving only 75% for all other government expenditures? When they hit a third of all tax revenue, as they will this year, will they still keep going? And when the soaring interest payments demanded eventually are *greater* than the entire contracting tax base — when the parasite is bigger than the host — what then?

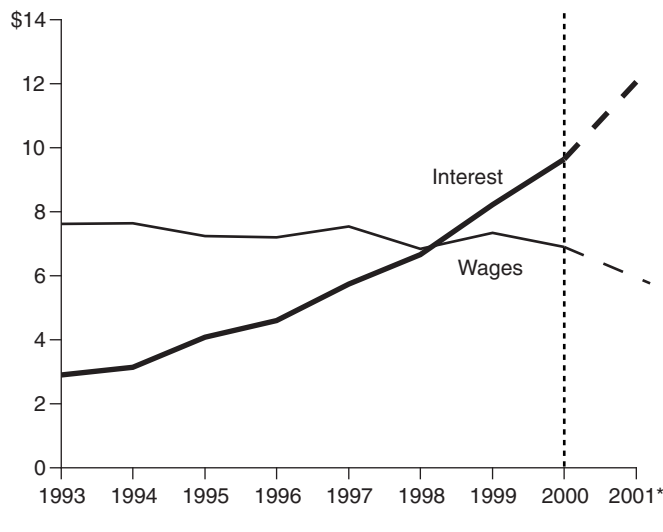
In this fashion, a hyperinflationary debt payment process has been unleashed, along with a hyperdeflationary process of contraction of the real physical economy, which is causing a dramatic decline in tax revenues of 10% per annum, and more.

By holding to a zero-deficit budget under these contractionary conditions, Argentina is cutting sharply into all government expenditures other than interest payments. Health, education, and necessary national defense outlays are being demolished. And, as can be seen in Figure 3, wages of public

FIGURE 3

Argentina: Public Sector Wages vs. Interest Paid

(Billions \$)



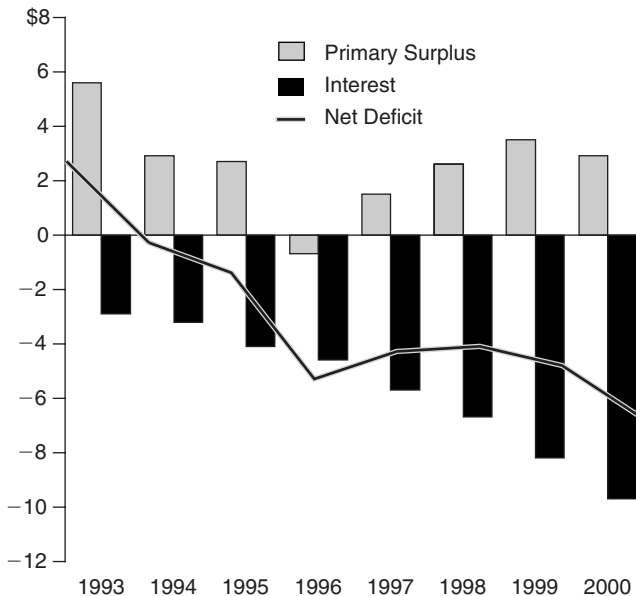
*EIR projection.

Sources: Ministry of Economics, Argentina; EIR.

FIGURE 4

Argentina: Government Budget

(Billions \$)



*EIR projection.

Sources: Ministry of Economics, Argentina; EIR.

sector workers have been steadily declining since the early 1990s, by about 6-7% per year. In 2001, as part of the latest IMF package, public sector wages have already been cut by twice that amount, by 13%. But wages will be cut still further, if that is necessary to balance the budget—which it will be, because the collapsing economy is in turn shrinking the tax base.

For example, industrial production is now contracting at about 3% per annum, with the critical auto sector collapsing at the annual rate of 22%, over the course of the first eight months of 2001. Supermarket sales fell by 2.4% in the first half of 2001, and that worsened to a fall of 4.4% in July-August. Not surprisingly, in the first half of 2001 government tax revenues declined at the annualized rate of about 2.4%; but in July and August, tax revenues were officially falling by 7-8% annually. Informed sources in Buenos Aires have told EIR that value-added tax revenues actually fell by 17% per annum in August, but Cavallo pressured a number of foreign oil companies operating in Argentina to pony up future tax payments, in order to mask that dramatic fall.

Cut, Cut, Cut

Over the course of the 1990s, the Argentine government ran a continuous budget deficit, which in the year 2000 reached nearly \$7 billion. The IMF, the U.S. government, international news media, and others, have all denounced this as evidence of Argentine profligacy. U.S. Treasury Secretary

Paul O'Neill was perhaps the most boorish of the lot, when he remarked in mid-July: "They've been off and on in trouble for 70 years or more. . . . And they like it that way. Nobody forced them to be what they are."

These are, of course, all lies, as can be seen in **Figure 4**. The IMF has invented an accounting category called the "primary budget," which is defined as the total budget, excluding interest payments. Argentina has in fact run a primary budget *surplus* throughout the 1990s, but that surplus has been outrun by the greater, and rapidly increasing, schedule of interest payments. Over the last four years, interest payments on the public debt have risen by over 20% per year, on average. (In this study, we conservatively estimate that they would rise by about 25% per annum, from 2001 forward.)

This construct—of the need to run a large and growing "primary budget surplus"—has been used repeatedly to justify budget slashing, as well as the sale of government companies and other assets. This latter goes by the name of "privatization," and it was a significant source of additional government revenue throughout the 1990s. This culminated in a whopping \$15 billion in privatizations in 1999, of which \$2.6 billion entered that year's government budget, as a result of the sale of the national oil company, Yacimientos Petrolíferos Fiscales.

Now, however, Argentina has exhausted major assets

which can be privatized, so that the “primary surplus” must be generated by increasing taxes, and cutting the diminishing areas not swallowed up by interest payments.

Public education, for example, is now on the chopping block. Not only are school teachers on strike because of wage cutbacks, but union leaders are warning that cutbacks in school lunch programs and so forth, now threaten the very existence of the public schools. The situation with the military is, if anything, worse. After drastic cutbacks in personnel and procurement in previous years, the government recently announced that soldiers would only be present at their units four days a week, six hours a day—by which it intends to eliminate almost entirely the meals served to the soldiers and officers.

Such “cut, cut, cut” policies are being implemented in other Ibero-American nations, just as in Argentina, to similarly disastrous effect. Take Brazil, where the central conditionality of their accord with the IMF is that the government must generate a primary budget surplus in 2001 equal to 3.35% of GNP, and 3.5% of GNP in 2002. (It was 3% of GNP in 2000.) The surplus is then used to pay the debt. Any drop in revenue, and the Treasury Ministry cuts expenditures—but not interest payments. In the first half of 2001, the Treasury Ministry disbursed so little, that it surpassed its primary surplus goal.

According to *Correio do Povo*, since 1998, only 40% of

the budgeted funds approved by Congress have actually been disbursed. Between 1998 and the end of 2000, the Treasury Ministry did not disburse 16.4 billion reais out of the total 36.9 billion reais in social expenditures and infrastructure projects approved by Congress—a cut equal to about \$6.6 billion, almost half of the approved budgets. Basic sanitation programs, and anti-malaria, -dengue, and -tuberculosis programs, for example, received practically no resources for three years.

And yet the cuts were even more drastic in 2001. By July 27, the Treasury Ministry had released only \$560 million of the \$7.6 billion approved in the 2001 budget for social programs and infrastructure.

The cuts guaranteed record primary budget surpluses with which to pay the debt. In 1999, the primary surplus was 30 billion reais (about \$15 billion, at the then-existing exchange rate). In 2001, a surplus of 40 billion reais (over \$16 billion, at today’s exchange rate) is projected. And for 2002, the IMF is demanding that Brazil generate a primary budget surplus of 45.7 billion reais, over \$18 billion—a sum equal to two and a half times the size of the Health Ministry’s 2001 budget.

Shock Policies

Now that Argentine Economy Minister Cavallo’s zero-deficit fraud has been imposed upon Argentina, an indication of just how dramatic the shock impact of that policy will be,

Colonel Seineldín’s Call For A New System

Argentina’s Malvinas War hero Col. Mohamed Ali Seineldín issued the following “political declaration” on Aug. 4, from Campo de Mayo military prison:

The dramatic economic events in which our beloved Fatherland Argentina is sinking, are not only a product of a national crisis, as the representatives of Anglo-American imperialism—who now presumptuously present themselves to us as the saviors of our Nation—would like us to believe. Their solutions, such as the so-called “zero deficit” program, are nothing but an effort to postpone the inevitable national financial bankruptcy by deepening the social crisis which, through Jacobin revolts, now threatens to complete the demolition of the sovereign nation-state, a job begun with the 1982 Malvinas War.

But Argentina is not the crisis; it is part of a world crisis, a crisis of a system of globalization which is reeling like an empire unable to consolidate itself, living at the

mercy of fluctuations of the world casino of financial speculation. All national leaders who remain tied to this world system will inexorably sink, and will soon fall into disgrace, hated by their own people.

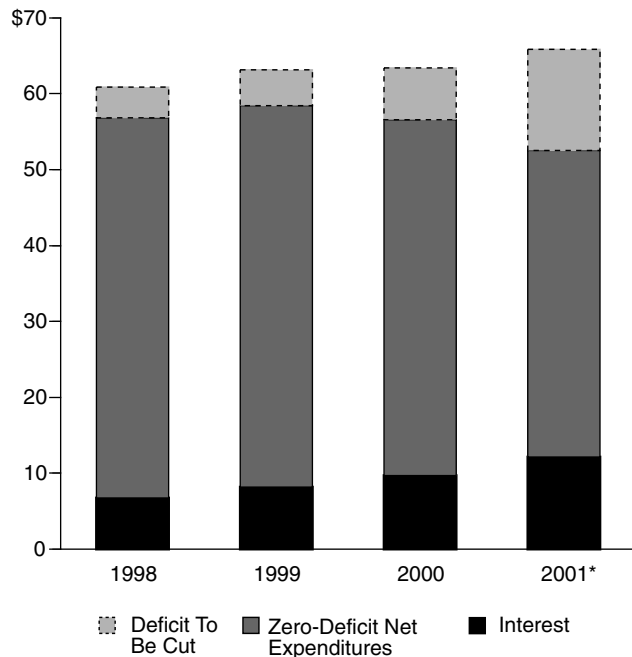
New leaders, arising from among common people, will have to assume the responsibility of undertaking national reconstruction, of setting a new mission for the Nation. It is urgent to understand that Argentina cannot pay its foreign debt, and that it is necessary that the Nation declare a moratorium which sets an example for many other nations around the world which find themselves in a similar situation. In particular, Argentina should promote an alliance for security and economic development with its sister nation Brazil, and together lead the consolidation of a bloc of Ibero-American nations against the imperial intentions of the Free Trade Accord of the Americas, which seeks to turn the continent into an enormous dollarized protectorate.

This economic bloc, led by Argentina and Brazil, should promote the formation of a new international monetary system, like that proposed by Lyndon LaRouche, to rebuild the world economy on the basis of the same reconstruction policies carried out after the 1929 crisis and the Second World War.

FIGURE 5

Argentina: Total Government Expenditures Under a Zero-Deficit Scenario

(Billions \$)



*EIR projection.

Sources: Ministry of Economics, Argentina; EIR.

is given by **Figure 5**. Here the total height of the bar diagram represents government expenditures in 1998, 1999, and 2000. The bottom portion reflects total interest payments—the part that is not to be touched, no matter what. The two upper segments are therefore net expenditures (the amount left after interest payments). Of these, the uppermost segment corresponds to the budget deficit in that year—the part that would have been cut from expenditures, under a zero-deficit scenario. Thus, the remaining middle segment is what we have called zero-deficit net expenditures—the remaining “discretionary” budget available after interest has been paid and the deficit cut. **Table 1** breaks out the corresponding numbers.

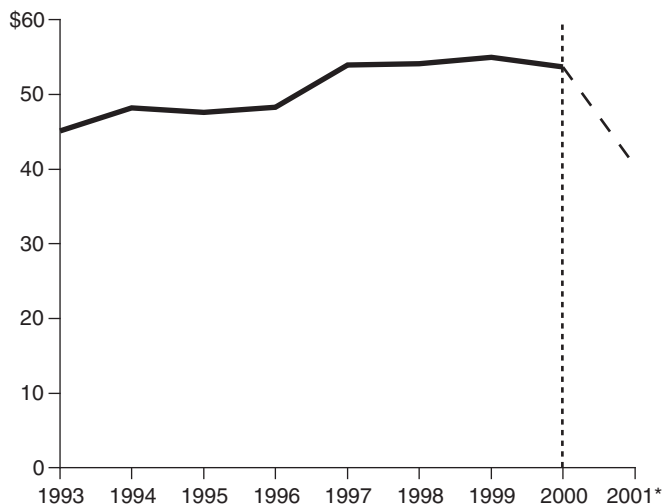
This scenario may have been hypothetical in 1998, 1999, and 2000; but it is becoming reality in 2001. This year, interest payments will be about \$12 billion; and the projected deficit to be cut is over \$13 billion—a quarter of the remaining net expenditures.

Thus, whereas total non-interest expenditures were \$53.7 billion in 2000, they are slated to plummet to just over \$40 billion in 2001—a 25% drop in a single year, as **Figure 6** shows these expenditures falling off the cliff. This is guaranteed to trigger a further contraction in economic activity in the country, and with it, a further plunge in tax revenues collected by the government.

FIGURE 6

Argentina: Non-Interest Expenditures

(Billions \$)



*EIR projection.

Sources: Ministry of Economics, Argentina; EIR.

This brings us full circle back to **Figure 2**. The process thus unleashed will produce a drop in tax revenues even greater than what is otherwise linearly projected in that graphic—a deflationary implosion of the productive economy. Similarly, each new round of the debt negotiation process has ushered in greater interest payments and a rising total debt, in an inflationary explosion of Argentina’s unpayable debt bubble.

If Argentina—like the global financial system which it typifies—is to survive, the game must stop.

TABLE 1

Argentina: Zero-Deficit Scenarios

(Billions \$)

	1998	1999	2000	2001*
1) Total Expenditures	60.8	63.2	63.4	65.9
2) Net Expenditures (Total – Interest)	54.1	55.0	53.7	53.8
3) Budget Deficit	–4.1	–4.8	–6.8	–13.4
4) Zero-Deficit Net Expenditures (2 – 3)	50.1	50.2	46.9	40.4
5) Cuts as % of Net Expenditures (3 ÷ 2)	8%	9%	13%	25%

*EIR projection.

Source: Ministry of Economics, Argentina; EIR.

LaRouche: Let Seineldín Negotiate Argentine Debt

by Cynthia R. Rush

In a dramatic intervention into the Argentine crisis, Presidential pre-candidate Lyndon LaRouche has proposed that Mohamed Alí Seineldín, the imprisoned hero of Argentina's 1982 Malvinas War against Great Britain, be named as Argentina's new debt negotiator, to replace Wall Street favorite, Deputy Finance Minister Daniel Marx.

The proposal was announced Aug. 31 by *EIR* correspondent in Argentina, Gerardo Terán, before a crisis meeting of 60 leading citizens of Brazil, Argentina, and Paraguay, attending the "Second Brazil-Argentine Seminar: the Hour of Truth," held in Corrientes, the capital city of the Argentine province of the same name.

Sponsored by the LaRouche-affiliated Ibero-American Solidarity Movement (MSIA), and the Seineldín-led Movement for Ibero-American Integration and National Identity (MINeII), the gathering is the second such seminar of Argentine and Brazilian patriots, who have come together to address the crises facing both nations, and the region, in the global financial crash. The first was held June 1 in São Borja, in Rio Grande do Sul, Brazil.

Attending the Corrientes meeting were representatives of political, business, student, and civic organizations, educators and trade union leaders, among others.

Although Seineldín is currently in jail, LaRouche explained, the existential crisis his country faces is so great, that he should be allowed to leave prison in order to represent Argentina's sovereign interests before the international financial community. The country needs someone who understands that its current financial disintegration is a microcosm of global monetary breakdown, and can only be remedied by implementing LaRouche's proposal to build a new international financial system, a New Bretton Woods.

The country has been looted intensively by consecutive austerity regimes over the years, shrinking its tax base, gutting its productive capabilities, and driving its once proud, skilled workforce into poverty and desperation. There is nothing left to loot for international debt payments, without killing more people.

Various Argentine political leaders, at the end of August, were making futile proposals, trying to ameliorate International Monetary Fund conditionalities, or creating a "national unity" government to renegotiate or restructure the foreign debt; but all premised on working within the existing, dead, international monetary system.

These proposals for Argentina are similar to the phony

"new Bretton Woods" proposal put forward recently by Wall Street banker Felix Rohatyn, designed not as a real solution to the global crisis, but only to blunt the rapidly growing influence of LaRouche's own New Bretton Woods proposal.

At the Aug. 31 Corrientes meeting, participants made several proposals for strengthening Brazilian-Argentine cooperation, in the areas of defense, and scientific and technological development, and many took responsibility for projects to be presented at the next seminar, to be held in November in the Brazilian state of Matto Grosso do Sul.

Greenspan Peters Out In Jackson Hole

by Marcia Merry Baker

Federal Reserve Chairman Alan Greenspan is known for his dissimulating testimony on Capitol Hill, but his Aug. 31 keynote address to the annual conference in Jackson Hole, Wyoming, on Aug. 31-Sept. 2, sponsored by the Kansas City Federal Reserve, tops the charts for obfuscation. The title of the event was "Policy for the Information Economy" (the same "New Economy" which has collapsed around Greenspan's ears, though he was not ready to admit that), and among some 100 in attendance were former Treasury Secretary Lawrence Summers and senior finance officers from around the United States and other countries. The strange unreality of Greenspan's presentation was widely noted, confirming Lyndon LaRouche's judgment of this past Spring that the Fed Chairman is "a man who has 'lost it,'" like the economy of which he used to be called "master."

"Greenspan Admits: We Understand Almost Nothing," was the headline in the Italian daily *Il Sole 24 Ore* on Sept. 1, which quoted from Greenspan's speech. Even the *Wall Street Journal* coverage resorted to diplomatic ambiguity, reporting that the Greenspan speech was "highly technical," but otherwise "most notable, however, for its lack of a conclusion."

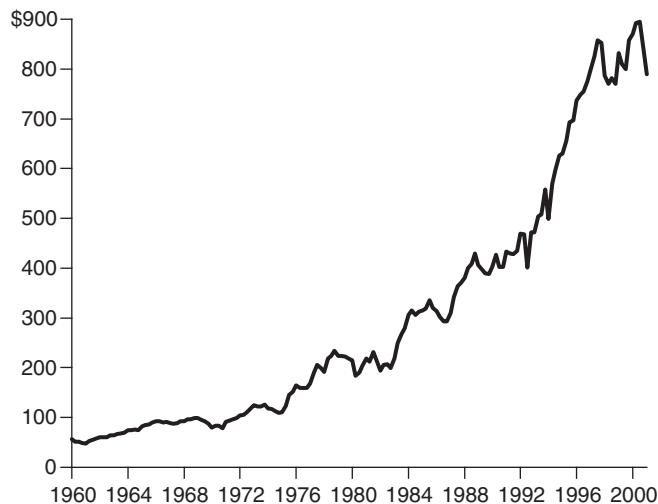
But the central point of the insanity of Greenspan's peroration (the lengthy advance text included footnotes) is that he talked about prospects for continued U.S. consumer spending — saying there are "propensities" in that direction — at the very time when it is dramatically evident that the basis for spending by consumers, businesses, and governments alike, is blowing out. So his "lack of a conclusion" was surprising only to such as the *Journal*.

Figure 1 shows one aspect of the situation — the fall in U.S. corporate profits (annualized quarterly figures released by the Department of Commerce). After a dramatic run-up during the 1990s, profits then gyrated wildly, and now are heading straight down. New Commerce Dept. figures reveal

FIGURE 1

U.S. Corporate Profits By Quarter, 1960-March, 2001

(Billions \$)



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

that the profit crunch actually began to hit in 1997. Now, corporate and stock market losses during the past year, have wiped out corporate profits of the second half of the 1990s.

Greenspan vs. Reality

Greenspan gave elaborate obfuscations about how U.S. consumer spending—he considers it to be the driver of the economy—can be continued. He spoke of the relationship between rising stock valuations (which are now, of course, falling sharply!) and consumer spending; between rising home valuations (also due for a crash) and consumer spending. And, as for concern that official figures, called the National Income and Product Accounts (NIPA), show that U.S. consumer savings is negative, there are no grounds for worry, he said: NIPA figures showing falling savings rates since 1995 are from certain conventions of accounting, but there are counterbalances that are contributing to “propensities” for consumers to continue spending.

In this regard, it is worth stepping back for an overall view of simply the total debt growth in the U.S. economy, no matter what kind of “conventions” of statistics are used. The latest *EIR* estimate for the total of all kinds of debt in the United States—household, corporate, and all government levels—is \$30 trillions as of the first quarter of this year. This is untenable, as the situation of plunging corporate profits, waves of layoffs, impossible energy bills, and so on, worsens. This is all hitting a volume of U.S. economic activity which had already been vastly reduced by import-dependence.

At the current, self-feeding rate of layoffs, the United

States this year will have an unprecedented 1.5 million jobs cuts, according to the tracking firm Challenger and Gray. This far exceeds the total of 1.3 million job losses for 1999 and 2000 combined! A number of published economists in recent week’s have admitted that the mass layoff rate is not likely to merely continue to years end, but rather that a new Fall layoff catastrophe is looming.

Even President George W. Bush has been re-wired to appear to relate to this reality. The same weekend as the Jackson Hole event, Bush made a Labor Day photo-op visit in Green Bay, Wisconsin, to express his “concern for working families.” Bush will do a series of such appearances in September.

The rumors are increasing that Greenspan is a has-been in office. Within two days of the Jackson Hole event, the national media put out that Sen. Phil Gramm (R-Tex.) may be Greenspan’s early successor. On Sept. 5, Gramm called a press conference to announce that he is not declaring as a candidate for the 2002 Senate race, when his term expires.

Desperation in Jackson Hole

The underlying, axiomatic Big Lie in Greenspan’s Aug. 31 address is that productivity gains are present and continuing in the U.S. “information economy,” so it will rebound. The reading from European sources on the Jackson Hole proceedings is that, for Greenspan to go so far in re-affirming that “productivity” is growing, and that spending will continue, reveals the level of desperation involved. The Labor Dept. has just again revised downward productivity growth for the first half of 2001, to 2.1% annually rather than 2.5% reported only a month ago. And that calculated “growth,” as is well known, actually resulted from a steep drop in hours worked—ie, layoffs.

Some excerpts from Greenspan’s Aug. 31 speech:

Impact of capital gains/losses on consumer spending:

“No matter how one differentiates the effects on consumer spending of capital gains on stock market and housing wealth, it is clear that the massive increase in capital values over the past five years had a profound impact on output and income. The influence of capital gains on economic behavior also is likely to be of substantial consequence for the prospective performance of the economy.”

Conclusion:

“In closing, accounting systems are not ends in themselves. We construct them because they have a function in aiding our understanding of some particular aspect of a business operation at a company level or for an economy as a whole. As we endeavor to better understand how changes in the level and composition of wealth affect economic behavior, new accounting systems may be required to supplement those that have long served us so well. Technology has facilitated the production of information at a far faster rate than at any time in the past. But in the information economy, it remains up to us to organize and use that information in ways that improve the quality of decision making.”

Australia's Economy: A Nation in Denial

by Allen Douglas

Amid the lengthening shadows of a global depression, there seems to be only one bright spot in the entire Western world: Australia. According to an early August prediction by the witch doctors-cum-forecasters at the Organization for Economic Cooperation and Development (OECD), Australia in 2002 will boast a 4% growth rate, the strongest in the West. This forecast was echoed within days by the Rothschilds' London *Economist* magazine.

Puffed up by these windbags, virtually every "leading authority" downunder has predicted something similar: the result, they boast, of Australia's world-leading program of deregulation, privatization, and remorseless free trade. However, statistics printed even in Australia's major press almost every day, show that nation to have replicated virtually all of the systemic problems of the U.S. economy—which is generally admitted to be sliding into who-knows-where. One is reminded of the short story by Edgar Allan Poe, "The System of Doctor Tarr and Professor Fether," where the lunatics took over the running of their mad-house. We recount a few of these Australian forecasts, and review the evidence which reveals the forecasters to be characters out of Poe's story, hands tucked partially into their jackets, solemnly announcing themselves to be Napoleon Bonaparte. A "boom!" is indeed under way, but of an entirely different sort than the one imagined by these gentlemen.

To begin at the top, Prime Minister John Howard proclaimed in early July, that "the economy is roaring along," and that "in 2002 we are going to be markedly ahead of every other country." Treasurer Peter Costello, whose ministry is predicting a 3.5% or higher growth rate for 2002-03, proclaimed in an article in Melbourne's *The Age* newspaper on Aug. 16, "Our living standards are higher than they have ever been; our standard of housing, our cars, our domestic appliances, our health services are better than they have been in previous decades; our economic abundance has increased." The Governor of the Reserve Bank, Ian Macfarlane, told economists in Sydney on July 10, that "the threat of global recession had eased in the past three months," and that the Australian economy was headed for "strong growth." *The Age*, meanwhile, interviewed the nation's "24 leading economists," summarizing their outlook as, "Australia's economy is heading toward another period of soaring growth, which is expected to run at 4% within 18 months." As a counterpole to this nonsense, Lyndon LaRouche's associates in the Citizens Electoral Council have widely circulated LaRouche's fore-

cast of a global financial collapse—for which action they are being excoriated in the nation's media.

Pardon the Reality

Contrast the forecasts above, to the following glimpses of the real state of Australia's economy, which show the "boom" to be entirely fictitious, and the result of savage *primitive accumulation* against Australia's own population, frantic money-printing, and profligate foreign borrowing, à la the United States. (Except otherwise noted, the following figures are all in Australian dollars, now worth around 53 U.S. cents, but which have virtually identical purchasing power, within the Australian economy, as the U.S. dollar does domestically.)

Population: As LaRouche has demonstrated, the basic measure of an economy is the growth of its potential relative population density, meaning an expanding population with better health, and increased cognitive capabilities. By that metric, Australia is a *dying society*, with a fertility rate below the replacement level for the last 25 years (the population has only grown to its present 19 million through immigration). As for cognitive powers, they are clearly plummeting: Two-thirds of the people who visit general practitioners are depressed, anxious, and have substance abuse problems, according to a July 2000 report in the *Medical Journal of Australia*, while the Australian Institute of Health and Welfare reported in a 1998-99 study, that some 250,000 Australians have a mental condition, usually depression or schizophrenia, and that these official figures were "only the tip of the iceberg."

In addition, as the Dec. 12, 2000 *Herald Sun* reported, "Australia's suicide rate is continuing to climb, putting the nation among the worst in the industrialized world." Australia's once-excellent public health-care system is collapsing, with soaring waiting lists for operations, ambulances on almost constant by-pass at most major hospitals, and doctors and nurses quitting in protest, as chronicled in daily articles in the regional and national press. All this was highlighted in mid-August, when Australian Labor Party leader Kim Beazley's daughter was unable to get an emergency appendectomy at a public hospital. As Beazley noted, if the daughter of the leader of the Opposition can't even get decent health care, who can?

The General Welfare: The purpose of a modern nation-state is to provide for the benefit of *all* its citizens, not just a privileged oligarchy, as in feudalism or ancient empires. Most Australians have always believed that every Australian "should have a fair go," but both the absolute level, as well as the rate of increase of income disparity, surpasses even the United States as one of the worst in the world. While the wealth of the richest 10% of Australians has soared to an average \$1 million (a 68% increase over the past seven years), and represents 50% of all the nation's wealth, the bottom 60% represents only 27.8% of all income. According to a report released in November 2000 by the respected charity, The Smith Family, an astounding 2.4 million people—one in ev-

ery seven Australians — lives in poverty, even though 42% of them live in families where one or both adults work. Homelessness has increased by 200% over the past few years, with the Australian Federation of Homelessness Organizations stating that about 105,000 people are homeless each night, or more than 1 in every 190 Australians.

Unemployment: According to the Australian Bureau of Statistics, the number of full-time jobs collapsed by 79,200 in July, the largest on record, an astounding number for the size of Australia’s labor force, and roughly equivalent to the United States losing 1.12 million jobs in one month! Key sectors of the economy are plummeting: “The manufacturing industry has been shocked by a survey showing profit trends in the usually buoyant December quarter have slumped to the worst ever recorded,” reported *The Australian* newspaper already on Dec. 18, 2000, while the *Sydney Morning Herald* reported on Aug. 13, 2001 that “the non-dwelling construction industry is facing its toughest time in 25 years.”

In addition, numerous private studies released in the past several months have shown Australia’s actual unemployment rate to be 10% or higher, and up to 20% if underemployment is taken into account.

As in the United States, virtually all of the jobs which have been created over the past decade or more are poorly paid, casual jobs with no benefits. The government’s Productivity Commission released a study in 1999, which showed that in the 12 years from 1985 to 1997, Australia experienced a net growth of 502,400 casual jobs, but only 36,500 permanent jobs. However, a follow-up study, reported by *The Age* on Aug. 29, 1999, demonstrated that the situation was even worse: that the number of men in full-time jobs entitling them to holidays and sick leave actually fell by 64,000 during that time. And, while many Australians have no jobs, or only part-time jobs, two-thirds of those with full-time jobs are forced to work overtime, often more than 50 hours per week, while only 9% of those reported being paid for it, according to a survey by the Morgan and Banks firm. According to the Australian Institute of Industrial Relations Research and Training, Australia rates alongside only Britain among 20 leading OECD countries in the number of workers regularly working more than 45 hours per week, with a rising toll on family life. The nation is rapidly going backwards: In 1800, in order to stop employers from abusing (free) convict labor, the governor of Britain’s colony of New South Wales (which then covered the entire nation) set a maximum working week of 50 hours.

Bankruptcies: Official figures released on July 4, 2001 showed that bankruptcies (business and personal) soared to a record 7,162 in the quarter ending in June, a 30% jump from the same quarter of 2000. Peter Lowe, executive director of the Insolvency and Trustee Service Australia (ITSA) told *The Age* of July 5, 2001, that the figures were “the highest on record.” In order to gouge the population even further, Australian Attorney General Daryl Williams in June introduced leg-



A pamphlet issued by the Citizens Electoral Council, Lyndon LaRouche’s co-thinkers in Australia. Australia’s once-excellent, free public health system has been savagely looted over the past two decades, along with the rest of the physical economy.

islation to make the process of declaring bankruptcy much more difficult, just as the Republican-controlled U.S. House of Representatives passed similar legislation on behalf of the banks, soon after George W. Bush took office.

Personal debt: As is universally acknowledged, the “consumer” is the mainstay of the phony, now-vanishing U.S. “economic boom.” The process is identical in Australia, but even worse, in that Australian household debt is now 111% of total household disposable income, as opposed to 105.6% for the United States. Australia’s total household debt skyrocketed from \$118 billion in May 1990, to \$331 billion in May 2000, and hit \$367 billion in May 2001, according to the Reserve Bank. Credit card debt hit a record \$14.449 billion in April, up an astonishing 27% in one year. Bank lending to the private sector soared by \$65 billion in the past year to hit \$672 billion. With this level of debt, household savings have of course collapsed. According to OECD figures released in August 2001, Australian households saved just 2.5% of their income after taxes, compared to an average of almost 14% in the 1970s and almost 10% in the 1980s. (Others, such as Moody’s rating service, put the present savings rate at 1%, or worse.) The OECD noted that Australia slid from among the highest in the West to near the bottom of 21 nations surveyed, right down there with New Zealand and the United States.

Foreign debt: Australia’s foreign liabilities last year hit a record \$457 billion, with “net foreign debt” at about \$300 billion. At US \$242 billion, Australia’s total foreign debt far surpasses Argentina’s official foreign debt of US \$140-150 billion, which is now blowing out, and is heading toward that of Brazil at US \$270 billion. Brazil, however has a population of 170 million, as opposed to only 19 million for Australia (and 37 million for Argentina).

The foreign debt explosion has been caused largely by Australian banks borrowing cheaper overseas money to finance the domestic consumer bubble. The Australian Bureau

of Statistics estimates that financial institutions increased their net foreign debt by a whopping 37% (\$57 billion) over the last year, “to fund the boom in home and personal lending,” according to a study in *The Age* on Dec. 16, 2000. As of June 2000, the banks’ overseas borrowing comprised 71% of total Australian foreign debt (compared to other private companies at 21%, and the government at 8%). This level of borrowing, combined with the collapse in Australian manufactured goods, has resulted in one of the highest current account deficits in the world for most of the past two decades, at around 6%, higher even than the notorious U.S. deficit.

Hyperinflation Is Under Way

In addition to foreign loans, the Australian “boom” is the result of the largest privatization of government assets of any country in the world from the 1980s until today, together with hyperinflationary pump priming, both through foreign borrowing and through Australia’s own printing presses. Privatization is not only a massive one-time looting of the public sector through the original sale of publicly owned assets, but it means stripping the economy, since it is impossible for the “private sector,” even if it wanted to, to replace the used-up infrastructure on the scale required.

In addition to the sectors noted above, a parliamentary committee in August 1998 released a study on the nation’s railroads, which showed that, even on the main lines connecting major cities, Australia’s trains can sometimes travel at only 25 or 30 kilometers per hour, because of the terrible track conditions. The committee concluded: “Without urgent and substantial investment in this infrastructure, major sections of the track network are likely to become irretrievable within ten years.”

But, while the rolling stock doesn’t roll, the printing presses do. Dr. Frank Shostak, the chief economist of Ord Minnett Futures in Sydney, told the *Australian Financial Review* of Oct. 13, 2000, “Since December 1998, our printing presses have been working much faster than the U.S.A.’s,” noting that Australia’s M1 money supply (currency plus bank current deposits) hit 11.1% in August 2000 for the previous year, compared to the United States at 3.4%. Australia’s M1 has accelerated dramatically since, hitting 17.67% in the latest figures available, covering June 2000 to June 2001.

As in the United States, all of this liquidity sloshing around is leading to hyperinflation, particularly in food and real estate prices. Beef prices are up 40%, and mutton up 60% in 2001 over 2000, making these formerly basic staples unaffordable for many Australian families, while bread has soared 15% as well. The inflation is most dramatic in real estate. In Melbourne, Australia’s financial capital, office rents have soared an astounding 46.8% in the last year, a rate of increase leading the entire world. Residential housing prices have risen as much as 15% in Australian’s largest city, Sydney, during the second quarter, with Melbourne houses up 8.9%, according to the *Australian Financial Review*.

With a federal election expected in November or December, the housing market has been pumped up even further by Prime Minister John Howard’s offer to pay \$14,000 to all first time homebuyers. And, as in the United States, consumers are refinancing their homes, both in order to pay off higher-interest household debt, and also to speculate on the stock market, which has temporarily kept the bubble from popping. According to a July 14, 2001 study, “The House on the Sharemarket,” reported in the *Australian Financial Review*, “People are increasingly gambling the family home on the sharemarket. The main source of borrowing for shares [stocks] is a line of credit secured against a house.” The article concludes, “As hundreds of thousands of Australians appear to be discovering, the cheaper way to gear into shares is to use spare equity in a home—and hope there isn’t another crash like 1929.”

Although seemingly oblivious to the disastrous condition of their own economy, some Australian influentials are beginning to admit that maybe the world economy is not in such great shape. However, the mantra from Howard, his Treasurer Costello, and the Reserve Bank is, “We’ll be fine, as long as the rest of the world doesn’t bring us down.” Given that Australia’s three largest trading partners are the depression-ridden economies of Japan, the United States, and South Korea, in that order, this outlook is equivalent to a man settling down on the railroad tracks for a good night’s sleep, “as long as no stupid train comes along to bother me.” (Then again, in Australia, perhaps none would.)

The above-cited evidence shows that Australia, like much of the rest of the world, is indeed in a depression. However, like all patients in denial, Australia’s influentials have sworn, through clenched teeth, “I’ll just keep doing what I have been doing, only more of it.” Despite the widespread hatred of globalization in the Australian population, as reflected in soaring electoral figures for “minor parties” and independents, including LaRouche’s friends in the Citizens Electoral Council, Howard’s heir-apparent Peter Costello has made “the benefits of globalization” the centerpiece of his Liberal Party’s federal election campaign, while Opposition leader Kim Beazley’s Labor Party has just released the platform on which Labor is campaigning, a ten-year, information technology-based gem called “The Knowledge Nation.” Beazley and his mates seem to have somehow missed the fact that the “New Economy,” upon which their entire platform is based, has virtually evaporated worldwide over the past year. As Beazley wrote in *The Age* on July 11, 2001, the major premise of the “Knowledge Nation” scheme is “dematerialization”—that the economy now “uses less and less material resources to create more goods and services.”

Indeed, at the rate Australia is “dematerializing”—in its living standards, its health care, its infrastructure, and in the other physical parameters which make an actual economy function—it will soon look like the Cheshire Cat, but with no smile, just a grimace.

Business Briefs

Labor

South Africa Unions Attack Privatization

A two-day national strike against privatization policies was carried out by South African Trade Unions (COSATU) on Aug. 29 and 30. The federation is demanding a halt to all privatization of basic services and national infrastructure, because it damages the state companies, provincial enterprises, local government, and the public interest as a whole. Unemployment in the country is estimated at more than 30%, and COSATU charges that 200,000 jobs have been lost since 1994 because of privatizations, in addition to the rise in the cost of basic services to free market rates, making them inaccessible to poor people.

COSATU organizers report that the first day of the strike, in which they had projected 4 million people would be involved, was a success, with most cities, including Johannesburg, Pretoria, Durban, and Nelspruit, turned into ghost towns as transportation shut down, students did not report to school, and so on. It is the biggest industrial action in over a year by COSATU, and it began as international delegates arrived for the UN conference on racism in Durban.

The government plans to raise 18 billion rand through privatizations this year (triple last year's amount), and to restructure power and transport utilities.

Infrastructure

Italy Plans Investments To 'Avoid Recession'

Italian Prime Minister Silvio Berlusconi briefed journalists on the government's intention to accelerate programs for infrastructure investment, Italian media reported on Aug. 27. The government priority will be "a large water plan" for the Mezzogiorno (the south), including regulating the most important rivers. Vice Minister for Infrastructure Guido Viceconte proposes that "the problem of water shortage in the south is our priority for the next months."

The daily *Corriere della Sera* paraphrased government ministers: "The message is clear: We want to keep Italy safe from the winds of recession and also start the economy through large public works." Priorities will include housing, the enlargement of the Salerno-Reggio Calabria highway, and the Messina Bridge.

Before the holiday recess, the government had gotten Parliament to approve a bill simplifying procedures for "public works of national interest." According to the law, each year the government lists in the budget those infrastructure projects of "national interest" which enjoy a "preferential tier," bypassing bureaucratic and environmental controls. Subsequently, the government approved projects for a new route for the mountainous part of the Bologna-Florence highway, a new east-west highway around Venice-Mestre, and the Brescia-Milan highway.

Education

British School System In Crisis, Despite Poaching

The Voluntary Service Overseas (VSO) charges that U.K. schools, which recruit teachers from overseas in a desperate bid to fill vacancies, are "sucking vital resources" from the world's poorest children. U.K. schools have accepted at least 1,000 teachers from developing countries in the last 12 months. The VSO's chief executive told BBC, "The morality of looting teachers from developing countries is being lost in the fervor to fill our own classrooms. . . . Try telling one of the 40 million Indian children who have no access to education, that British children are more deserving of an Indian teacher's skills." Third World countries often have only one teacher per 100 children—if there are schools at all.

The background is Britain's desperate shortage of teachers. According to the U.K. Office for Standards in Education, 40% of teachers quit "before completing three years in the classroom, because their salaries offered them little hope of getting on the property ladder." In spite of the recruitment, there are 5,000 vacancies in British schools, up 25% from last year.

Worse, according to a study by the *Times Educational Supplement* and the Secondary Heads Association, secondary school heads reported they were "unhappy with 1,372 of the 7,127 appointments they made." Because of the teacher shortage, "we are appointing staff who, in a perfect world, we would not touch with a barge pole," one school head reported. Many of the teachers are unqualified, are teaching subjects not their own, or are overseas staff unfamiliar with the U.K.'s education system, the study concluded.

Electricity

Deregulation Not Working, Says Consumer Group

The Consumer Federation of America released its report card on electricity deregulation on Aug. 30, compiled by its Director of Research, Dr. Mark Cooper, and said that deregulation has not, and cannot work. But, unlike the LaRouche in 2004 Presidential campaign, it doesn't offer a way to reverse the crisis.

The report points out that the electricity industry is unique, and if deregulated, will always be vulnerable to the exercise of market power and manipulation. Detailed analysis, the report states, shows that overcharges of 25% or more are seen in every market. Claims of efficiency gains and price reductions of 40% or more "seem silly, in retrospect." The "inefficiencies introduced into what had been a reasonably well-managed network have increased overall costs by over 10%," it reports. Deregulated prices will never be lower, it asserts, because of the chaos that introduces. There is no mandate to serve, no responsibility to maintain enough capacity for reserve margins, and no protection for consumers.

In a section titled "The Poster Child Stumbles," the report states that before restructuring, residential rates in Pennsylvania were about the tenth highest in the United States. Now they are eleventh. Half of the state's customers who had switched suppliers have returned to their incumbent utility, and most new suppliers have exited the market, when they found they couldn't make

money. "Competition has suffered a dramatic reversal in Pennsylvania," the report states.

But, after detailing the failure of deregulation, and why competition can only be detrimental to electricity service, the report states that "we see no prospect that policymakers will address underlying problems in electricity markets in the near future," and recommends only stop-gap measures. It recommends that states that have not restructured not do so. Others states that have started should slow down or stop. Other than that, the Federal government and law enforcement agencies should "ensure competitive interstate wholesale markets," and try to ameliorate market manipulation, the report concludes.

Colombia

The Economy Is In a Nosedive

As Colombian President Andrés Pastrana enters his last year in office, it is clear that he will finish his term without delivering on either his promise to negotiate peace with the narco-terrorists or to revive the flagging economy. Latest figures from government sources cited by the daily *El Espectador* reveal economic devastation.

During the past four years, per-capita income in Colombia plunged 43% and GNP dropped from \$100 billion to \$80 billion, while the population rose from 38 to 42 million. Savings rates are the lowest in Ibero-America, private investment is declining, real estate prices fell 40%, oil revenues fell 20%, school drop-out rates soared to 40%, and unemployment is officially near 20% in the cities, and rapidly rising. Economic growth estimates have been revised downward twice by the Finance Ministry, with a 1.6% annual growth rate predicted at the close of the first half of 2001, as compared to earlier projections of 3.8%. Colombian businesses are withdrawing their pledges to the government to hire more workers, calling those pledges "irresponsible" in the face of the worsening economy.

Those same businesses, under the umbrella Colombian Business Council, recently sponsored simultaneous ceremonies

to honor the nation's Armed Forces in 25 Colombian cities, at which they demanded a substantial budget hike for the military's war against narco-terrorism. When Colombian Armed Forces Commander General Tapias endorsed the businessmen's demand at the Bogotá ceremony, Finance Minister Juan Manuel Santos responded that he would have to ask the International Monetary Fund's permission, because the Fund oversees allocation of the national budget!

Africa

India, China, Malaysia Boost Economic Ties

In addition to several recent deals between Asian and African nations, a new "mind-set" has taken hold, one committed to collaboration in many ways, according to the Malaysian newspaper *New Straits Times Press International*. One area of collaboration is overhauling education, according to Malawi President Dr. Bakili Mulizu. Author Hardev Kaur describes this as "African lions embracing Asian tigers."

Kaur reports on the recent meeting in Kuala Lumpur of the Asia Africa Business Forum II (AABF), the most recent in nearly a decade of Malaysia's efforts to foster business links with Sub-Saharan Africa. Those links have sparked further interest by China and India to extend ties to the great continent. The AABF meeting generated deals worth \$20 million, and saw 104 memorandums of understanding signed worth \$74.5 million, of which 22 were intra-Africa deals.

World Bank representative Dr. Ken Kwaku told the Global 2001 dialogue in Uganda in late August, which Malaysian Prime Minister Dr. Mahathir bin Mohamad attended, that the Indian EXIM bank has extended credit lines to several African states and recently extended the first "rupee line" to Namibia. China's total trade with Africa in 1999 was nearly \$7 billion. By mid-2000, nearly 480 Chinese firms operated in 47 African countries, with total capital investment of \$530 million. The Bank of China has offices in Zambia and Johannesburg, and eight major Chinese banks are now in South Africa.

CHINA could have 10 million people infected by HIV by 2010, if preventive measures were not adopted now, Prof. Zeng Yi, president of the Beijing-based Chinese Foundation for Prevention of STD and AIDS, and the mainland's leading expert on the disease, told a Hong Kong AIDS conference on Aug. 27.

LONDON'S economy is collapsing faster than the rest of the United Kingdom, primarily because of the financial sector, according to the Centre for Economics and Business Research. The City will lose 144,000 jobs by the end of 2002, it predicts. Growth this year will fall to 1.8% from 5.7% in 2000.

JAPAN'S pledged "Big Bang" write-off of bad bank loans, under International Monetary Fund pressure, has been extended from two years to seven. Japan took this step in the face of 5% unemployment (actually about 10%, according to *EIR* calculations). The Financial Service Agency also rejected an IMF request for an IMF team to assess Japan's financial situation.

CANADA'S growth collapsed to 0.1% for the second quarter, the lowest since 1995. Consumer spending and housing slowed down, while exports fell. Forecasters had expected the growth rate to come in at 1.3%.

UNEMPLOYMENT hit a nine-year record high in the United States, at 3.17 million, in the week ended Aug. 18, the U.S. Department of Labor reported. And this, with the Department dropping those people who have ostensibly "ceased looking for work."

INDIA'S central bank, the Reserve Bank of India, in a recent report, confirmed that economic performance was worse than last year, when the economy grew 5.2%. Manufacturing and the power sectors are hard hit, and capital goods production declined. The growth in output of raw materials and intermediate goods slowed down significantly.

You Have Nothing To Fear So Much As Denial Itself

by Lyndon H. LaRouche, Jr.

The following is the keynote speech to the annual Labor Day conference of the Schiller Institute and International Caucus of Labor Committees on Sept. 1, in Reston, Virginia.

On Jan. 3, of this year, I conducted an international webcast, at which I said the following—the following two paragraphs. I’m quoting my own words, from that period. I said then:

“The problem today is that, from everything you can see, about this team—not only Mr. Bush, but the entire team—what he said about policy, that the incoming President promises to be the greatest catastrophe in American Presidential history, not some years down the line, but in the next weeks and months, immediately ahead.

“The problem which I shall outline today,” as I said, then, “and also indicate what my role in this business is, is that we are not only in the worst financial crisis in modern history, the biggest one; we’re also in, globally, a potential global economic breakdown crisis—that is something qualitatively worse than a depression. If the Bush team occupies the Presidency,” I said, on Jan. 3, “and sticks to its policies which it has stated it is firmly committed to, the United States will very soon be destroyed as a nation, not years down the line, but perhaps in a very short period of time to come.”

Now, therefore, let’s have some fun.

What I promised you, in effect, on Jan. 3, of this year, is now happening. No one can stop it, as long as this present system exists: It’s doomed. No one can fix it. There is no recovery from it. The system is finished. The question is: Can we kill the system, in time, to save the nations and the economy. No other question. Let’s have some fun.

Now, I often say, “let’s have some fun,” largely because of reaction to the fact that, in my life’s experience (which is not inconsiderable; it could be bigger, but it’s not inconsiderable), I’ve met a great number of people, who’ve come out of



Lyndon H. LaRouche, Jr. greets supporters, at the Labor Day conference.

universities, for example, who had learned very much, but *know* virtually nothing. Because *they never really had any fun*. They *learned*. They were too busy learning, to have fun. Now, what's fun? Fun, as described by Friedrich Schiller, and others, is what a happy puppy does; what a happy young horse does. They have fun! They play! If you have a pet, the pet wishes to play! If you don't play with the pet, the pet is unhappy. How do you train a horse: You play with it! The horse likes to play! And, you play a game with the horse, that the horse likes. The horse accepts your leadership, as a human being, *in playing*. That's how you deal with animals. It's how you raise cattle; it's how you raise sheep: You *play* with them. Because playing is the highest quality of character of an animal. And domesticated animals, are those which have become accustomed, not merely to being *handled* by people, but *playing* with people.

Now, human beings are somewhat different than animals—don't let the case of George Bush fool you. Human beings have a higher form of play, which we call "cognition." Cognition is elementary: It means that, we're faced with problems, which contradict what we had believed. We face a problem, when the evidence is, that what we believed, is not true. Or, it was sometimes true, but then again, sometimes it was not. These are called paradoxes, contradictions, in life. In science, what you do is, you face these contradictions, and you have *fun with them*. You *play* with them! You develop an insight into a possible solution of principle, for this contradiction, this paradox: that everything you believed, is now called

into question, and you have to find the solution; you have to find the key that opens the door to the solution. And, you think you have a solution, and you conduct tests, experiments, to discover if your discovery is true. This is called science.

Discovery of Scientific Principles

Now, when you study the work of great minds of the past—discoveries of principle—and I've often used the example of Archimedes, as an example of this: that a child in a secondary school, should be able to reproduce the act of the discovery of scientific principles—maybe several of them—by Archimedes. So, the child, therefore, is not merely experiencing *learning*; the child is replicating what happened *inside* the mind of Archimedes. Therefore, the child has a *memory*—not of what Archimedes said—but *a memory of the act of thinking, by Archimedes*. And those of us who know anything, know it only because we have come to know it *in that way*. We have played. We have faced contradictions. We have distrusted pat formulas. We don't believe in textbooks. We don't believe what the press says. We don't believe what everybody says is true: We know it's wrong. If everybody says it's true, it has to be wrong! If the neighbors say it, and agree—*it's wrong!*

Now, that's scientific thinking. And, it's also play. It's responsible, *human* play, unlike the play of the animal, but related to that. And you come out of a university, laughing happily, because you have made discoveries, which you enjoy; you now know something about the *inside* of the mind of



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Archimedes; you now know something about the inside of the mind of great artists, great poets, great scientists.

Therefore, *memory of what they thought*, not the words they said, but the *actual act of thinking*, by a living human being, 2,000 years or more ago, *lives in your mind*, as if that person were a living person inside your mind, in that degree.

So that, whenever we face a great crisis, we say: "Thank God. At last! We needed this." Because we had to be confronted with a paradox, where everything that most people believed *is wrong!* And, the evidence is presented. That means we are being challenged to discover the truth. And, only the truth will save us. And, we have to think, be happy; we have to play; we have to have fun; we have to know; we have to create. And, such is the situation now.

People say, "But, what about my money!?" Your money's gone, buddy! Look at it. Kiss it goodbye, if you like it that much! It's gone! And, I'll get into that.

But, the point is, approaching the subject, which I'm presenting today: *Have fun*. Don't be depressed.

Now, Franklin Roosevelt, as he was coming into the Presidency, in the middle of the Depression, he said something to the American people, something which was very useful, very proper: "We have nothing as much to fear, as fear itself!" Fear of this horrible thing, which is descending upon us, is the thing we have to fear the most. We have to laugh at this depression, and say, we're going to lick it! We have to laugh

at this crisis, and say, we're going to overcome it. And, if we will take the attitude of having fun, in confronting this devil now before us, we will enjoy the process, and we'll win! If we don't have fun; if we go to the schoolbooks; if we go to the press, and say, "Well, I've got to learn what this is all about. I've got to go to school, and study the textbooks. I've got to see the professors." Well, I say, "Don't bother going to these economics professors: They're the ones that created this mess! What do you want to go to them for?" I mean, you don't get rid of syphilis, by going to back to the prostitute that gave it to you!

So, therefore, let's have some fun.

Addressing the Citizenry

Now, what I'm going to do, is to address three essential audiences, as I did at an earlier event, in a trans-Atlantic satellite conference, with the public accountants of Mexico; and as I did, recently, at Oberwesel, in Germany, on the same theme. We have three groups of people, to address:

One: We have people who are professional experts, and so forth, who may not always have the right opinion, but they have an understanding of some of the essential facts of the matter, and can conduct an intelligent, rational discussion, on some of these problems.

Now, I have some very definite solutions for this crisis: They're complete in principle, but they're not complete in detail. So, it would be the most obvious thing in the world, for me to meet with people who have these qualifications, and for us to discuss these matters, and to thrash out some of the details which must be discussed.

Then, we go to a second audience—together. The audience of the politicians—who really don't know anything, but they are in government, and they're going to have to make decisions. *We must educate them*. Therefore, we must recruit a kind of Gideon's army, of the experts, to go in and educate the idiots—the Congressmen. And the President—I don't know if he's educable, or not, but, anyway.

Then, we have a third level of population: the citizens in general, especially the younger people, who are the sparkplug of any recovery. They're the ones who will kick their parents, and others, into moving. People, you know, when they get to the age—unlike me—when they get to the age of 40, they decide to become *old*. That's crazy! Why should you become old? You say, "I'm slowing down a bit. I can do less physical activity, so, I'll do some more mental activity, instead!" But,

A Weekend of Discovery

The Schiller Institute and International Caucus of Labor Committees convened on Sept. 1-2 in Reston, Virginia, for their annual Labor Day Weekend conference, under the title, "How To Beat the World Depression . . . Which Has Now Arrived." More than 800 political activists attended (over 100 of whom were youth), along with representatives from many foreign nations.

In this issue, we publish the keynote speeches by Lyndon and Helga LaRouche. The rest of the program included:

On the evening of Sept. 1, the Schiller Institute celebrated the 90th birthday of civil rights heroine Amelia Boynton Robinson, with a program of music, poetry, history, love, and laughter. Mrs. Robinson is the Institute's

vice chairman in the United States. Among the many performers were William Warfield, Sylvia Olden Lee, Reginald Bouknight, Gwendolyn Bynum, Dorceal Duckens, and Schiller Institute choruses and musical ensembles from around the country.

The proceedings on Sept. 2 began with a presentation on "Brahms and the Paradox of Mortality," by Fred Haight, assisted by the Schiller Institute Chorus, under the baton of John Sigerson.

Then came Helga Zepp-LaRouche's keynote on "Why Americans *Should* Go There: The Eurasian Land-Bridge Determines Your Future," followed by an afternoon of open discussion between Lyndon LaRouche and members of the audience.

The evening panel, titled "Defeat the Brute Within," featured Stanley Ezrol on the Nashville Agrarians and the "Southern Strategy": "It Only Smells Like the Island of Dr. Moreau"; and Harley Schlanger on "Classical Drama: The Way To Master Fate."

young people tend to spark old people, who've become a little bit stodgy, into getting some courage, to go ahead and do something good.

So, we have to address the general citizens—these three layers. We must, very quickly, bring about a change in the way the population and institutions think about the world, and the way they make policy in the world, and the way they act right now. It's the only thing that's going to save this human race. And, those of us who understand this, have to take the lead in doing it.

Now, let's take, first, the history of the United States economy, and the world economy, since about the time of the death of Roosevelt.

Before Roosevelt died, during the years 1942-1945, as President, he repeatedly told people, including one famous confrontation with British Prime Minister Winston Churchill. He said: "Win-*ston!*!" And Winston was nervous. He knew something was coming! "We are not going to put up, when this war is ended, with your British Eighteenth-Century methods! We are not going to put up with your colonial system, any more. When this war is ended, we're going to end colonialization; we're going to build these former colonies, into genuine countries, standing on their own feet, and we're going to help them develop. And we are going to eliminate, from this planet, the rule of the economic affairs among nations by your British Eighteenth-Century methods; that is, the methods of Adam Smith or free trade."

Now, Roosevelt did a number of other things, besides resolve on that intention: He also designed—not Keynes, but Franklin Delano Roosevelt and his collaborators—designed what became known as the Bretton Woods system, at Bretton

Woods, in New Hampshire (a state which I come from, right under Mount Washington, the highest peak in New Hampshire, and the *coldest* place in North America, come the depths of any Winter! It's only about 6,000 feet high, a little over that, but it's the *coldest* place in North America: From the Arctic, the winds come sweeping down, with nothing in their way, and they hit this obstacle: And it is *c-o-o-l-l-d!* So, that's where I come from).

But, Roosevelt, underneath the eaves of Mount Washington, in a place called Bretton Woods—famous for the Bretton Woods Hotel, of that period—convened an international conference, to set into motion a postwar system. That is, a financial and monetary system, with economic intentions, intended to rebuild a shattered, war-torn world. Shattered by a depression and war.

But, then, he died. And, before his dead body had cooled off, Truman had sold him out! Truman and company had immediately authorized, and they collaborated with the British, in sending in British, Dutch, French, Japanese, and other troops, to restore colonial power to areas which had been in the process of *freeing* themselves during the period of the war.

So, what came out was not good. Truman was not a good man. He was President, but he was not a good man. We've had a lot of bum Presidents, you know, in the United States. It's a good country, but bum Presidents. And, some dumb voters, too, to match them.

So, what happened is, we got, from 1945 on, we entered into collaboration with the nations of Western Europe, and with Japan, in short order, under MacArthur's occupation, and, to some degree, with the countries of Central and South America, in a system which became known as the Bretton

Woods system; the old IMF system. This was the system, which was based on fixed exchange rates, on a gold-reserve-denominated system, of the kind of thing that the Russian government is talking about launching, *now*. So, don't say, a gold-reserve system is dead: If you know anything about gold systems, gold-reserve systems are on the make, right now! Look in your pocket for gold.

That continued, that progress continued, through collaboration, especially with Europe and Japan, past the death—the assassination—of John F. Kennedy, with ups and downs, and faults, all in between; and evils and abuses, and whatnot. But, nonetheless, under the Bretton Woods system, the condition of life of the average person of these countries, *improved*. The productive powers of labor *increased*. The standard of living, on the average, *improved*. Things were moving up, with all the shortcomings, shortfalls, and errors involved.

‘The Southern Strategy’: A Turning Point

Then, came the middle of the 1960s, 1966: Fascism came back to America, in the form of the Richard Nixon campaign, which is the 1966-1968 Southern Strategy: Love your fellow Klansman. That's what it was. So, you had a group of New York bankers, Southern Confederate types, like the teacher, the professor of Henry Kissinger, William Yandell Elliott, one of the Nashville Agrarians. These are racists, pure racists. The pure Confederates. Pure *traitors* at heart! And, also, some of these Southern religious types, who don't believe in Christ, or in God: They believe in money, and they believe in magic: That if the Battle of Armageddon would come tomorrow, they'd get raptured, and wouldn't have to pay next month's rent! That's their religion!

So, this crowd took over. Different assumptions were made: Nineteen seventy-one, a new monetary system was put in, under Nixon; took down the gold-reserve system; set up a floating exchange rate; and, the world has been going systematically to hell, ever since!

So, we have two systems, over the period 1945 to the present: One system, which, with all its faults, worked. And, another system, which has been a disaster from the onset—from the get-go, as they say—which is the present system. So, the problem we have, is *not* a depression; it's not a recession; it's not a system in which there are collapses and recoveries. It's a system *from which you do not recover*. The only way you recover, is to get rid of the system. Think of it like cancer: The way you survive cancer, is to get rid of it, not to learn to live with it.

You see the problems today, the changes, in the following way: In 1966-1968, we had the Southern Strategy, which won the '68 election, and brought Nixon into the White House. Racism triumphed! I could tell you a lot about how racism triumphed: Black nationalism was used to destroy the Civil Rights Movement. It happened in Selma, also, where some boys were bought out! And they went to work to split the

Civil Rights Movement, and it was never able to get the momentum it had earlier, after that period. Because people, New York bankers and others, moved in and said, “We're going to have to split this country. We're going to have to restore *racism* in this country. Because this thing that's been done with the Kennedys and with Martin Luther King, is something we've got to *stop*.” And, that was part of the impetus. Remember George Wallace? How George Wallace helped to elect Richard Nixon? Because what George Wallace did, was to lead the parade of Southern Democrats—pro-racist Southern Democrats—out of the Democratic Party, in the direction of the Republican Party. And, what you have today, is a Republican Party, which is composed of New York bankers—market bankers, not real bankers; they're thieves. You have people like Pat Robertson and Jerry Falwell, who are not really sane. And, you have, then, these guys, who are these traditional Southern racists, who are all over government—judges, and so forth, today. That was the first change.

The next change came, after '71, with the Carter Administration: which was the Southern Strategy, Democratic Party version. In other words, the Republican Party became dominated under the Nixon Administration, by racists. The Carter election, was a takeover of the Democratic Party, to where the racists had a dominant position. What the Democratic Party did, in effect, was to say, “We're going to defend the Democratic Party, by keeping those who are pro-racists, in the party, to vote; and to vote for our candidates.” And, therefore, we picked a dummy, Jimmy Carter, who didn't know what he was doing—a mental case, had a mental breakdown; that's what qualified him to become governor in Georgia. He was the kind of man they could trust. And, Zbigniew Brzezinski, who is also crazy—and dangerously so—and David Rockefeller, took this dummy, Gov. Jimmy Carter, paid him a lot of money, and made him President! And, the way it worked, is, the Democrats argued, “We have to keep the racists in the Democratic Party, to keep them from running over to the Republican Party, and then the Republican Party would run the nation.”

So, you had a program that was developed by the New York bankers, called the Project 1980s; and this program, which was headed up by Brzezinski, actually ran the Carter Administration, and Paul Volcker came in, to put the knife in the back of the U.S. economy, in 1979.

That was one phase. We went downhill, right after that. Carter did more damage, as President, to the U.S. economy, than any President in the Twentieth Century—any other President. He was the worst President we ever had, for the economy. And that's how Ronald Reagan got elected, because Carter was the worst President that the typical, sensible American citizen had ever seen. And they said, “Anything But Carter”—it was called “ABC”—Anything But Carter. Nineteen eight-four, Mondale—“He's a Carter man! Anything But Carter!” “Reelect Reagan: Anything But Carter.” “Vote for



At the Labor Day conference, the Schiller Institute celebrated the 90th birthday of civil rights veteran Amelia Boynton Robinson (left), with musical contributions from young and old, from around the country.



Reagan: Keep us out of the Bushes!"
That was another phase.

Globalized Looting

Then came 1989-1991: The Soviet system disintegrated, politically and economically. And, what happened was, people took the opportunity of the collapse of the Soviet system — no big rival, no challenge. The British monarchy, which is also the head of state of not only the United Kingdom, but Canada, Australia, New Zealand, and some other countries of less significance, *and* the United States together, set up what was, in intent, to create an Anglo-American world empire — which later became known as *globalization*. The whole thing started, with a program in 1989; they said: "We're not going to let Germany reunify." But, as Vernon Walters, who was then the U.S. Ambassador to Germany, advised the Carter — the Bush people (pardon me: it's hard to tell the difference, sometimes) — that this would be stupid. So, they made a slightly different deal. And, the policy came down to: Keep the Germans down, and keep the Russians out.

The result of this process was, Germany was reunified, but the East German section of the economy has been ruined. Yes, there is some investment in infrastructure — the kind of thing that you get around here [Northern Virginia], that's going to collapse very soon, all these townhouses, and McMansions, and so forth. These things are about to go! They're about to be finished. Once this real-estate bubble collapses, they're gone! Where the people are going to go, I don't know. But, this real estate, this New Economy, so-called consumer-

spending bubble is about finished; along with the real-estate bubble. Mass bankruptcies, not mass homeownership, is the word of the day.

So, they did it there, too.

In the case of Russia, as in Africa, they said, "Loot the joint! Don't let them get up off the ground! Loot them into complete poverty; they'll never get off the ground." And, so far, they have not gotten off the ground. Steal their raw materials at bottom prices. Steal their scientists at bottom prices. Loot the joint.

We went on to do other things: The Anglo-American empire looted Africa. Look at George Bush's daddy: Barrick Gold! With private armies committing genocide in Congo, to get ahold of that gold and other things, that they're stealing out of there through Barrick Gold. It's a Canadian-U.S. operation; the former Prime Minister of Canada [Brian Mulroney] is involved in it.

The same things is done in Central and South America. In 1988, look at the number of countries which were free-standing, semi-independent republics — at least, who thought they were independent — who had some power, in 1988: How many of these countries of South and Central America have any independence today? Any sovereignty? Mexico is looted, by the United States, for cheap labor; it depends upon its exports to the United States, to survive. It was not allowed to develop internal resources, to build up. That's been the trend in the United States' attitude toward Mexico, since 1982. Ecuador has been extinct, as a nation-state, since dollarization. Peru has been taken over in a coup — a pro-drug-runners'



Macedonian-American leader Prof. Nestor Oginar, part of a large Macedonian delegation at the conference, appeals to the audience to mobilize support for the sovereignty and development of his nation.

coup, backed by the State Department of the U.S. government. Argentina is being destroyed! Uruguay, Paraguay, Bolivia, Colombia: all being destroyed. So, where we had states, nation-states, with governments, which you could argue with, deal with in 1988, virtually, Brazil is the only one really left standing today. And Mexico has a political character, which keeps it alive as a state, but its economic situation is desperate.

Africa: Hopeless.

So, that's the kind of world we created.

Now, the result of the thing, is this: We've had empires in the past, which were rotting out at home, that continued to revel in imperial glories, because they were able to loot their subjects. Like the ancient empires of Mesopotamia, or the ancient Roman Empire, or, after the fall of Byzantium, Venice became the imperial maritime power, ruling the Mediterranean, and dominating all Europe and adjoining regions. And Venice continued to be that kind of power, into modern times. Then, the British and the Dutch were modelled, by the Venetians, on the Venetian model, during the course of the Sixteenth Century, and the Seventeenth and Eighteenth Centuries. And, they became maritime powers, based on rentier-financier interest; monarchies which, essentially, were bourgeois monarchies—that is, they were based on a rentier-financier interest, not a productive interest—which engaged in maritime trade, world maritime trade, such as the slave trade, for example; and used naval power, to attempt to conquer and

subjugate other nations, and keep the system going. Just the way Venice had done, in its time.

The United States and the British monarchy attempted to play that game, from 1989 on. They looted the world! Now, the problem of that, as all empires of the past should have taught them that lesson: When you depend upon on what you are extracting from your victims, your prey, as a predator; when you exhaust your prey, on which you depend, *you bring yourself down*.

Shareholder Interest

Now, that's the system we have. The system is controlled by what is called, among the racists, the fascists, the other degenerates of the Supreme Court, "stockholder interest," or "shareholder interest." The United States is not run by the interest of the General Welfare. That's our Constitutional principle: the General Welfare. No government has the moral legitimacy to rule, except as it is efficiently committed to promote the General Welfare of not only *all* the living, but their posterity. That's the moral authority of a government, nothing else. Now, these guys say, "No. That is not allowed." That's what Antonin Scalia says, and his sons (whatever they are sons of, I don't know; but his sons). He says that, repeatedly. The law of the United States, of the majority of the Supreme Court, is called "shareholder interest." It's based on John Locke, whose theories developed the Confederate Constitution, and the Confederacy, itself.

That is what has taken over the United States. That's what the Congress stands for. That's what the present administration stands for, with its looting policies in health care; its looting policies in energy. Shareholder interest, instead of the principle on which the United States was founded, which was the General Welfare: the improvement of the condition and productivity of labor of all of our people, and their posterity. This was the thing we fought for in European civilization, and finally got, in approximation, in the Fifteenth Century. And then established as a force on this planet, through the American Revolution, which was the first modern nation-state republic.

If you look at Europe, you'll find no true nation-state republics: The governments of Europe, to the extent they are not fascist regimes, or something—these governments were simply parliamentary reforms, in which the state was controlled by a state interest, and the parliament was a device to keep the people quiet and happy. And to make a few minor reforms. But no government of Europe, parliamentary government of Europe, has the authority, through a parliament, to make any of the kinds of changes which are needed now, to get the world out of this mess. Because, the minute the parliament would try to do it, the parliament would be overthrown under general election, by a parliamentary system. Parliamentary system is the worst form of government you can imagine, because it pretends to be something good—and

it ain't. Though you may have some well-intentioned people in it, they are incapable of carrying out their intentions.

So, we are now ruled by laws, such as the HMO law, passed by the impetus of Pat Moynihan—a “great Democrat”—back in 1973, which overturned Hill-Burton; which is *killing* people, all over the United States today. He's a great humanist, you know: He believes the Earth is overcrowded, so let's make everything nice for other people, by killing as many as possible.

So, that was a great change. We have two aspects: We have a world system, which has broken with what used to make us powerful, what used to improve our conditions of life, in many countries, to a system which is purely parasitical. How did we used (I'll get to this more later) to survive? From the founding of this country, we fought, against the British, at various points, especially from 1763 on; we fought to maintain the right of the Americans to have their own farming system, their own agricultural system, which was progressive, and their own industries. Not to become dependents, under a globalized system, specified by the British monarchy at that time.

That's been taken away: We no longer have our own industries. We have a few left. They say, “Made in U.S.A.,” but they're made in cheap labor in some other part of the world. These markets are now collapsing. We've lost that. We used to be a society dependent upon scientific and technological progress, and cultural progress. And, we were pretty good at it, as nations go. We used to educate our young people, for that kind of society: that is, not a society where you do the same thing from generation to generation, but where today's generation will produce children who are better educated, who will go into schools, who will have better opportunities for work, and create a better condition of life, in the society.

That was our way. That's what we *believed* in, up until the middle of the 1960s, up until the Southern Strategy. That's what we *believed* in. That's what the Southerners *hated*—the Confederates. They *hated* it. It's what Kissinger *hates*. It's what his teacher, William Yandell Elliott, *hates*. What the Nashville Agrarians *hate*.

So, we changed, in several respects: We changed, in terms of the economy, from a productive economy to a predatory one. To an economy, which was the keystone nation, of a general economic recovery from depression and war, into a piece of wreckage. A predator, which is dying of the hunger created by its exhausting its prey. We destroyed our system of government: We destroyed the mission, and the conditions of life, especially the intellectual conditions of life, of our own people.

A Self-Doomed System

That's what I mean by a system. To define what we mean by a system, and how to understand it, going back to this question of play: The term “system,” in modern European

usage, comes out of classroom discussion, of what we know as “classroom Euclidean geometry.” Now, classroom Euclidean geometry is not good, but it has a useful function, in challenging the mind, to discover: What is wrong with Euclidean geometry? In other words, you don't become a scientist, by becoming an exponent of Euclidean geometry. You become a scientist by discovering what is wrong, fatally wrong—and *morally* wrong—with Euclidean geometry. Because, what is Euclidean geometry? It's based on two things. First of all, it's based on certain assumptions, which are called, definitions, axioms, and postulates. It says, that nothing is true, except as you can derive that conclusion, as theorems, from a deductive method, applied to a system of definitions, axioms, and postulates. That's what you mean by a system. You mean some body of thought, and practice, which is organized the way Euclidean geometry prescribes it.

We use the term system, to mean other kinds of systems, beside the Euclidean system, including what might be called the best *anti*-Euclidean systems. I am, for example, an exponent, of an anti-Euclidean system, in terms of my work on economics; in which my work coincides with the work of the famous Nineteenth-Century scientist, Bernhard Riemann, which is an anti-Euclidean geometry.

So, what you're dealing with here, is a system, which, as a system, *dooms* us, to go deeper and deeper into a pit, with no solution. The way you get out of a mess with a bad system, is, you go *into* the definitions, the axioms, and the postulates of the system, and you rip out the ones that are false! And, instead, you put in place, assumptions, which are appropriate ones. Thus, you create a *new* system. In other words, the system is not the point of production; the system is not individual transactions; the system is not economy. The system lies in the superimposition on the activities of economy, the activities of life, of certain *assumptions*: such as, “shareholder value”; such as, “free trade”; such as, “globalization”; and so forth. Such as racism, in all its disguises. These assumptions act like axioms, and as long as you either believe in these things, or believe that you have to put up with them in your neighbor's democratic belief in this nonsense, then you are doomed, to go down with the system, because the system is self-doomed. We are in a self-doomed system.

Now, why are we in a self-doomed system? Why are we so stupid, we American people, that we put up with this nonsense? Well, there's a principle that comes from Rome: It's called *vox populi*, or popular opinion. Some people call it democracy. The worst form of corruption in the United States, today, is not fascism; it's democracy. Because democracy, in most people's mind, means, popular opinion! You vote for popular opinion. Popular opinion must control the legislature. Popular opinion must determine our laws. Popular opinion must determine how you behave. That's how we kill. How do we kill by that, popular opinion? What did the Romans do? Who were the Romans? Why'd they invent this thing?

Well, Romans were not really a race or nation; not originally. The Romans were simply a group of Pat Robertson-type followers, through a cult called the Cult of Delphi, the Cult of Pythean Apollo, recruited among groups of Latin-speaking people, in the middle of Italy. These guys, who were recruited to this cult, and were backed by this cult—sort of a Jim Jones operation—formed the city of Rome. The city of Rome was based on a military system, under which people from neighboring areas were slaughtered by military methods. And then, the women were taken, for breeding purposes with the Romans, who had conquered them; and the children were made into that, too—kept as breeding stock. So, the population of Rome increased by this method, of rape, murder, and breeding—rape, essentially.

They developed a system, under which they distinguished between the two layers—the ruling layer, which they called the Senators, and the others, who they called *i populari*. Now, *i populari*, from the Latin, signifies, in general, “predator.” In other words, it’s just as if, instead of a city, in Washington, for example, you set up a city government, in which a bunch of guys, calling themselves Senators, took a bunch of people from the street, as trained gangs, armed gangs, and turned them loose on the streets—the way some people are planning to do, at the end of this month, in Washington, in the name of anti-globalization. A fourth generation of international terrorism, will be turned loose on the streets of Washington, D.C. That is what is called *i populari*—the predators. So, all the honest people are terrified by these killers, these gang killers, and they now submit. And, therefore, the question of the rulers, is: How do they control *i populari*, that they use for the killing? It was called “popular opinion”: *vox populi*. For predators. The “voice of the predator”! The howl of the hyena! *Vox populi*.

So, as was stated earlier, by Walter Lippmann, in the doctrine of 1922 on public opinion: The trick is, to use various devices, to, in effect, *brainwash* the American people, into becoming backers, or recruiting them to, a force of *populari*—predators—who will prey on their fellow-man; and work for the nation’s preying on other nations, in order to maintain the rule of the few at top. It’s the oligarchical system.

The Cult of Popular Opinion

How is it done to us? Well, the result is this: You get people, who call themselves, “Well, I have my own opinion. I’m an American, I follow the news. I read the newspapers. I know what’s going on. I talk to people. I know what people are thinking. I know important people. I got secrets, you know, *you would never guess!* I got secrets!” And, this guy is running around, saying, I know everything. He will read the *Washington Post*, which is like turning your mind into a sewer; and other things, you know—the *New York Times*. It’s different: The *New York Times* is a sewer with spangles. The *Boston Globe*, which is a co-project of the *Washington Post*

and the *New York Times*. And so forth, and so on. The mass media, in general. The entertainment media are worst of all. Hollywood. TV. This is the worst. Mass media; mass events. Just as in ancient Rome. Mass bodily contact sports, with people going into stadiums, in tens and hundreds of thousands, obsessed with the events there, while a bunch of dummies beat the hell out of each other in the stadium. And, you cheer like mad, and come out of there: “That’s my hero!” “That’s my role-model!” A prostitute appears on a film: “She’s our leading star!” “That’s my role-model! I want to look just like her! I want to *be* just like her!”

This is an American popular opinion.

The result is, as I’ve said repeatedly, and some people are shocked by it: The typical American, if all the oligarchs were to die, if all the lackeys of the oligarchs were to die, most American people, would be like the slaves, who put the shackles on their own ankles and hands every morning and every night. Even when the master’s no longer there, to tell them to do so. They have become self-imprisoned. They’re like a bunch of prisoners.

For example, the concentration camps of the Nazis were like that: The Nazi guards generally did not go inside the camps. They used certain prisoners, often from the criminal class—the actual felon type, the physical felon type—and they would use these guys as hit-squads, and they would send them on assignments, inside the camps, to do the killing. This was the way it was working in the 1930s, and on, places like Buchenwald, Dachau, and so forth. That’s what was going on! The Nazi guards did not go down to the camp, unless they were going on a very special operation, very carefully prepared to defend themselves; to handle the situation, with shock methods. And, that’s the way, often, politics works in the United States. You think of your neighbor as a rat. You think of members of your own family, as rats. Because, these are the people who are going to gang up on you, like the special squads, among the prisoners, inside the concentration camp, to kill you, or ruin you in some other way, if you get out of line.

So, we’ve become a self-policed prison-house, in the same way that the Roman rulers used *i populari* and popular opinion, to turn the Roman population into a self-destructive force, which resulted in one of the greatest dark ages in known civilization. Not as a result of the rulers; not as a result of Nero, or Caligula, or even Diocletian. *The destruction occurred, because of the Roman people, themselves.*

And, the destruction which occurs in European Civilization since, whether in Europe, or the United States, or Central and South America, is *Romanticism*. Romanticism means, specifically, this kind opinion: the tradition of culture, the tradition of artistic taste, the tradition of ideas, the tradition of social relations, adapted from the Roman Empire.

For example, the first modern fascist, was Napoleon Bonaparte. Napoleon Bonaparte was created by a mob, run from



Lyndon LaRouche greets musicians Sylvania Olden Lee (center) and Elaugh Butler, who performed at the conference.

London, of the type, that they plan to put on the streets of Washington, D.C., from the environs, at the end of this month. They were called the Jacobins, the Jacobin Terror, which was launched on July 14, 1789, which the French celebrate as a holiday. *A fascist coup is celebrated as the official, national holiday of France!* They remained in power, until Robespierre was beheaded, five years later. Then, France was so destroyed, morally, from within, by this process, that a fascist came to power: His name was Napoleon Bonaparte. He declared himself Caesar, crowned himself the Emperor Caesar of France; imposed on France, a legal code, called the Code Napoleon, which is derived from the Roman code. And, then, after that, you had the restoration monarchy in France, which was a British-puppet monarchy. Then you had Napoleon III, who was a fascist. Then, you had models like that, such as Hitler and Mussolini, in this century; and Franco, and so forth.

This is the example. Modern fascism is a logical outgrowth of Romanticism, of the type that dominates much of the culture of the United States, today.

So, that's the system. That's what makes us prisoners.

The Solution: Have Fun!

The way to deal with this problem—again, we have to come back and start playing again. Have fun! The remedy for every crisis, every emotional crisis: Have fun! Don't get ugly; have fun! This difference between man and beast; it's the basis of all civilized life. What's the difference between a human being and an animal? Some people think there's no difference. There was even a cartoon I saw in the *Washington*

Post today, of George Bush, President George Bush, saying that he didn't think that the contamination of stem-cells with mouse stem-cells was going to create a problem. And they have him, as President, standing there speaking, as President, with mouse-ears sticking out! I mean, this is typical of the problem!

What's the difference between man and animal? There is a difference. It's a difference we can demonstrate. It's a difference we call cognition. Only a human being can make an original, valid discovery of a universal physical principle. No animal can do it. Only a human being. Only a human being can cause another human being to replicate exactly that experience of discovery. No animal can do it. That's why animals have *fixed cultures*. Because they're incapable of developing a culture; they can not discover universal physical principles by means of which they increase their species' power to exist in the universe. Only human beings can do that.

Now, if your relationship to other human beings is cognitive—in other words, instead of reading a book, or having your hind-end plugged into electric wires to the Internet, or something like that—if you are educated, by re-experiencing, as much as possible, the great discoveries actually made by the greatest minds before you, for thousands of years past, and if the memory of that act of discovery is living again today in your mind, you are human. You're human in a functional sense, because when you look at the eyes of some other person, what you see is not the physical image of this human body, what you see is the function of that mind, that behind those eyes, on the other side of the room, there is a *cognitive*

being, who is capable of incorporating and generating great fundamental discoveries of universal physical principle. If you say, as Kant did, or as Locke did, or as Adam Smith did, as the empiricists and positivists do, as the stem-cell-embryo freaks do; if you say that man is only another animal, that there is no process of cognition, there's no power of discovery of Classical artistic principles—it's all just a matter of opinion—if you say that, you're nothing but an animal. Not because you were born to be an animal, but because you're *thinking* like an animal; you're *behaving* like an animal, not a human being. You're incapable of loving other human beings, as human beings. I think the record of marriage these days attests to the degeneration of morality on that count. People say, "Why'd you get a divorce?" "I got tired. It wasn't exciting any more. I wanted a new experience." "Uh, not fashionable. I changed the type I like. I saw a new movie star." And this is what people do these days! They have become bestialized, who do not see that all beauty, all human beauty, lies in this quality of mind. Isn't it the most wonderful thing in the world, from the standpoint of understanding history, to reexperience, in your own mind, the actual act of discovery, of a great principle made by a great thinker from the past? Suddenly, that person is alive! They never died. Because an actual moment of creative thought, which they had, you have replicated in your own mind. They live inside you. When you act, if you act well, you change the outcome of their lives. When you take a discovery by a great scientist, say a hundred years ago, and that has been neglected, or has not been properly developed, and you, then, understand it, and then you apply it, to improve the condition of life: You have changed previous history, as well as the present, just as you will intend to change the future.

Look, we're all going to die! So, what do you live for? Do you live like an animal, to go out with a whimper? Or, do you live like a human being, knowing that you are doing something, you are developing, in yourself, something which will be transmitted to future generations, to make humanity better in the future? You no longer are a little person, living in a little neighborhood, with a little mind, with little ambitions and little interests; you've suddenly become a very big person, because you have the minds of some of the greatest people in history before you, live in you! And your replication of exactly their act of discovery. You do things with pride! They'll say, "He was right! This was a great discovery. We've to use it for mankind's benefit." You say, "I've got to do something to make the future better, for those who come after us. Then, I can die with a smile on my face. Because I've lived well. I've lived at peace with the greatest people of the past. Or, at least, some of them. And I can live at peace, with joy, in the people in the future. I will live forever, in this process." That's what it is to be human.

And when you think like that, and look at other people like that, you don't have a problem. You may have problems,

but that's *fun!* Because, if problems force you to attack and solve problems, whether as an individual, or in concert with others, that is fun. It's what the puppy does, when the happy puppy is playing. The worst thing you can do to a puppy is not play with it. It gets angry. It's gets bored. The worst thing you can do to a horse, is not play with it, not work with it. It gets bored; it's unhappy. It may get sick and die on you. It has no purpose in life.

Human beings have a different kind of play. It's that kind of play, called cognition, in respect to past and present, which makes an *absolute* moral difference, which defines the individual person, as a creature made in the image of the Creator. When you think in those terms, then you think accordingly.

The Road to Recovery

Now, how do we get out of this mess? I've defined implicitly, what the problem is: The problem is, we are gripped by a system, a *doomed* system, a *self-doomed* system. This system, this financial-monetary system, with its legal trappings, such as Scalia, with its popular trappings, such as popular opinion, this system, with its lack of sense of what humanity is, a lack of moral principle—there is no moral principle. If you don't have a sense of what humanity is, as I've described it, you have no morality. It's all mechanical—there's no morality in it. Morality involves passion. And moral passion, is love for human beings. It's love for those creative people, who went before you. It's love for those who are coming afterward. To do *nothing* shameful in the eyes of those who came before you—even if you disagree with them. And, to do nothing, which is not beneficial to the society that comes afterward.

And Plato called this *agapē*. The Apostle Paul referred to this repeatedly, as in *I Corinthians* 13 as *agapē!* Don't get involved, like crazy Pat Robertson or Jerry Falwell, with these do's and don'ts single-issues. Forget the single issues! Don't worry about a list of do's and don'ts. Paul says the same thing: This is fraud! Concentrate on *agapē*, which is the essence of all morality. And, when you have *agapē*, you don't need any other code, except good judgment. *Agapē*, essentially, is knowing what a human being is; knowing what humanity is; knowing what cognition is; and loving what you have received, as benefits from the past—cognitively. And loving the future, by giving to the future, that which the future, as human, needs.

And, if you always act according to that, you may fall short in your understanding of what you need to do, but your intentions are always clear and moral. And that's what we lack, essentially.

So, that's the problem I face: I live in a society, in which my generation, was *de-generate*; became my *de-generation*. And, my *de-generation* taught their children to degenerate still further. And, now the thing is collapsing. And people are saying, "You gotta fix the system. You can't change the

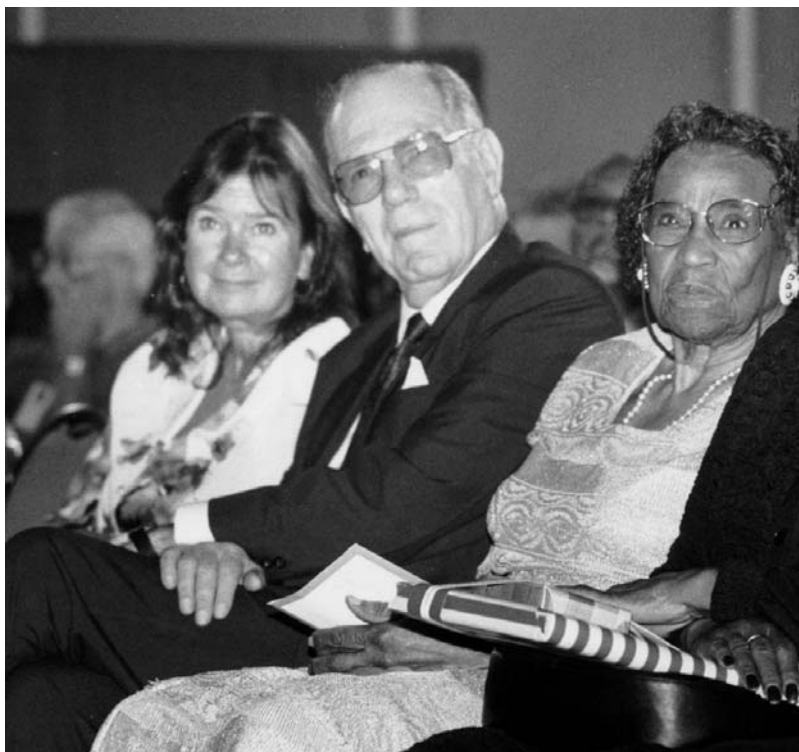
system. You gotta fix it. Don't talk about changing the system! Why don't you come up with some *suggestion*, that will make the system work?" Like, you know: Find a way to make strichnine enjoyable. That's the problem.

What it comes down to: We have a shortage of leaders. And, this problem of leadership has two aspects to it. One aspect is, people who are qualified to be leaders: What person is qualified to be a leader? A person who is, essentially, from what I've said here, a person of *agapē*. A person who has passion, who has love for humanity; who wants to do good for future humanity; to honor the noble contributions of people from the past. And to give something better to the future. Those people are leaders. People who will *not sell out the principle of agapē for the sake of opinion, or personal advantage*.

What they have done, in the United States in particular, what has been done to the American people—and I've only indicated the surface of this, the highlights of that, over the recent period. When I came out of service at the end of the war, while Roosevelt's life was still in the living memory of many of us who served abroad, we shared the opinion—most of us, even some boys from the South—we shared the opinion, that (as I would express it more articulately than most of them would at that time, but they shared it), that we had just come through a Second World War, which we were about to win. That was sure, at that point. And, the question was, for those of us who had served in Asia, and saw the conditions of life in Asia, the oppression under colonialism, of people in Asia: You can not expect to go through two world wars, and fight them, with what these have meant, and ignore the great injustice to the great masses of Asia, and not expect to have a Third World War, come haunt you sometime soon, down the pike.

We shared that view. We said: As Americans, it is *our* job (I didn't know what Roosevelt's policies were at the time; I had a smell of them, but, these were my policies, and the policies, I think, of most of the people, who were in service with me at the time, shared). We have to ensure *that this ends!* That colonialism, and all its trappings, *ends!* We have the power. We will come out of this war, as the victors. We will have power in our hands. We can tell the world: This system of colonialism *is finished!* And these new nations are going to have the right—and with our assistance—to develop in the way *we* would want to develop. The way they choose, but with the same right.

Within about 18 months of that time, probably 95% of the



Left to right: Helga Zepp-LaRouche, Lyndon LaRouche, and Amelia Boynton Robinson enjoy a musical performance at the birthday celebration for Mrs. Robinson.

people I knew in service, who had shared that view with me, were on the other side: a gift of Trumanism. These were the people of my generation, the returning World War II veterans. Most of them sold out, and were totally corrupt. I saw it. It stunk. I hated it. I saw my friends, being *self*-destroyed. To see one destroyed, is bad: But, to see a person *self*-destroyed, is the most horrible thing.

These people became opportunists. They told their children, especially those in suburbia, "Be careful. Be careful! The neighbors are watching." And the children became shallow-minded hypocrites, who would get, on the one hand, from education—those who had better education—would get a sense of, certain values were good, and certain were bad. Certain things were fair; certain things were unfair. These kinds of positive values would occur. But they were very shallow. They didn't have a deep sense of morality. They didn't have a sense of putting your life on the line, if necessary, for a principle. You don't put your life on the line, because you want to die. You put your life on the line, because it's so important to you, to defend and uphold a principle, that you will not hesitate to risk your life, to defend that principle. And, that's what these little kiddos didn't get. And, when they got hit, as others did, with the 1962 Missile Crisis, and then, with the assassination of John Kennedy, most of the generation, of



A combined Schiller Institute chorus from Los Angeles, Houston, and Philadelphia sings a Negro spiritual at the conference.

the children of my generation, went crazy. It was called the rock-drug-sex counterculture.

Standing Alone

You know what happened: the '68er phenomenon, as it occurred in the United States, as it occurred in Europe. These things happened. And, I found myself, more and more, as we got into the middle '60s, standing alone. There was nobody there, to lead; not really lead. People called themselves leaders, but they were all fake. And I found myself standing alone. And I just said, "I've got to do something. I must do something." So I did it. And some people in the room know, or have some experience with what I did.

Now, I was right. The first thing—I was a good economist, then, a very good one, probably the best, at least on performance. You look at the past, look at what I forecast, what I taught: I was better than anybody alive I know today—from that period, or even today. I was the best. So, I took my skills and knowledge, and I just intervened on campuses. And began, impromptu, educating young people wherever I could find them. And, out of that came a movement. I did some more forecasting, and I was right. I have never made a forecast, which did not turn out exactly as I specified it. Never! I've been in forecasting, actually, for more than—now more than 40 years. I never made a mistake, in that. Well, I was also careful: I didn't forecast when I wasn't sure. Someone says, "Give me a prediction." I say, "No, no, no. I'll give you the ones I have. I don't make these things up on demand. I'm not like a slot machine: You put a quarter in, you get a forecast out!"

Seventy-one, the collapse. What happened in the late

'60s? A series of monetary crises, leading to a breakdown of the Bretton Woods system as it now existed, unless certain changes were made. It happened exactly that way. Nineteen sixty-seven, the British pound-sterling crisis; January-February-March 1968, the dollar crisis; 1970, the Penn Central crisis; 1971, the collapse of the entire monetary system; 1975, a new wave of this. Then came the Carter Administration, which destroyed all regulation, to speak of; destroyed everything in infrastructure, upon which this country was based.

And, we're suffering today, because of a collapse of infrastructure, which has been in progress for 30 years! For 30 years, the United States has had a negative investment in basic economic infrastructure: in transportation, in urban development, in power generation and distribution, in medical care, and so forth. We have been destroying ourselves as a nation, over 30 years—culturally and every other way. And, I found myself standing alone: I warned against Carter, in a campaign I ran in 1976, and I was right. I warned against what Carter represented and what Bush represented, in 1979-1980—that campaign. I was right. I warned what was coming out of the degeneration of the Reagan Administration, in 1984, in the Presidential election campaign, which changed history in this country, and in the world. And I was right. Nineteen eighty-eight, I forecast the immediately following collapse of the Soviet system, and outlined what had to be done about that—and I was right.

But, I found myself, as you know, largely standing alone, surrounded by a few friends and a few friendly souls, who would agree with me. It's a terrible responsibility, to stand as I do, at my age, and to have these responsibilities: Because,

if I were to be taken, I don't know what would happen to the rest of you—and I'm not talking just about the United States, I'm talking about the world. Because, in this United States, I *know* the institutions of the United States, at least well enough to know what the story is: There isn't, in the whole pack of political-party leaderships, there is not the essential ingredient to save this nation! We have to inject it. And I, above all, have to inject it, which is why I'm running again.

I have many people in Western Europe, that I admire. They're not the large percentage of people in Western Europe, but there are a substantial number—in Germany, in Italy, a few in France, in Poland, in Hungary, in the Czech Republic, Slovakia, the Balkans, so forth. They're good people. But they are not in the situation, with the kind of leadership and knowledge necessary to put this back together again. Many of them are indispensable people, in the sense that they represent an indispensable part of any combination, which would put this thing into shape. But, without my participation, they wouldn't make it.

We have Asia: very good countries; very good people. But the Asian mind is not yet capable of dealing with a worldwide policy question. They deal, rather, with their relationship to the world in which they are embedded. And, they're not stupid on that question. But, they don't *think* in the right way, to provide leadership for the world, to get out of this worldwide mess.

South and Central America: Well, it's the same process, all over again. The leadership is essentially destroyed. The leadership that existed 20 years ago, is no longer there. It's gone. Just a few aging people, who remember. And, that's the situation. One of the key leaders of Argentina, is a man sitting in military prison [Col. Mohamed Alí Seineldín]. Can't find anybody else to lead.

That's the situation.

And, therefore, it comes to the point, as now, that sometimes upon us, falls a responsibility of leadership. That happens to all of us, in some way or another, or many of us. Every physician will face that, because every sick person is a different person, with a different disease, no matter what their diagnosis is. And, the physician has to face the responsibility of dealing with that problem. A great teacher, teaching a class of students, faces the same thing, about saving these young minds; a responsibility for saving them, under these conditions, today. It's a great, awesome responsibility. For some of us, the responsibility of the same singular variety, comes in a different way—each in a different way. But to all of us, one thing is in common: When destiny has given you a vocation, and you have a mission, especially when you're the only one to play a key part in realizing that mission, you'd better accept it, and do it.

Thank you.

VIDEOS FOR ORGANIZERS

The keynote speeches published in this issue are available on videotape:

- Lyndon H. LaRouche, Jr., "You Have Nothing To Fear as Much as Denial Itself!" EIRVI-2001-13 \$50
- Helga Zepp-LaRouche, "Why Americans *Should* Go There: The Eurasian Land-Bridge Determines Your Future," EIRVI-2001-14 \$50

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Why Americans *Should* Go There: Eurasian Land-Bridge Determines Your Future

The following is the Sept. 2 keynote speech to the conference of the Schiller Institute and International Caucus of Labor Committees in Reston, Virginia. Some of the graphic material used in the presentation has been omitted here, or replaced with a similar illustration.

Well, the good news is that, what Americans think reality is, is not it. And, I'm going to try to give you some imagination today. The good thing is, that the illusions are popping; that what we have been saying, and especially Lyn [Lyndon LaRouche] has been saying about the "New Economy," is now becoming clear. And the "my money" fantasy, the "get rich" fantasy, the shareholder fantasy, they're all popping. Now, this is not a new problem. Such fantasies, as you see (**Figure 1**), the glutton's paradise: that in Paradise, the baked pigeon flies into your mouth, without any work, and that you have enough apples, and grapes, and everything — you know, this is an old problem. And you have the American version of it, which you all know, which is the famous Dagobert Duck, who likes best to bathe in dollars and gold coins, and this is a known phenomenon. [Mrs. LaRouche shows a slide of the Walt Disney character.]

All these illusions, as you can see, are deeply ingrained. People believe in these values, really, a lot. These are now vanishing, because you are confronted with an America, where, looking at it from the outside, what you see, is the highest personal indebtedness rate of any advanced country. More and more people going to third mortgage rollovers, just to keep their debt payments going, which is a real time-bomb for the American banks. We have some information, that Greenspan is completely terrorized about the idea that the amount of money Americans have to pay from their monthly income — the ratio of this — is reaching such proportions, that a whole wave of personal bankruptcies could trigger the collapse of the U.S. banks. It's just one of the many Achilles' heels. Then, you have more and more layoffs: Every day, 5,000 here, 10,000 here; not only in the New Economy, but it now is hitting the real economy. Then, you have the ever-more-threatening situation from the so-called emerging economies — Argentina could trigger a bankruptcy wave of American banks, Spanish banks, other banks. You have an untenable situation in Japan. Turkey is another one of these situations. Poland — Poland is completely unable to maintain its foreign



Helga Zepp-LaRouche in her keynote speech demonstrated for Americans the history of Lyndon LaRouche's leadership in bringing the Eurasian Land-Bridge into being, thereby proving that they must embark on the same path, if this planet is to survive.

debt payments.

So, in all of this, people are becoming more and more aware. But the good news is, that there is a global alternative shaping up, namely in the form of the Eurasian Land-Bridge. And, an unbelievable, large number of projects — railways, highways, water management, all kinds of engineering projects — are being built (**Figure 2**), and basically giving an impetus to new trade, and many countries are involved in this right now. It's no longer just a program, but the Eurasian Land-Bridge — the infrastructure integration of the entire Eurasian continent — is shaping up at a very rapid speed.

Now, Lyn has said repeatedly, and he has written it many times, that the only hope for the United States to get out of the depression, is that the United States becomes an active

part of this Eurasian Land-Bridge, and that the United States must support it, and work together with it. That this is the absolute *sine qua non*, the condition without which it does not function, that mankind can avoid plunging into a new terrible Dark Age. But, a problem: We have to get the United States to actively join and support the Eurasian Land-Bridge.

U.S. Press Blackout

Now, if we want to accomplish that, we have to overcome several, severe, big problems. One big problem is, that the U.S. media—the TV, the radio, the print media—they report *absolutely nothing* about these developments. And, especially when I come from Europe back into the United States, and want to keep up with the news; and I look what is going on here and there, and I go through the news channels, it is absolutely impossible to find out what is going on in the real world. And, especially the developments around the Eurasian Land-Bridge and the new strategic partnership, which is shaping up between Russia, China, and India—something which the Indian press agency PTI called, recently, “the most important political development in the post-Cold War period”: namely, that China has given up its inhibitions, to form a strategic triangle with India and Russia.

Have you read this in the U.S. media? And, I could tell you a zillion other such things, which absolutely were not reported.

The first thing, to really attack, as a problem—an enemy operation—is that the U.S. media *consciously* want to prevent the U.S. population from having knowledge about the outside world. And, I can assure you—and, I’m not exaggerating this in the slightest—that the amount of control and propaganda tightness in the U.S. media, is no less than that of Radio Tirana of Albania during the

Communist times. That is a real problem, because if people are cushioned from reality, in a nice puffy, soft, silk cushion—we know this in California, in particular, or in Florida, where the weather is always beautiful, how could you ever think that

FIGURE 1



Pieter Breugel’s “The Land of Cockaigne.” Although executed in the Eighteenth Century, the painting perfectly portrays the consumerists’ fantasy-state today.

FIGURE 2



The Eurasian Land-Bridge is no longer just a program proposed by Lyndon LaRouche, but is being implemented at a rapid rate.

the world is in bad shape? The sun is always shining, you know! It is a real problem, and people should become very aware that what they think, and what they get up every morning with, is not what the world looks like.

U.S. Isolationism

Now, the second problem, one can call “U.S. isolationism.” Now, what is U.S. isolationism? It’s a populist impulse, which gives people an extreme sense of unreality. Now, there are different layers of isolationism. You have the sophisticated one, which is the Southern Strategy types, who know a little bit more. But, then, there are their dupes and their lackeys; these are the people, who believe in the Southern plantation-owner mentality, that the world should be divided into some rich folk, who will run things, who own things, who have the privileges; and then the other guys, who work, basically—they should be slaves. These should be the colored people. And, if you look at it a little bit closer, you find that the affinity between the Southern Strategy/Southern plantation types, and the shareholder value society, is exactly the same thing. Because the shareholder value people, from Wall Street and so on, they believe that the whole world economy should be a plantation, and that all these people, in China, in Latin America, in Korea, they should produce as cheaply as the slaves on the farms, so that people can actually have the profit from it. And it doesn’t matter what their living quarters are, or what their health insurance is—who cares about health insurance, in Africa? Whoever heard of such an idea?

Now, the population in the outside world, are essentially looked at as slaves. And, then, you have, naturally, the sophisticated version of this, which are the Anglophile internationalists, like Brzezinski, Samuel Huntington, Kissinger, and so forth.

The problem is aggravated by what Lyn correctly identified as the breakdown of the U.S. education system in the last 35 years. Because, what happened is that, people in the universities—here you have a typical, American Yale or Harvard University professor, having a typical textbook (**Figure 3**). And the knowledge about other cultures has collapsed; everything is reduced to donkey-ness—donkey-dom?—or whatever the word is. And, the problem is, the knowledge about the outside world is not mediated in universities either.

I’m not making this up: You know, I’m reflecting only discussions we have in Europe, with old Atlanticists. These are not anti-American, or anti-Atlantic Alliance people, but these are hard-core establishment people, who have honored the Atlanticist system for decades, and they notice a complete breakdown of relations between Europe and the United States, because the knowledge of the present so-called elite, about Europe, about values which should be underlying the foundation of the Atlantic Alliance, have just disappeared, because of this phenomenon. And, if it’s true for Europe, it’s all the more true for the Pacific, for China, for Asia, for Africa, and especially the cultures of these places.

FIGURE 3



Francisco Goya, “And So Was His Grandfather,” from *Los Caprichos*.

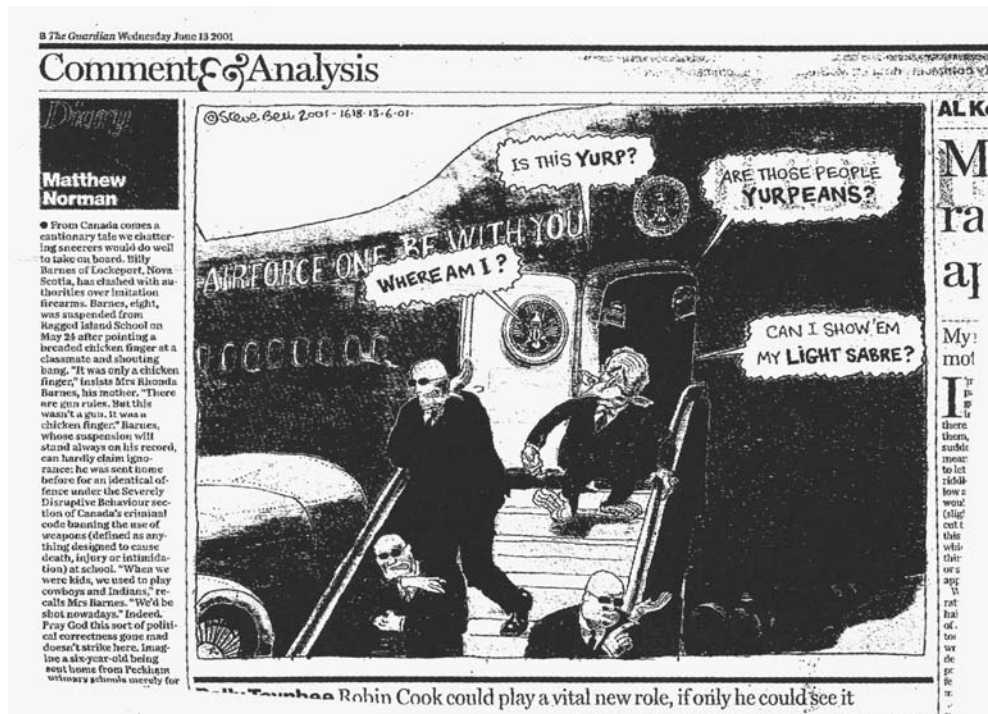
Then, naturally, you have the jet-set. They have no sense of anything, let alone the other cultures. And you have the populist idiocy. The guy who says, “I don’t know the rest of the world, and I don’t wish to know about it. I don’t go there. That’s not my life.” And, if you talk to a typical red-neck, they say, “Africa? They should *all* go back there!”

And, then you have, naturally, the American President, coming out of the plane, here (**Figure 4**). And, this was during his last European tour. And, he says, “Is this Yurp? Yurp? Are all those people Yurpeans?” This was a cartoon by Steven Bell, in the London *Guardian*, and, as you can see, the opinion of these people about Bush, is not exactly on the highest level.

Then, you remember the famous incident, a while ago, when, during maneuvers in the Persian Gulf, the U.S. bombed its own base. And, this was a joke (**Figure 5**)—maybe they had another error in using a map.

The neo-isolationism is not so dignified. Here you have your typical village idiot, who doesn’t know much. Here you

FIGURE 4



The London Guardian poked bitter fun at the U.S. bumpkin President, on his first state trip to Europe, where he expected to convince NATO allies of his worthless ballistic defense system.

have the female version of this; the person doesn't want to know about the rest of the world. [She shows slides of paintings by Breugel.] And, some years ago, I said, that the United States reminds you of the Continent of the Clueless, which was in the time of the D.D.R. [East Germany], this valley around Dresden, where they couldn't get the radio broadcasts from the West, so that they never knew what was going on [and therefore, became known as the "Valley of the Clueless"].

You may be insulted, now, but sometimes a polemic is necessary. And, obviously, I don't mean you, here, in the hall, but I mean these other people who you are trying to organize, and who have these kinds of reactions.

Now, what happened to the American intellectual tradition? Well, Lyn talked about it yesterday, and many times before—the shift from his generation, during Franklin D. Roosevelt, to the Truman-McCarthy period, and the move from the industrial society to suburbia, from the blue-collar worker's identity, to the white-collar values; the replacement of entrepreneurs with managers, and all the values of suburbia, which went with it.

Lyn makes the point that the Baby Boomers—and I just read a figure, that there are 73 million Baby Boomers; these are people who are genuine Baby Boomers, who were born after the Second World War; and then, you have these mixtures, slowly going into Generation X—they have this problem of denial. And, why do they have it? I mean Amelia

FIGURE 5



After a U.S. plane had bombed U.S. troops during maneuvers in the Persian Gulf, a Chinese daily's cartoon suggested, "Maybe they had the wrong map," referring to the U.S. excuse for the 1999 bombing of China's Embassy in Yugoslavia.

[Boynton Robinson] said it: They act out their childhood fantasies. I have never seen this, but Lyn has these stories about Romper Room, and how people have been taught to be childish. And, I can only suggest that there is a new movie out,



The ruins of Subashi, at the edge of the Taklamakan Desert. The Old Silk Road went from Xi'an, China to Damascus, Syria, traversing the hottest desert in the world.

which is really a hilarious study of acting out these fantasies. It's called, "Best in Show," and it's a persiflage on people who go to the Mayflower annual dog show. And, it shows you how all of them project their different neuroses.

You all remember what was the outlook of the suburbia of the '50s. [Audio: Doris Day singing "Que Sera, Sera." "When I was just a little girl, I asked my mother, what will I be? Will I be pretty? Will I be rich? Here's what she said to me, 'Que sera, sera. Whatever will be, will be. The future's not ours to see. Que sera, sera.' "] All right! Before you get involved too much, I have a new version of this (please forgive me) [she sings]: "Que sera, sera. I don't go, I don't go there. . . ." Anyway. I think we should change the text of this song, because I think we get further this way.

Now, coming back to the more serious problem: Lyn said, if we don't get the U.S. population to support the Eurasian Land-Bridge, which is *reality*, there is no solution. Therefore, what I want to encourage, is that Americans *have* to go there; they *should* go there, through the Eurasian Land-Bridge, both physically and mentally. And, the future is very much ours to see, *que sera* what we will *do*.

The Origins of the Land-Bridge

Now, the Eurasian Land-Bridge, today, is in progress: It's real. It's very advanced. And, therefore, even if some of you already know some of the material I'm going to present, there are many new people here, who have never seen this, so I want to go into some of this material, and show you the evolution

of the idea of the Land-Bridge, because it *is* the history of our movement.

[Video: German ZDF-TV documentary on the "New Silk Road":] Here in the city of Xi'an was the beginning of the ancient Silk Road. Xi'an was a world city, the largest city in the world, the Rome of Asia. Here arrive the delegations from all over the world, to pay tribute to the Emperor, and bring their gifts, and they got gifts in return. The Silk Road became mythical in the West, where such inventions as paper, gunpowder, and book printing came from. The Silk Road started in Xi'an; it went to Duhuang, via the Taklamakan Desert to Samarkand, Kyrgyzstan, Uzbekistan, Iraq, to Syria. Today, the tradition is celebrated; here you saw the sleeping Buddha, going into Nirvana, as the travellers would pray to Buddha and his pupils, because they knew that the Silk Road they had to conquer, would be extremely dangerous and even threatening to their lives.

[Continuing her narration]: Here we are going toward the Taklamakan Desert. The Great Wall was supposed to protect China from the Huns and the Mongols, and it was extended, so that the caravans of the Silk Road could travel safely to the west. The fortress of Qiao Xiuxua was the last, the symbol of harmony of the Holy Empire, as the Chinese called it. Here, food, as you can see, played a very big role in the Silk Road. In Duhuang, already during the time of Marco Polo, the noodle makers had a tremendous reputation. China, indeed, invented pasta and spaghetti (which you can see here), and Marco Polo stole it. The Italians, naturally, have a different view, but such

spaghetti acrobatics, you do not find in Italy.

If you want to have an impression of what difficulties the caravans had to conquer, let's see how the camels crossed there, because the sand dunes created by the storms could be up to 400 meters high. And, the camels were connected by ropes, so they wouldn't get lost in the night or in the storms. Camels have a beautiful aspect to them: They can go without water for two weeks, and they can take temperatures in which human beings would be already dying, even in the Summer in this desert, where the temperature goes up to 158° F (**Figure 6**).

The Taklamakan Desert is the worst in the world. In English, it means, "Whoever goes in, will never come out." And, basically, here, the Chinese Empire, at that time, ended, and after that, you would enter territories, which were entirely controlled by barbarism, and people were in real difficulties.

Now, the history of the Eurasian Land-Bridge is very old. It goes back long before Christ's birth, and it had many ups and downs. But, it was the issue of development of mankind. It was the issue over which World War I was fought, and there are many things one can say about it. But, the actual history of the present development of the Eurasian Land-Bridge, can be placed on Oct. 12, 1988.

The LaRouche Intervention

If you go back to the 1980s, in your memory: You remember the Cold War, the Iron Curtain, the two superpowers, which had an overkill nuclear arsenal directed against each other. And, *nobody* in the West, thought that the Soviet Union would not be there, at a certain point. And, even in Germany, where everybody gave lip service to the need to have German unification, people said, "Unification is the lie of the century."

Here we have the Brandenburger Tor, and this was Lyn standing in front of it, in this famous visit we had in 1988 (**Figure 7**). Lyn had the extraordinary insight about the axioms underlying the historical process, the long-wave intention of historical phenomena. And therefore, he, with tremendous courage, putting his reputation on the line, gave a press conference in the Kempinski Hotel, on Oct. 12, 1988. [Video of LaRouche speaking:] "Under the proper conditions, many today will agree, that the time has come, for early steps toward the reunification of Germany. With the obvious prospect, that Berlin might resume its role as the nation's capital. For the United States, as for Germans, and Europe generally, the question is, will this reunification process be brought about by assimilating the Federal Republic into the East bloc's economy, or economic range of influence? Or, can it be accomplished in a different way?"

"In other words, is a united Germany to come into being, as a part of Europe, from the Atlantic to the Urals, as President de Gaulle proposed? Or, as Mr. Gorbachov has desired, a Europe from the Urals to the Atlantic?"

"I see the possibility, that the process of reunification, could occur precisely as de Gaulle proposed. I base this possibility, on the reality of a terrible, worldwide food crisis, which

FIGURE 7



Lyndon and Helga LaRouche at the Brandenburg Gate, in Berlin, October 1988.

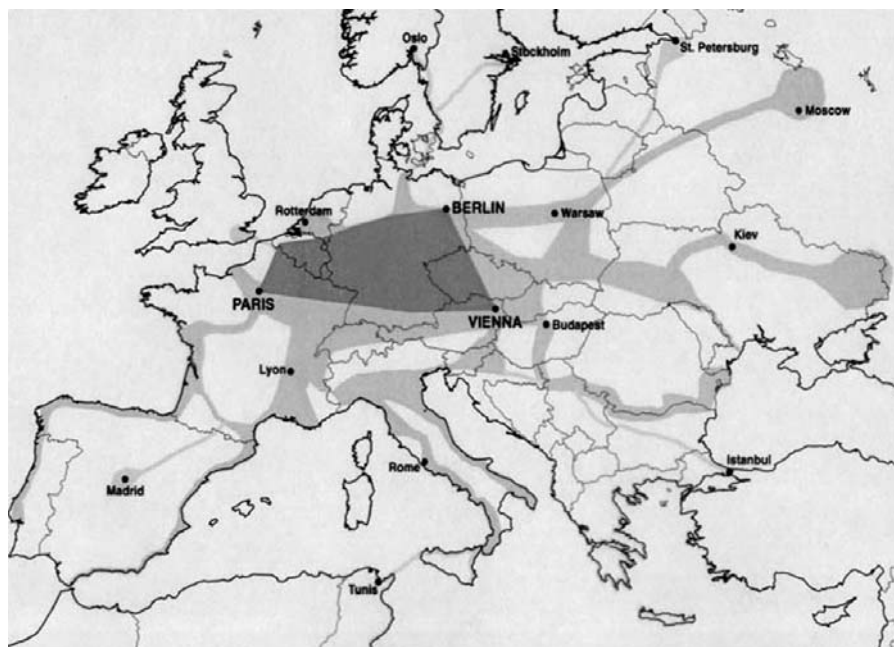
has erupted during the past several months, and which will dominate the world's politics, in every part of the world, for at least two years to come. The economy of the Soviet bloc itself, is a terrible, and worsening failure."

Now, we took that video of Lyn and the transcript around to the capitals of Eastern and Western Europe, of the United States, and other places, and basically people took it very, very seriously. Then, exactly as Lyn had prognosed, the economic difficulties in the Warsaw Pact *increased*. The D.D.R. basically went into state bankruptcy, and at the time when the D.D.R. had its 40th anniversary, on Oct. 6, 1989, the situation was absolutely on the verge of, either going into a bloodbath, or basically going the way it went. Then, on Nov. 9, the Wall came down. And, you remember—some of you remember, and others should know—that this was a unique moment in history, of the kind which only occurs once in a century. People were joyful. Families fell into each other's arms, with tears of joy. And, this was an opportunity, where one could have made history, and completely changed the face of the Earth, which is exactly what Lyn proposed.

As the documentation published by the German govern-

FIGURE 8

The Productive Triangle



ment recently shows, the Bonn government had, in November 1989, *no* contingency plan for the case of German reunification. But, Lyn, who was already a political prisoner of the Bush Administration, in jail, had a magnificent vision. Namely, to connect the industrial centers of Eastern and Western Europe, through advanced infrastructure, like the maglev train. And the idea of the so-called Productive Triangle between Paris, Berlin, and Vienna, was born (**Figure 8**). This was the idea that this area, which has the size of the territory of Japan, and encompasses some of the largest industrial centers, in France, Belgium, Germany, Saxony, Prague, Czechoslovakia—that if, one would invest in high-technology advanced infrastructure, one could basically turn this area into a motor. And, then, through so-called “development corridors,” namely to link Berlin through infrastructure lines with Warsaw, with Moscow, with other places in the East, where the infrastructure—the maglev train, or the highway, or the waterway—would be just the arteries for the corridor of about 100 kilometers wide; new cities, new power generation, new industrialization or agriculture (**Figure 9**). That you could bring this economic motor from the center of Europe, through these corridors into the East, and that way, have an uplifting of the entire Eastern economy.

And, this program, we published for the first time in January 1990, and we got over 1 million pieces of literature out, into the different capitals of Europe, and other places. But, very emphatically, we immediately, from the beginning, combined the idea of an industrial program for the East, with a

cultural Renaissance. Because we knew that people had to shed some of their bad cultural, materialistic values, if the program was to succeed.

Now, some of you who were already in this organization remember, that this was a difficult period. Lyn was in jail. And we were under tremendous bombardment. But, we decided that we had to go to the East, to try to change the world, by creating new flanks. So, on Oct. 23, 1990, we went, for the first time, to Hungary, which was still Communist at that time, and therefore, it was not so easy, because we didn’t know what would happen. And, the people who had invited me, were the Political Prisoner Association of Hungary, from 1956, people who had experienced how their uprising in 1956 was crushed, by the Communists, and how the West had not helped them. They were fearful; there was a very fearful situation. But, we went there,

and presented this program of change.

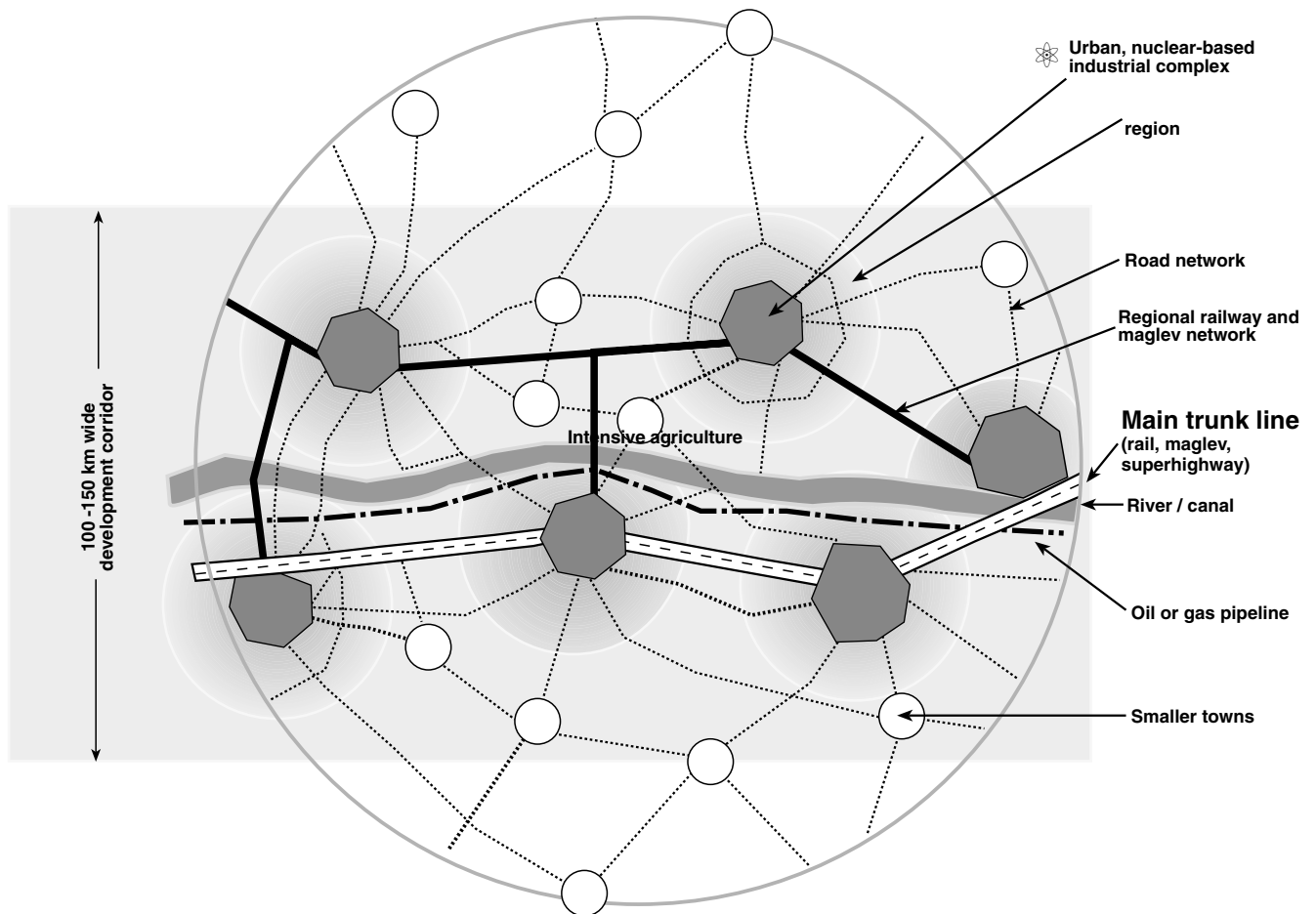
Then, soon after that, we went to Poland, and then soon many other countries in the East. In March 1991, we had a conference in Berlin, where over 100 economists and politicians from 17 countries participated, and we launched the so-called Berlin Declaration, and appealed to governments, to make the Productive Triangle government policy.

This was followed by a second Berlin conference in November 1991, with over 400 participants from 30 countries, including the republics of the Soviet Union, which was already disintegrating, at this point. And, the idea was for the first time presented, to make the Productive Triangle the *cornerstone* of an all-Eurasian program of infrastructure development, an idea we presented in the same year to a conference of transport ministers in Prague. In 1992, the Schiller Institute made an elaboration for all of Eurasia (**Figure 10**). Here you see the three main lines, connecting Eurasia. The old Line A is the Trans-Siberian Railroad, going from Novosibirsk all the way to Europe. A second line from Lianyungang, all the way to Rotterdam. And the third line going both through India, into Indonesia, and also to the Mediterranean.

Now, these ideas, which we, again, circulated widely, intersected an increased interest by the Chinese, who had already built their rail system via the Alataw Pass, which was completed in 1990, and made operational in 1992. This is between China and Kazakstan. In the Winter of 1993-1994, the European Union decided on the so-called Delors Plan, which was exactly the same infrastructure lines as we had

FIGURE 9

Development Corridors



presented, except that the Balkans was completely left out [shown in slide], because they already said, it's guaranteed that this Balkan war will stay there for a very long time, so they didn't even bother to put in the railroad lines there.

In December 1994, we had the first Schiller Institute conference on the New Silk Road, where Lyn could participate for the first time, in freedom. And we had many seminars, with VIPs from all East European countries. In 1996, there was the International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge, which actually occurred at our suggestion. We had suggested this to the Chinese institutions, almost three years earlier; and there was a tremendous back-and-forth between Sir Leon Brittan, who didn't want the conference to take place, and us, we pushing for it. So, eventually it took place, and Dr. Jonathan Tennenbaum, Mary Burdman, and I were participating as speakers at this conference, with 34 nations, and many leading scholars from China.

We published the report, which you still can see, the 1997 *EIR* report on the Land-Bridge, which, again, was circulated

around the world to, literally, hundreds and thousands of cities, in the United States, in Western Europe, in Eastern Europe, in Latin America, and we even talked about it in some African places, that such an alternative exists.

Responses to the Financial Crisis

Now, there was one important step, in between, which was a trip I took in September 1997, to China, where I made speeches at 12 different economic institutes on the coming global financial crisis. And, I remember, because people said, "Oh, you are very courageous. If you tell us that there will be a global financial crisis, and it doesn't come, your reputation is gone." So I said, "No. Mr. LaRouche has made this prognosis on the following grounds, and it will occur." And, indeed, the Asia crisis, the local expression of the global crisis, erupted in October 1997, and spread to South Korea, Indonesia, and Japan. And at that time, the world financial system was already three times on the verge of a meltdown. And, people recognized, "This man LaRouche really has some knowledge, which other economists don't — he is a prophet."

FIGURE 10



The three main lines for LaRouche's conception of a Eurasian Land-Bridge.

And, the countries of Southeast Asia, for the first time, really lost their faith in the IMF, because the IMF had not only not warned them what would happen, but used the moment, when they were weak and on the ground, to kick them and impose structural reforms, which they regarded as absolutely detrimental to their own interest.

Now, this situation continued with the continuation with the global financial crisis, leading to the Russian state bankruptcy, in August 1998; followed by the famous LTCM [Long Term Capital Management] hedge-fund crisis, which, again, brought the world to the verge of a meltdown, and only the concerted action of the 16 leading banks of the world could prevent this.

In this moment, LaRouche called for the creation of a Survivors Club of nations, meaning, that, those countries who wanted to avoid being drawn into this financial collapse, should form an alliance against the dangers of the meltdown, and also the strategic combination of China, Russia, and India, would be absolutely crucial. At the same time, Russian Prime Minister Primakov called for a strategic triangle between Russia, China, and India, but this did not exist at that point.

Already, in 1996, the so-called Shanghai Five—an alliance to deal with border issues, security, defense, and economic cooperation—had formed itself, consisting of China, Russia, and three Central Asian countries, which later was joined by Uzbekistan. They had formed themselves, to organize a reasonable international economic and political order. And, on June 14-15 of this year, the founding of the Shanghai Cooperation Organization occurred, which is one of the most important developments of the recent period.

These countries in the Shanghai Cooperation Organization did that, because they are facing a tremendous challenge: Russia, for example, has still not recovered from the reforms of the IMF and the “oligarchs.” China is running a very tight ship, because they have 1.26 billion people. The Central Asian countries are generally poor, and are threatened by very dangerous Islamic fundamentalist insurgencies, all coming mainly from Afghanistan—the Taliban, which was originally an Anglo-America effort, and where, today, 70% of the world’s heroin is coming from. But, the Shanghai Cooperation Organization has a gigantic potential: They represent 25% of the world’s population, and many other countries are in the process of joining, like India, Korea, Iran—Pakistan has already asked to join.

And, Nazarbayev, the President of Kazakstan, said that the Shanghai Cooperation Organization must rebuild the Silk Road and expand to humanistic and environmental security. “Environmental security,” in this case, means eliminating the consequences of the terrible drought, which has hit this area in the last years, among other things. And, these Prime Ministers and Presidents will meet again in September in Almaty, to discuss long-term cooperation, of the 2001-2010 period. The Kyrgyzstan Transport Minister, Dzhumalaye, on June 19, said that the summit decided on the construction of the Shanghai to Paris rail line. The link from Kashi, in Chinese Xinjiang, to Bishkek [Kyrgyzstan], goes through some of the highest mountains in the world.

I’ll show you some of the area we are talking about. [Video: Silk Road documentary:] This is a part of the Silk Road, going from Kashgar to Samarkand. We have here, be-

FIGURE 11



The Karakorum Highway at Khunjerhab Pass. This route, which took 20 years to build through the Karakorum Mountains between China and Pakistan, is about 18-20,000 feet in altitude, is closed during the long Winters, and is subject to rock slides, but brings development to the hinterlands of both nations.

fore us, the Roof the World. We have already travelled 5,000 kilometers on the Silk Road. We are looking at the eastern Pamir, the road from China to Pakistan (**Figure 11**). This is more than 3,000 meters high, and this is basically an area, where the Mongol horsemen gathered for invasions into India. These passes are closed from November on, and these trucks go through some of the most adventurous roads in the world. These are the Karakorum Mountains, which, even in the Summer, have ice. The Karakorum, the Black Mountain, which already Marco Polo said, sent shivers down his spine, because one could hear the groaning of the mountains, before they would drop boulders on the travellers. This is all 3,000-4,000 meters high, so you can get a sense of how difficult it is to actually do these things. . . .

The construction of this highway, through these mountains, took 20 years, and it was the largest engineering project since the construction of the Pyramids. Even in good weather, the passage is very dangerous, because there are avalanches. The roads can break away, so drivers drive as quickly as possible.

Here you see, opposite the highway, the old, ancient Silk Road, which was not a real road, but just a pathway, which was very dangerous to go through. But who could manage to get through, would make a gigantic profit. . . . This is where the Karakorum, the Hindu Kush, and the Himalayas meet. This mountain is called the “killer mountain.” It’s over 8,000 meters high, and many people who tried to climb it, met their death there, but it’s the most gorgeous landscape you can imagine.

Now, we continue from Kashgar. It’s the incredible

beauty, which strikes you, but it also gives you a sense that it’s not a piece of cake to build this Eurasian Land-Bridge.

Maglev Technology

Now, that was to give you a sense of the ancient Silk Road, and the conditions which people had to master. But, to give you a more optimistic view, I want the next video clip. This is the maglev train (**Figure 12**), which we are going to build in all of Eurasia, and this is not a fantasy any more. Because the maglev train, which was developed in Germany, and it was about to die—it only existed as a test run in Emsland, because of the insanity of the present political parties in Germany—it was about to die. But, then the Chinese came, especially Prime Minister Zhu Rongji. He travelled on it, and the Mayor of Shanghai; they were convinced that that technology is *exactly* what China needs. So, they decided that it will be built between Shanghai and the airport, and then, to Beijing. And, in the next ten years, 100 Chinese cities will be connected through this train. And, China and Germany will build this in three countries.

Here, you see the mechanism of the magnetic levitation, which obviously is a tremendous technology. This train can go up to 450 kilometers per hour, and you don’t feel the acceleration. Lyn and I travelled on it. You don’t feel the acceleration: The train goes quickly to full speed, and you don’t feel it; and it stops, and you don’t feel it. Even the cows in the surrounding fields are not disturbed, because this train is so quiet. So, obviously, if this train exists from Europe to all of Asia—. And also for cargo. I forgot the exact number, but I think from Paris to Beijing, it’s like, eight hours. It’s a

FIGURE 12



Germany's Transrapid magnetic levitation test track at Emsland. Maglev was all but dead, due to the stupidity of Germany's Social Democratic leadership, until the Chinese revived it. Now, they are contracting Germany to build a maglev line from Shanghai to its airport, the first of many lines connecting 100 cities.

gigantic leap in technology forward, and obviously, this should be spread in Europe, in the United States, rather than going in overcrowded, dangerous airplanes, and if you connect the cities, this is the perfect system for passenger transport, but also for cargo.

When the deal was made with China, that this was now going to be built, the head of the department at Siemens said: This is as important—the first leg, from Shanghai to the airport, which only is something like 50 kilometers—is as important as the building of the first part of the railroad from Nuremberg to Fürth, in the beginning of the last century, leading to a completely new epoch.

So, this is what's happening. It is no longer just the Schiller Institute and LaRouche saying we need this, but this is now happening, and this is the result, largely, of our own organizing. And, part of this, is the conclusion of the Russia-China Friendship Treaty, which was concluded on July 15-16, this year, in a summit between Jiang Zemin and Putin. And, this was, without any question, a very important step in the creation of the Survivors Club. And, the Chinese Foreign Ministry said, in that context, that they will further strengthen the cooperation with Russia and India, because they have, on many international issues, similar or nearly identical stands

and concerns. This is what the PTI called the most important development of the post-Cold War period.

Now, Jiang Zemin, recently, at the Moscow Lomonosov State University, announced that this cooperation will be strengthened and brought to a higher level.

Now, if you look at some of the principles of this friendship treaty, they announced 40 areas of Russian-Chinese cooperation. That both sides will never do anything detrimental to the interests of Russia and China, both will make fuller use of their potentials, and use the complementarity of their economic systems. They will engage in cultural exchanges, making use of the riches of the long cultural history of either side. And, the Chinese appreciate the great minds of Russia, such as Pushkin, and Confucius is very well liked in Russia. Both Russia and China will bear responsibility for the entire world, and the world needs peace, and people want cooperation. Countries want development, and societies want progress. This is the trend of our time.

Now, we had, in May of this year, an extremely important conference in Bad Schwalbach [Germany], with the title, "The 25-Year Development Perspective of Eurasia," with speakers from Russia, China, India, Egypt, and other places. The Chinese representatives at this conference, said that China will focus on the development of the western regions of China, to uplift the population in the whole country; and, on the Third Land-Bridge, meaning the Afro-Asian Land-Bridge, which will go from Egypt to Hong Kong, through countries "which are booming with people and life." And these countries will include Vietnam, Myanmar, Bangladesh, India, Pakistan, Iran, Saudi Arabia, Iraq, Egypt, and, from there, to the rest of Africa.

Now, here you have the crucial link between Asia and Africa, through the Oasis Plan (**Figure 13**), which is the LaRouche plan to develop the Middle East, mainly through water development, peaceful nuclear energy for desalination projects; and, obviously, here, you have the link: Egypt being the only Asian-African country, with the Sinai belonging to Asia, and the rest belonging to Africa, which gives it a very special bridge role, in this process.

Now, let's look at some of the Silk Road. [Video:] Here we come to a city with a magic name: Samarkand, which is as old as Rome. And, this city excited the imagination, and it was more glorified than any other city (**Figure 14**). It was called "the golden city," "the most beautiful face the Earth ever turned to the Sun," "the mirror of the world." Here, you see the marketplace, surrounded by two Koran schools, one mosque with cupolas of turquoise. This was called the "jewel of Islamic architecture." Samarkand was the incarnation of the mystique of the Silk Road. Here, you see the door to Paradise, a mosque as the artistic vision of the Islamic Heaven. And, they said, whoever builds a mosque, for him God builds a house in Paradise. This is a tremendous example of beauty and the artistic ability of Islamic architecture. . . .

Now, here we come to a place in Uzbekistan, which has been covered up by soil. And, some of the ancient ruins of the

FIGURE 13



LaRouche's "Oasis Plan" for the Middle East, to develop hydro and nuclear power, and desalinate seawater for the region to co-exist and thrive peacefully.

buildings of the Silk Road are being unearthed, right now. When the President of Uzbekistan saw this door, this portal, he immediately gave the order to unearth the entire complex. And, the Russian archeologist [on the video] says that in a very short period of time, we will have here, not only a tourist center, but a museum, and the Silk Road will economically completely transform this area.

Now, the old Silk Road went via Palmyra to Damascus. Here, we come to the ruins of Palmyra, which was one of the richest cities — rich like in a fairy tale. And, when the caravans arrived here, people would reach secure land for the first time, since they had left China.

This is a professional story-teller . . . and he tells stories about the Silk Road. This is a place in Damascus, and he makes many jokes, so people have a very good time. He's being interviewed here, and he says: We Arabs are very proud of the Silk Road, because this was a great epoch of freedom for the mind and tremendous wealth for the people, and, as it was, it should become again. So, the interviewer says: What is the message of the Silk Road today? And, the story-teller says: "For me, as a story-teller, it's very clear. The people from many cultures and nations must learn to listen to each other and exercise tolerance. That is the spirit of the Silk Road."

Now, at our Bad Schwalbach conference, the Egyptian representative said, that the government of Egypt had just conducted a conference in Port Said, on the Eurasian Land-Bridge, defining the role of Egypt, as the link between Eurasia and Africa. That Egypt is aware of the fact, that this will lead to a total increase in global trade, some of which will go through Egypt—especially through the Suez Canal—and it

will enhance Egypt's position as a link between Africa and Asia. And, that Egypt is very proud, not only of its ancient culture, but also to be the only Afro-Asian country.

Now, Russia, on the other side, is the only *Eur-Asian* country, where part of it is in Europe, representing European culture, and part of it is in Asia.

Now, the Egyptian representatives pointed out that the new railway system will go to Sudan, which is presently on a different gauge system, which obviously was built by the British, so that the Egyptian railway system and the Sudanese would not go together (**Figure 15**). The Egyptian speaker said, Sudan could become a hub, to Central Africa, and from there, go across the great desert to Dakar; another connection from Sudan, to Chad, to Congo, to Ethiopia, Eritrea; another one to Uganda, and Cape Town; and, from Egypt, another line to Libya and North Africa.

This is our program, how Africa should be linked to the Eurasian Land-Bridge. And there is *no way*, no way that Africa can come out of its present terrible crisis, *without such a program*. So, people who are concerned about Africa, must learn and study the Eurasian Land-Bridge.

Another speaker, Professor [Yuri] Gromyko, from Moscow, talked about the necessity of Russia to define its mission, as a new science-driver program for Russia, which would revitalize the enormous reservoir of Russian scientists. He said: What we need is the most intensive forms of technological and social and cultural evolution; and where we can study this the best, is: How does this develop under the most extreme conditions of life, such as in the Arctic north of Russia? If you remember the north of Russia, there is presently a gigantic migration, a real slide of the population from the

FIGURE 14



A major stop on the Old Silk Road was Samarkand in Uzbekistan. An exemplar of Samarkand's high culture, shown here, is the Guri Mausoleum.

Russian northern territories, which still suffer from the reform program. And, it is urgent to develop new ways of mastering life under these extreme northern conditions. Professor Gromyko pointed out the connection between space flight, and life under such very difficult conditions. He pointed out that both go against the monetarist policies. And, he cited the famous Russian scientist and physical economist, and co-thinker of LaRouche in Russia, Pobisk Kuznetsov, who once told the Politburo of the Central Committee of the CPSU, that there is no point in taking paper money on a space flight. Because it has no life-support functions on a space flight (which I think, is an interesting observation).

Professor Gromyko said, that Russia can be characterized as a northern civilization. And that it is impossible to think of a vision for Russia, without a new program to promote life, under the conditions of the Far North. A very important feature, is the promotion of life above the Arctic Circle, and, there, again, the idea of the development corridors, as pro-

posed by LaRouche, is very important: the building of new science-cities—cities which concentrate on teaching and training young people, scientists and so forth. Also, important in this, is [V.I.] Vernadsky's idea of the development of new materials and energy production, in order to provide conditions for high population-density in these areas.

Now, this is the north of Russia, as you can see, the Eurasian Land-Bridge (**Figure 16**). Since we are here already, we could easily go through the Bering Strait, into Alaska, Canada, the United States, and beyond.

I should just note, that the speeches of the Bad Schwalbach conference, which was an assembly of some of the most important representatives of the institutions of these countries, which do this land-bridge program, again, went out throughout all of Eurasia. And, basically, in Russia, that led to the invitation of Lyn, in June, to the hearing in the Duma Economic Commission, where the Duma had basically invited Lyn to speak on the issue of: How can Russia protect itself from the consequences of the global financial crisis, and what measures should Russia take for its defense? To which Lyn elaborated, the New Bretton Woods principles. And, remember, that Tatyana Koryagina, in that context, had made her famous prediction about the coming dollar crash, and she was very confident that this would happen. And we now know, that the issuing of the gold coin in Russia, the chervonets, and the idea of having a gold ruble, is what gave her this certainty, that the development was going to happen in this way.

Now, gold is playing a very important role, not only in Russia, and in the other CIS countries—the republics of the former Soviet Union are moving in this direction—but also in Asia and in the Middle East, gold already plays a very important role, as a savings device. And people have a lot of their savings in gold.

America's Opportunity

Therefore, if you think about all of this, it is a matter of life and death for the United States, to link up with this beautiful development, which is not only a Eurasian Land-Bridge (**Figure 17**), but, as you can see, is meant to be a global reconstruction program, including every part of the world—Africa, Latin America, Australia.

Now, obviously, this means that we have to change the economic thinking of the last 30 years of post-industrial decay. And we have to rebuild the agro-industrial base of the United States. We have to rebuild the infrastructure. I think, we have to invest something like several *trillion* dollars in infrastructure, in the United States alone, to get safe roads, and railways, and so forth. We have to build new cities. I mean, you saw that some of the areas in Eurasia are absolutely not populated, but there are also such areas in the United States. We have to build new farms, factories, education, health systems, and we have to get a mobilization to get the U.S. functioning again as an industrial power. And, it can be done, as Lyn pointed to FDR's example, and we will do it with Lyn, today.

FIGURE 15



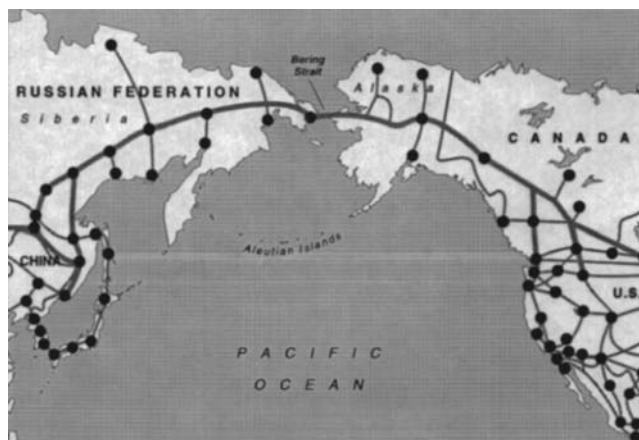
The Eurasian Land-Bridge extended into Africa, including development of the continent's rich waterways, and railways for development, not—as under colonialism—for extraction. Egypt is the portal from Eurasia into Africa.

Special emphasis has to be on rapidly rebuilding the machine-tool sector—the small to medium-size, high-technology firms in the United States, which are the foundation of any modern economy, because, it is there, where the transformation of scientific and technological discoveries, into the higher productivity of the production process, occurs.

America must return to the American System. The United States must resume its role as a primary science- and technology-driver, for the world economy. The U.S. should take a leading role in developing and promoting advanced technologies, for example, for greening the world's deserts—large-scale desalination of seawater, which is urgently needed in North Africa, the Middle East, but also southern California.

We have to go back to the idea of large infrastructure programs, such as in the tradition of the Tennessee Valley Authority. China is in the middle of building the Three Gorges Dam. And an even larger project is, right now, in negotiations—the famous Brahmaputra River project, which takes the water, which is now causing tremendous floods in Bangladesh and elsewhere; the river, which comes down from Tibet, into this corner, where Tibet, Burma, and the Assam state of India come together. Where the water undergoes a gigantic drop, where gigantic masses of water come down, and the idea is, to build a tunnel beside the river, as a hydroelectric generator of electricity. This is a project bigger than the Three Gorges Dam. And, it is in an area where there is no energy production, whatsoever; so it will transform the whole area, and this is being negotiated between India and China, right now.

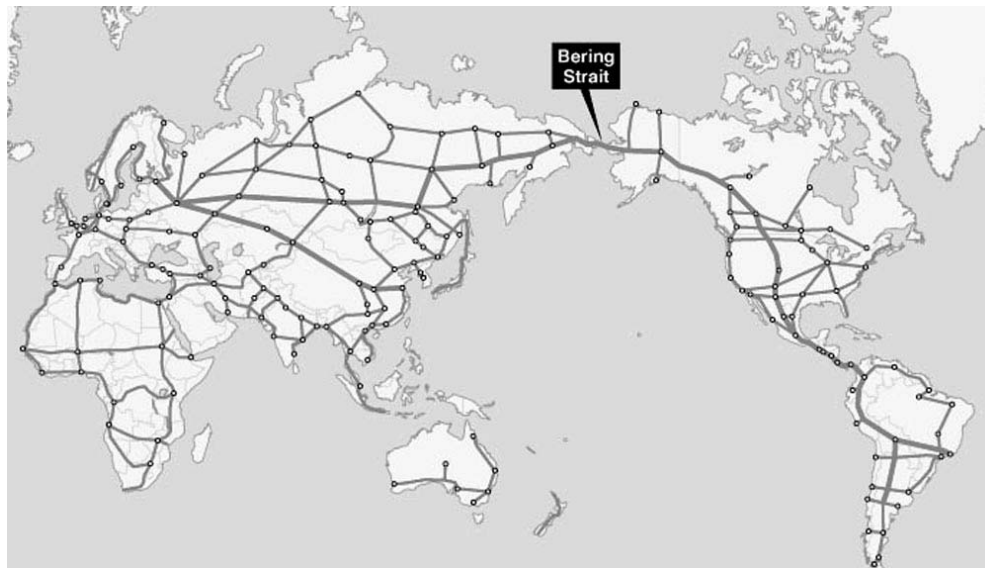
FIGURE 16



Here is a detail of Eurasian Land-Bridge as it crosses the Bering Strait into Alaska, connecting to Canada and the U.S. "Lower 48."

Now, we have to revive, in the United States, the U.S. NAWAPA project, which would bring down water, from Alaska and northern Canada, into the Western United States, into Mexico; which would eliminate the severe water shortages in the Southwest of the United States, and create huge amounts of electric power. The NAWAPA project should be integrated with the corridors, running down from the Bering Strait to Latin America. If you do this, you will have a new era of prosperity, and full employment, for all the people in

FIGURE 17



A global view of the Eurasian Land-Bridge.

the United States, and in the Americas.

LaRouche's Oasis Plan is the only hope for the Middle East. The U.S. should promote joint projects with several nations of the Eurasian Land-Bridge, in Africa and Latin America, and, this way, create the largest market for exports, where, alone in the area of the Russia-China-India Strategic Triangle and Southeast Asia, you have 3 billion people. Now, imagine how the world will change, with corridors; hundreds and thousands of new cities; transformation of the deserts into land-use for agriculture; you will have forests, gardens. There will be a gigantic demand for capital goods coming from the United States.

The question of who pays? Lyn answered it yesterday, already. You will have gigantic markets, with increased buying power of ever-richer clients. It is good old economic scientific thinking to go this way.

So, we have to undo the gigantic primitive accumulation, which has occurred in the last decade. In Africa, in two generations, we can turn it into a continent with the same living standard as the United States or Europe. And, this will be a much better compensation, than any sum of money for slavery and colonialism, money which is going to be worthless, in any case.

So, if the people of the United States want to come out of the depression, and have jobs, education for their kids, and health care, the Eurasian Land-Bridge is the only way to go.

The Dialogue of Cultures

But, let's look at the question of what foreign policy should be, and what should be the relations to other countries, in the world, and what it should be based on. Think back to the Founding Fathers, and especially John Quincy Adams, who had the idea of having a community of principle of sover-

eign nation-states, which all work together for the common good, and who define the common progress as the joint goal of mankind. Now, one of my favorite friends, Nikolaus of Kues (**Figure 18**), whose 600th birthday we celebrate this year, had actually many of the ideas which went into the American Constitution, of inalienable rights for everybody. So, he had the idea of *concordantia*, that peace is only possible in the macrocosm—the world at large—if all microcosms, meaning all nations, develop their maximum potential. Each microcosm, each nation, must understand, that its best self-interest, is that the *other* one develops in the best possible way, and vice versa. But, what about all these different cultures? The neo-isolationists complain, "I don't understand them. They are strange. Why should I put my future on something I don't understand?" Or, another version: "Why should I put my future on something I don't control?" And, there you can see a little imperialist thinking, sneaking through here.

Nikolaus of Kues said, different nations can understand each other, because each of them has scientists, universal principles, which are true in each culture, and each language. Each has doctors, poets, philosophers, and so forth, who all have universal principles, and therefore, they can talk to each other, and they're true for all. In *De Pace Fidei* (On the Peace of Faith), one of his writings, Nikolaus talks about an ecumenical basis for peace. He has a dialogue in which representatives of 17 nations and religions come to God. And, they say, we are all fighting each other in terrible wars, supposedly because we all do it in Your name. How can You help us? And, then God talked to the different religious representatives, *not* as religious representatives, but as philosophers. He says: You are men of wisdom, and you can understand that the error which people make, is that they mistake the words of the prophets for the word of God, and that's how these differences

FIGURE 18



A father of the Fifteenth-Century Renaissance, Cardinal Nikolaus of Kues elaborated the basis for peace among religions.

come into being, and that's what causes religious wars. Also, people mistake the difference in *custom*, as truth. Just because people have a different tradition and a different custom, doesn't mean that the custom is truth, but what you have to think is, the One of mankind, before the Many of the different nations.

Nikolaus taught people the thinking of the "coincidence of opposites," that unity exists before the differentiation—that you have to think from above. You have to think from mankind first, and then go into the unfolding of the difference. This requires, not an Aristotelian method, of contradiction—the famous sentence by Aristotle, where he says, "If two things are opposite, they can't be the same at the same time." Now, Nikolaus says this is ridiculous, because, if you only run around for contradictions, you don't understand anything. But, Nikolaus says, you have to think as if you were on a very high tower, where you look down, and you see the guy who's looking for contradictions in the field; and you see the searcher, the searched, and the process of the searching, which means you have a completely different understanding of the process of finding the truth, than the guy who's running around, blindly, back and forth.

Now, Nikolaus said, that, if we applied the "coincidence thinking" to the relations to other nations, we start from the uniqueness and the universality of mankind, as primary; and then, have the otherness and the differentiation, which follows. If we speak to that, which is universal in the other, we can find easy ways of understanding each other. Nikolaus speaks of the sweetness of truth, that the more you know it, the more your appetite for it grows. If you know the beauty of another culture, you will start to love it. If you start to study, and understand Chinese painting, poetry, and the Florentine art of the Fifteenth Century, you see that, indeed, each of these has something very lovable.

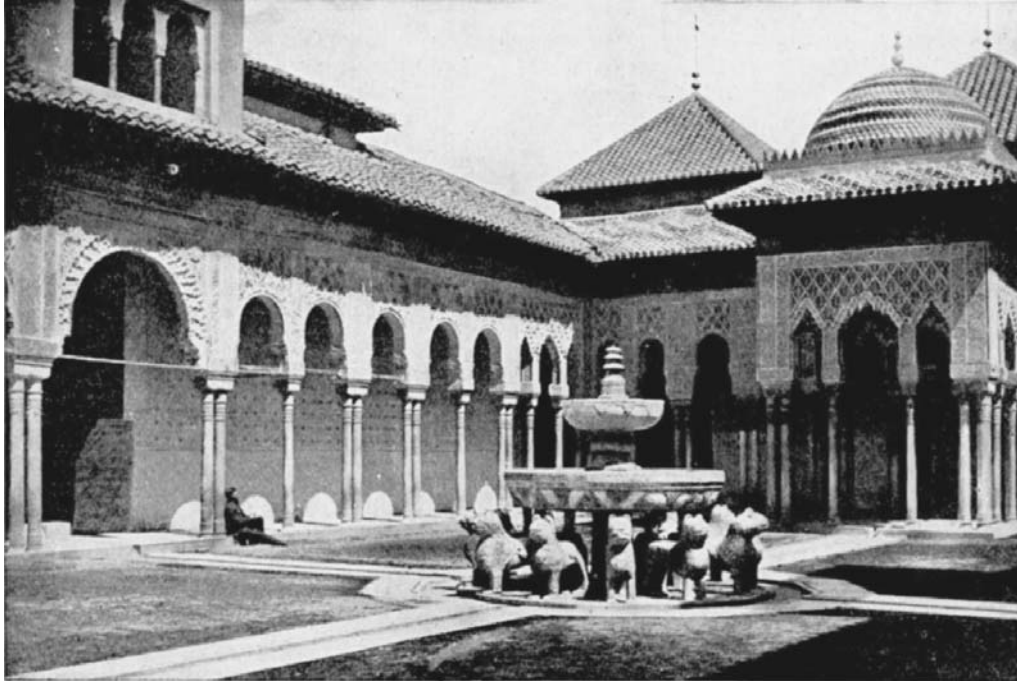
Here you have the Alhambra, a famous palace-city in Granada, one of the most famous examples of Islamic art (**Figure 19**). This was a high point in Islamic culture, on the Iberian Peninsula, in the Fourteenth Century, and it was built at the same time as the cathedrals in Cologne, Milan, Strasbourg, and the Signoria in Florence. There is a very impressive gallery of fine columns, which surrounded the yard of the famous Lions Palace. . . . This is the Comares palace, with the magnificent inner yard; along one side, you have the living quarters of the palace, and at the top and the bottom, public reception and administration halls. This was built around 1400, at the same time, when the Italian Florentine Renaissance really started to develop. The palace has an elegant garden, with a water fountain, with a very rich water technique, which underlines the special symbolic meaning of water in Islamic culture.

So, the dialogue of cultures, is obviously a superior idea to the barbaric conception of Samuel Huntington, of the Clash of Civilizations. Lyn and the Schiller Institute promoted this idea, in many, many seminars, helping the process of communication among the countries of the Eurasian Land-Bridge. Because, if you look at Confucius, Mencius, Chu Hsi, you see that there are very similar ideas as in Christianity, Nikolaus of Kues, Leibniz; or between the poets of the different countries—Pushkin, Schiller—there are very similar ideas.

Toward a New Renaissance

Now, what should a nation do, that did not produce some of these poets, artists, on that level? What should a nation do, that has a lot of them? Obviously, this is not a question of being chintzy, and keeping what you produce for yourself. But great composers, thinkers, poets, are not the national property, but they belong to all of mankind. In the famous Abbassid dynasty in the Seventh and Eighth Centuries, the Caliphs Al-Mansour and Al-Mamoun, sent emissaries to Egypt, Italy, Spain, and Greece, to bring back all the discoveries and cultural goods; and they weighed the discoveries in gold. And, out of this, they made a new renaissance, and then, collaboration between Al-Mamoun and Charlemagne helped Europe to come out of the Dark Ages at the time. So, a small nation, which did not have its own special cultural tradition, or any nation, should just take it all! Take whatever has been produced by universal history, up to this point, and

FIGURE 19



The Court of Lions at Alhambra Palace, in Granada, Spain.

make it your own.

Mankind has come to a point, where we are all sitting in one boat. The crisis is so fundamental, that we have to take the best of all cultures, of all of universal history, re-study and revive it. And, out of this, make a new Renaissance. And, why not take the best from other cultures, and make it our own? Because, it is the very nature of creativity, of which great art is only one expression, that it is generous; that it is not austere.

Classical beauty is universal. What is great and truthful in one culture, can be easily understood in another one. [Video: Chinese boy playing 'cello:] Now, this Chinese boy, for sure, understood the spirit of the European composer, whose piece he played. Lyn said, repeatedly, we would only come out of this crisis, if a sufficient number of people developed to become leaders on the level of the Sublime. Schiller gave a very rigorous definition of what the Sublime is: Sublime is a situation, or a person, where our sensuous nature is physically threatened and in danger to go under; but where our reason proves to be superior. As sensuous beings, we have two drives, one instinct for survival; and secondly a drive for cognition. As sensuous beings, we feel a dual dependency; first, when there is danger to our lives, and secondly, when something prevents us from having an adequate understanding to comprehend reality as it is. Reason allows us to go beyond the dual dependency, in physical terms, because we are not afraid of the danger; in theory, because we can think beyond what we presently know. We can come up with a deeper level of understanding.

Schiller says: In the theoretical Sublime, we experience an increase in cognition. It is a challenge of our power of imagination to go beyond previously existing levels of cognition. Pain or fear is an alarm signal for our instinct of survival. A danger where our mind knows resistance is in vain, leads to fear. But, the inner freedom of the mind, is that from which the Sublime comes. Schiller says: It is very rare, and therefore, it requires an elevation of human nature. This calmness of inner freedom can only come from an inner, or *moral* security. The security can not relate to our existence, but it must be in respect to the principles we believe in.

So, the theoretical Sublime is what is required to imagine the future of mankind, to feel the pain of what happens to the world and future generations, if we do not correct the present course; of what will happen to the world, if we do not act. Contrary to the propaganda, the United States is not in physical danger from any of these countries of the Eurasian Land-Bridge. What is, therefore, required, is not what Schiller would call the practical Sublime, because your physical existence is not in danger, in this way—even though, from a larger standpoint, if we have a Dark Age, it is. What is required is, especially, the theoretical Sublime. What is challenged, is your drive for imagination, and for cognition. And, what you have to do, is just take the whole of mankind, the whole world, in your heart. And, be their parents. Be the ones who undo this terrible sickness of the world. And, if we do this, I think, we will look in the most beautiful future anybody can imagine. And, that is a challenge to your imagination, as well.

Amelia Boynton Robinson: Her Love Of Freedom Is 'A Higher Power'

by Marianna Wertz

In celebration of the 90th birthday of this living heroine of the civil rights movement, and recipient of the Martin Luther King Freedom Medal, a presentation/slide show on her life was offered to the ICLC/Schiller conference by her longtime friend and editor of her autobiography.

Ten years ago, in July 1991, I was honored to work with Amelia Boynton Robinson to publish an updated edition of her 1979 autobiography, *Bridge Across Jordan*—which, unfortunately, is out of print today. We've been close friends ever since. In my Editor's Introduction, I wrote the following words, which still ring true.

"Editing this second edition has brought me countless happy hours in association with Amelia Robinson, who must be counted among the true pearls of our nation. She is a living heroine and the embodiment of what Dr. King identified as *agapē*."

Agapē is the Greek word for love, translated as "charity" in St. Paul's first letter to the Corinthians.

In Amelia's introduction to *Bridge Across Jordan*, she dedicated that St. Paul passage on *agapē* to Lyndon LaRouche, whom she called "the epitome of *agapē*." Lyn was in prison when this book was published. She compared the trials and crosses, which she and her first husband, Samuel William Boynton, had to bear in the civil rights movement, to LaRouche's punishment for "trying to save the world from collapse, which will surely happen if injustice and hate are not stamped out."

In Helga Zepp-LaRouche's foreword to *Bridge Across Jordan*, she wrote, "If some day in the not too distant future, the true history of the United States were to be written, then the name of Amelia Boynton Robinson should take a prominent place therein. When the memory shall have vanished, of all the mediocre and corrupt politicians, who in their time were so much played up by the media when America found itself in decline, then Amelia will be known and loved by future generations. It will be said of her that she was one of those extraordinary individuals who saved the honor of the United States, by fearless resistance to the tyranny that was trampling on human rights."

In the Spring of 1990, in the heat of their joint political battle, Amelia and Helga mutually adopted each other, as

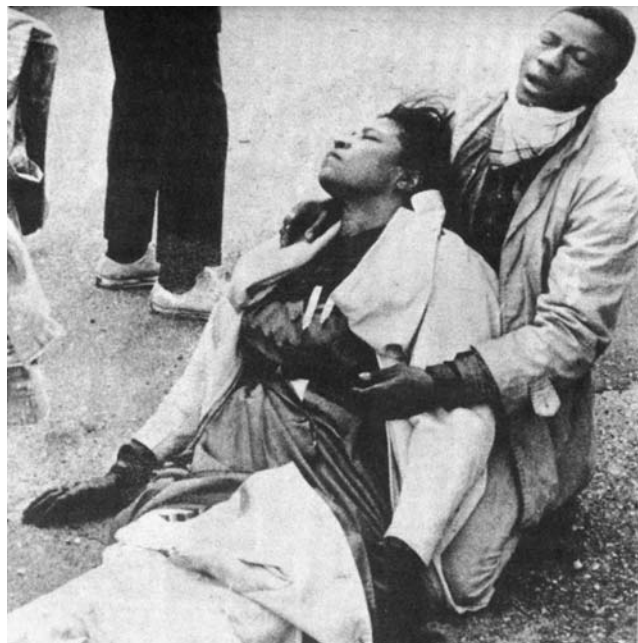
mother and daughter. Helga wrote, "We both feel an immense gratitude that we have found each other."

A Warrior Angel

I hope you will also see why, after celebrating her 90th birthday on Aug. 18, Amelia embodies the words of that old Negro Spiritual, "I'm so busy serving my master, I ain't got time to die."

Or, as Amelia herself says, "It's better to wear out than to rust out."

George Platts, Amelia's father, was born in 1866, just after the Civil War, in Brunson, South Carolina. He descended from Africans and Native Americans, with some German (thus the name Platts) thrown in for good measure. Her



Ready to put her life on the line for a principle: Amelia Boynton Robinson, unconscious, is held by another marcher on the Edmund Pettus Bridge into Montgomery, Alabama on "Bloody Sunday," March 7, 1965. A leader of the march, she had been run over, tear-gassed, and clubbed by mounted state police. The apparent defeat, was only apparent.



A victory for the nation. Mrs. Robinson shakes hands with President Lyndon Johnson at the White House in the Fall of 1965. Johnson had just signed the Voting Rights Act of 1965, the direct result of the Alabama and Mississippi struggles.

mother, Anna Eliza Hicks Platts, was born in 1874 in Beaufort, South Carolina. She too descended from Africans, Native Americans (in this case Cherokees), and Germans (her father's name was Anthony Eikerenkötter Hicks). So, you can see why, when asked to fill out a form as to her "race," Amelia always proudly and defiantly writes, "human."

Her great-grandfather, Bart Hicks, came to America from Africa as a free man, and a professional builder. You can still see blocks of his strong, towering buildings, over 125 years old, standing today in Beaufort, S.C. His son, her grandfather, Anthony Hicks, had a half-brother who was a slave and bought his freedom, named Robert Hicks Smalls. Robert Smalls, Amelia's great-uncle, became one of the first African-American members of the U.S. Congress, elected during Reconstruction. Robert Smalls is the real-life role model for Joshua Terrell, the hero in Amelia's celebrated play, *Through the Years*.

Amelia was born in Savannah, Georgia, in 1911, one of seven children. . . . Amelia today is the last surviving member of her immediate family, though there are hundreds of children, nieces, nephews, and grandchildren, at least one of whom is with us here today.

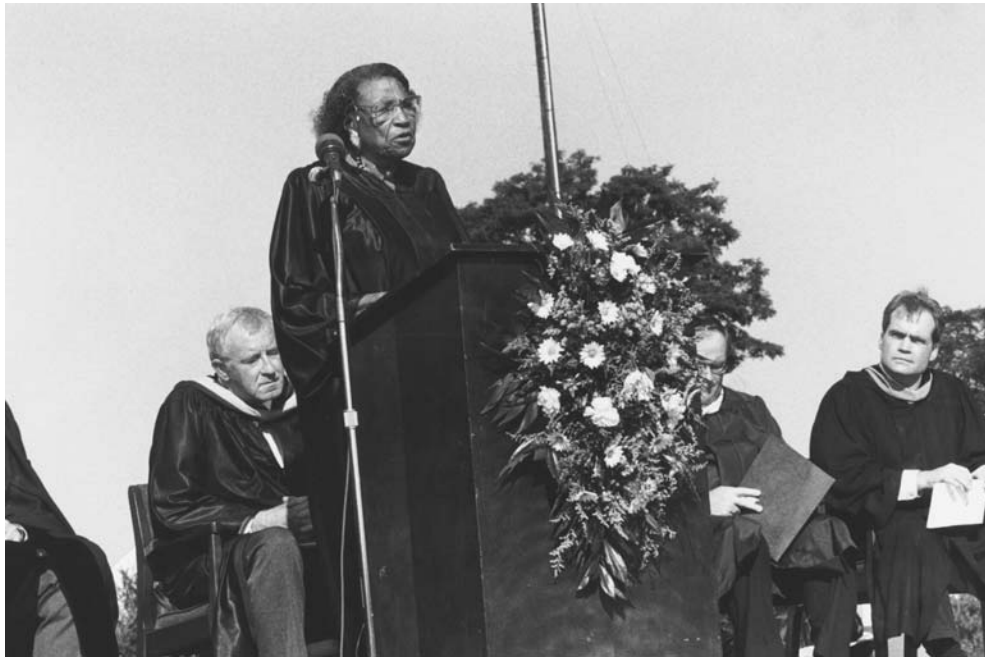
Tuskegee Institute

The institution that was central to Amelia's intellectual development, and in whose backyard she lives today, is Tuskegee Institute, which opened its doors in Alabama on July 4, 1881. Founded by Booker T. Washington (1865-1915), Tuskegee Institute is also a keystone institution in the history of African-Americans.

The inscription on the front pedestal of the Booker T. Washington monument, shown here, unveiled on April 5,



"A voteless people is a hopeless people." The first black woman ever to seek a Congressional seat in Alabama, Amelia Boynton ran in 1964 to try to increase the black voter registration level in her District, which was only 5%. She won 10% of the vote.



Mrs. Robison gives the 2001 commencement address to the graduating class of Loudoun Valley High School in Virginia.

1922 at Tuskegee Institute, expresses well what this institution stood for: “He lifted the veil of ignorance from his people and pointed the way to progress through education and industry.” One of Booker T. Washington’s mottoes, which heavily influenced Dr. Martin Luther King and his movement, was, “Cast down your bucket where you are, in making friends of all races by whom we are surrounded.”

George Washington Carver (1864-1943), rightly known as “The Black Leonardo,” was brought to Tuskegee Institute by Booker T. Washington, to teach. An agricultural chemist, Carver is world-renowned for his discoveries of new uses for the peanut, sweet potato, and soybean. His peanut oil was a crucial contribution to the World War II effort, used by Henry Ford in his factories as a lubricant. Here you see him at his laboratory at Tuskegee Institute. Amelia wrote of him, “One could never fully appreciate Dr. George Washington Carver . . . unless one had the opportunity to know him personally. In walking and talking with him, as we did, we would see the light of hope for the world and feel the closeness of communication with God. His life stood out as one of forgetting self and wanting to give service, particularly to the poor.”

Both Amelia and her first husband, Bill Boynton, studied under Dr. Carver. They asked Dr. Carver to be the godfather of their son, whom they named Bruce Carver Boynton.

Bruce Carver Boynton, Amelia’s son, launched the first test case leading to the Supreme Court ruling that outlawed segregation in interstate travel, and today is a prominent civil rights attorney in Selma. Bruce’s daughter, Amelia’s granddaughter, is named Carver Boynton. Alice Boynton, Amelia’s daughter-in-law, was also a stalwart in the civil rights struggle, until her recent death.

Laying the Foundation for Voting Rights Act

Amelia met Samuel William Boynton when they were both working in rural Dallas County, Alabama in 1930. Amelia was teaching home economics to the rural poor, and Bill Boynton was the county extension agent. They married six years later, and continued their joint work to bring education, a higher standard of living, and voting rights to the African-American poor, most of whom worked as sharecroppers on large white-owned plantations.

The battle for voting rights in Alabama started long before Martin Luther King arrived. Bill Boynton was president for registration and voting, of the Fourth Congressional District. The Alabama Lawyers Association created the S.W. Boynton Lay Justice Award to commemorate what they called his “lifelong commitment to uplifting the quality of life for blacks in the Selma area.” Mr. Boynton, they wrote, “laid the historical foundation for the Voting Rights Act.” Amelia Boynton Robinson has been a registered voter since 1934.

In the 1930s, Amelia wrote her play, “Through the Years,” to raise money for a community center that would be open to blacks in racially segregated Selma. She and others travelled to Washington, D.C. in the Great Depression, to contact the Works Progress Administration and other funding sources. After these efforts were stopped by white citizens, she conceived of this play—a dramatic rendition of the birth of the African-American spiritual, told through the life of a freed slave—to raise the needed money. Its first performance to a large group, in 1936, was at the Hudson High School in Selma. The Schiller Institute has performed this play in many cities in recent years. The latest, with the youngest cast, was performed in Leesburg, Virginia in late July this year.



In a scene repeated all over the world, Amelia Robinson signs copies of her autobiography for inspired students and teachers at an elementary school in Virginia, who have just been touched directly by their nation's most vital history.

In 1963, Bill Boynton succumbed to a series of strokes, brought on by the years of physical and mental harassment which he and Amelia endured. The first successful mass meeting for voting rights in Selma evolved in the wake of Bill Boynton's death, and as a tribute to his lifelong commitment to uplifting the quality of life for blacks in Dallas County.

By 1964, Amelia was helping to stage mass meetings for voting rights. She began receiving anonymous, threatening phone calls. She was greeted on the street with sneers and jeers. It only made her more determined to fight for what she knew was right, secure in her feeling that God had groomed her for this struggle.

On Feb. 29, 1964, Amelia entered the race for the Democratic nomination for the U.S. Congress. Here you see some of the press coverage. Only 5% of blacks in her district were registered voters, and she thought this race would help get more African-Americans to register. She was the first black woman ever to seek a seat in Congress from Alabama, and also the first woman, white or black, to run on the Democratic ticket in the state. With her motto, "A voteless people is a hopeless people," she won 10% of the vote.

King and Bloody Sunday

Amelia first met Martin Luther King and Coretta Scott King in June 1954, when her sister-in-law, a member of the Dexter Avenue Baptist Church, in Montgomery, Alabama, invited Amelia to meet their new pastor and his wife. It was at this church where the first meeting of the Birmingham civil rights movement leaders was held, on Dec. 2, 1955, just after Rosa Parks refused to give her bus seat to a white man. The church was bombed on Jan. 30, 1956.

In December 1964, with voting rights abuses in Selma escalating into jailings, beatings, and murder, Amelia and other leading black citizens of Dallas County, laid plans for a mammoth mass meeting, to be held in Selma in January, with Dr. Martin Luther King as the main speaker. Amelia invited Dr. King to make his headquarters at her home, and the Southern Christian Leadership Conference moved into her office. On Jan. 18, 1965, several hundred people, mostly African Americans, left Brown's Chapel AME Church on Sylvan Street in Selma, led by Dr. King, and began the most famous chapter of the American civil rights movement.

On Bloody Sunday, March 7, 1965, Amelia Boynton helped lead the famous first march across the Edmund Pettus Bridge. The march was broken up when horse-mounted Alabama State troopers, wielding tear gas and clubs, charged into the marchers.

Amelia was gassed and beaten. The wire photo of her left for dead on Edmund Pettus Bridge, which went around the world on the news that night, helped spark the outpouring of support for the civil rights movement, which culminated in the passage of the Voting Rights Act of 1965. One of the little-known casualties of that day is that the gas, which seared Amelia's lungs, permanently damaged her lovely soprano singing voice.

The Voting Rights Act was signed into law in 1965. Amelia travelled to Washington, D.C. to meet with President Lyndon Baines Johnson, after he signed it into law.

Jumping ahead 35 years, Amelia spoke at a press conference at the National Press Club in Washington, D.C., on March 14, 2000. She and other international observers of the March 11, 2000 Michigan Democratic Presidential Caucus,

released their findings, documenting how the Voting Rights Act, for which she and others shed so much blood, was being ripped to shreds by the Gore Democrats, to stop Lyndon LaRouche's 2001 Presidential campaign.

Joining Forces with LaRouche

Amelia first met the LaRouche movement in 1983, attending a meeting in Washington, D.C., where she ran into LaRouche's Eastern States coordinator, Dennis Speed, who, more or less promptly, recruited her. She told Dennis that Lyndon LaRouche's ideas reminded her of what Dr. King was trying to achieve in the civil rights movement.

A year later, in 1984, the Schiller Institute was born, and Amelia became first, a board member, then later, its vice-chairwoman. Later in 1984, Amelia, joined by LaRouche's Midwest coordinator, Sheila Jones, and Hulan Jack, the former Borough President of Manhattan and a Schiller Institute board member until his death, went on a fact-finding mission and tour of West Berlin on behalf of the Schiller Institute. This was one year after Lyndon LaRouche had warned the Soviet Union that, if they did not accept his Strategic Defense Initiative (SDI) proposal, as announced by President Reagan in 1983, the Soviet system would collapse. Amelia and her delegation called for the reunification of the two Germanys and the toppling of the Berlin Wall, which, as LaRouche had forecast, occurred five years later.

She returned to a reunited Germany in the Spring of 1990,

meeting with thousands of citizens of both the former East and West. She began her tour in the week before East Germany voted in a new, non-communist government, and was there to celebrate the reunification.

In 1992, Amelia went to the embattled country of Croatia, where she met with members of the Croatian Mothers for Peace, and extended the Schiller Institute's support for their fight for justice and sovereignty.

Over the past decade, Amelia has participated in hundreds of Schiller Institute events around the world, inspiring them by her presence. Of special importance is her influence on school-age children. She has addressed thousands of children in recent years, inspiring them with her own life's work, to learn the truth about this nation's history and to act for the good in the world. She is always greeted by these children as the embodiment of living history.

Her trip in the Spring of this year, to Sweden, Denmark, Germany, and Italy, brought hundreds of Europeans to join in LaRouche's fight for a New Bretton Woods system and the Eurasian Land-Bridge. A little closer to home, here she is, giving the commencement address before 3,000 students, teachers, and parents at the Loudoun Valley High School, 40 miles from here, in June of this year.

I only hope that all of you will have the opportunity to get to know her as I have. Your life will be immeasurably enriched by the experience, as the world is enriched by the sublime and world-historical life of this remarkable woman.

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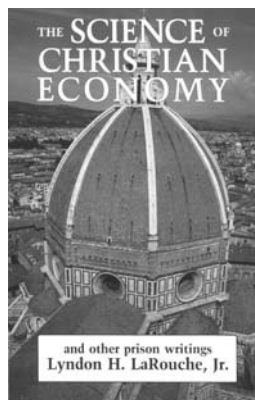
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Bush Backing For Israel's Sharon Assailed At Durban

by Jeffrey Steinberg

The Bush Administration's failure to intervene to stop Israeli Prime Minister Ariel Sharon's continuing terror and assassination campaign against the Palestinian Authority now threatens to isolate the United States from the entire Arab world, and from a majority of developing nations as well.

This message was delivered, loud and clear, at the United Nations special conference on racism, in Durban, South Africa, which took place on Aug. 31 to Sept. 7.

After Palestinian and Arab delegations to the 700-person conference insisted on including a criticism of Israel's racist policies against the Palestinians in the final communiqué, the Israeli and American delegations officially walked out of the conference on Sept. 3.

A committee of delegates, led by the South African host government, was still attempting to craft a final compromise text that could be accepted by the United States, as this issue of *EIR* went to press. The European Union also threatened to walk out of the conference, if the criticism of Israel was not removed from the final communiqué, according to French Prime Minister Lionel Jospin. "France and the European Union would seek a departure from this conference, which would mark a failure," Jospin told a cabinet meeting on Sept. 6, according to Associated Press.

But regardless of the final conference outcome, an unambiguous, sharp message has been delivered to the Bush White House: Either do something to stop the Sharon savagery, or face even further isolation from a majority of nations of the world, including an increasingly unified Arab world.

On Aug. 13, Lyndon LaRouche, a Democratic Presidential pre-candidate for 2004, had issued an open call for President George W. Bush to "change his mind quickly," or face precisely the kind of international outrage that surfaced at Durban. LaRouche warned in that statement, issued by his Presidential campaign committee, that unless President Bush

"uses his powers and influence in an appropriate way, there is presently nothing in sight which will prevent that general, spreading war in the Middle East which would lead, of necessity, to a new Masada—Israel's destruction by its own hands."

LaRouche concluded his statement with a direct question: "Does this President have the combination of advisors and ability to listen to them, which is required of him in this perilous situation?"

A Wake-Up Call For Bush

Sources close to the Bush Administration have told *EIR* that the President and his top White House aides were shocked at the virulence of the criticisms of the Israeli brutality and the American inaction.

In opening remarks before the conference, United Nations Secretary General Kofi Annan singled out the Israeli aggression against the Palestinians, noting that the horrible atrocities committed against the Jewish people did not justify silence in the face of Israel's "displacement, occupation, blockade, and now extra-judicial killings." Palestinian Authority President Yasser Arafat, while harshly condemning Israel's racist violence, and the "American war machine" weapons being used in the atrocities, also invoked the "peace of the brave" that he had achieved with his "late partner," Israeli Prime Minister Yitzhak Rabin, as a model that could still be adopted to achieve a lasting peace.

The Bush Administration has not only backed off from pressuring Sharon to abandon the "pre-emptive assassination" policies and the other daily acts of military brutality inside the Palestinian territories. The President and others have pressured European and Russian government officials to back off from their own efforts to mediate the Mideast crisis, claiming that this might interfere with the nonexistent "ongoing U.S. efforts."

In August, German Foreign Minister Joschka Fischer had attempted to organize a Berlin meeting between Arafat and Israeli Foreign Minister Shimon Peres, but a widely publicized statement by President Bush, placing the blame for the peace impasse and continuing violence on Arafat and the Palestinian Authority, scotched that effort.

On Sept. 6, Sharon departed from Moscow, after two days of meetings with top Russian officials. On his departure, Sharon fumed that he would never negotiate peace with Arafat. While Sharon was in Moscow, Russian President Vladimir Putin consulted by phone with Egyptian President Hosni Mubarak and with Arafat. Putin announced that he would be sending his special envoy, Andrei Vdovin, back to the Middle East within days, amid widespread published reports that Putin is about to appoint former Prime Minister Yevgeni Primakov to a top advisory post, possibly related to the Mideast crisis.

Washington sources expressed hope that the shock of the Durban renunciation of the Bush de facto support for Sharon's murder campaign—combined with the accelerating Russian and European Union moves to fill the void created by the Bush inaction—could shock the Administration into action.

At present, these sources report, Secretary of State Colin Powell has been overshadowed by White House chief political strategist Karl Rove, who has urged the President to avoid any conflict with the Israeli lobby, over fear that such a confrontation would weaken the Republican Party's chances of holding on to majority control of the U.S. House of Representatives in next year's mid-term elections. President Bush and Rove are known to be particularly fearful of an Israeli lobby mobilization to defeat Gov. Jeb Bush in his reelection bid in Florida.

This kind of grovelling in the face of blackmail by the Zionist lobby could lead to the outbreak of a religious war in the Middle East, that would soon engulf the entire planet, and certainly result in the destruction of Israel.

If the revolt against the Bush Mideast policy at Durban forces a change in the Administration's stance, back to a more interventionist policy, with a tougher approach toward Sharon, it is not yet too late to prevent such a catastrophic war from erupting.

Documentation:

The following are excerpts from the opening address on Aug. 31 by UN Secretary General Kofi Annan to the World Conference Against Racism, in Durban, South Africa.

... One thing we can celebrate is the fact that racism is now universally condemned. Few people in the world today openly deny that human beings are born with equal rights.

But far too many people are still victimized because they

belong to a particular group—whether national, ethnic, religious, defined by gender or by descent.

Often this discrimination veils itself behind spurious pretexts. People are denied jobs ostensibly because they lack educational qualifications; or they are refused housing because there is a high crime rate in their community.

Yet these very facts, even when true, are often the result of discrimination. Injustice traps people in poverty, poverty becomes the pretext for injustice—and so new wrongs are piled on the old.

In many places people are maltreated, and denied protection, on the grounds that they are not citizens but unwanted immigrants. Yet often they have come to a new country to do work that is badly needed, or are present not by choice but as refugees from persecution in their own country. Such people have a special need for protection, and are entitled to it. . . .

A special responsibility falls on political leaders, who have accepted the task of representing a whole society. They are accountable to their fellow-citizens, but also—in a sense—accountable for them, and for the actions of their predecessors. We have seen, in recent decades, some striking examples of national leaders assuming this responsibility, acknowledging past wrongs and asking pardon from—or offering an apology to—the victims and their heirs.

Such gestures cannot right the wrongs of the past. They can sometimes help to free the present—and the future—from the shackles of the past.

But in any case, Mr. President, past wrongs must not distract us from present evils. Our aim must be to banish from this new century the hatred and prejudice that have disfigured previous centuries. . . .

Nowhere is that truer today than in the Middle East. The Jewish people have been victims of anti-Semitism in many parts of the world, and in Europe they were the target of the Holocaust—the ultimate abomination. This fact must never be forgotten, or diminished. It is understandable, therefore, that many Jews deeply resent any accusation of racism directed against the State of Israel—and all the more so when it coincides with indiscriminate and totally unacceptable attacks on innocent civilians.

Yet we cannot expect Palestinians to accept this as a reason why the wrongs done to them—displacement, occupation, blockade, and now extra-judicial killings—should be ignored, whatever label one uses to describe them.

But, my friends, mutual accusations are not the purpose of this conference. Our main objective must be to improve the lot of the victims.

Let us admit that all countries have issues of racism and discrimination to address. Rather than pick on any one country or region, let us aim to leave here with a commitment from every country to draw up and implement its own national plan to combat racism, in accordance with general principles that we will have agreed. . . .

Putin Prepares Russia For A Dollar Crash

by Alexander Hartmann

While the global economic and financial crisis is worsening, and international hotspots such as the Middle East and the Balkans are heating up, Russia, under President Vladimir Putin's leadership—despite, or because of, the inaction of the Group of Seven governments—is moving more and more into the center of international efforts to develop a working political alternative to reverse the ongoing collapse. This is true for the international cooperation between Europe and Asia, as well as for the efforts to stop the conflict between Israel and the Palestinians from growing into a general clash of civilizations in the Middle East and Central Asia. At the same time, careful steps are being taken to protect Russia from the effects of a crisis of the U.S. dollar, and to push the dollar aside as a competitor to the ruble in Russia's domestic trade.

In these developments, President Putin personally is playing an essential role, not least because of his remarkable diplomatic skills, which he demonstrated most recently in Finland, laying a wreath at the grave of Finland's national hero, Field Marshal Carl-Gustav von Mannerheim. Mannerheim led Finland's army twice in a war against Russia and the Soviet Union. Thus, Putin's gesture created quite a sensation. Among those he addressed from Finland were clearly the Baltic republics. Without any agitation or polemic, Putin said that the Baltic republics could, of course, choose freely to join NATO, but that objectively, there were no reasons for doing so.

In light of the failure of the U.S. government to intervene to stop the conflict in the Middle East, Mideast diplomacy is more and more turning toward Moscow. In this respect, it is interesting that Russia's former Prime Minister and Foreign Minister Yevgeni Primakov has announced that he will resign as chairman of the Fatherland-All Russia group in the State Duma (lower house of parliament), while at the same time saying that he will continue to play a prominent role in Russia's politics. Now, rumors are circulating that Primakov will serve Putin as a close adviser on foreign policy. Since Primakov is one of Russia's most experienced diplomats, not the least regarding the Middle East, it is likely that Russia will assume an even more active role in world politics.

Putin and Primakov share a common outlook on Russian policy toward Eurasia, too. Putin is working resolutely to create an economic and political sphere of stability, which is to include, if possible, the whole of Eurasia. This can be seen in countless economic and infrastructure development pro-

grams designed to interweave Eurasia, but also in alliances and cooperation agreements regarding security policy, for example, the Shanghai Cooperation Organization. Soon, a conference in Kazakhstan will gather representatives of 30 Asian governments, to discuss shared security problems, such as Afghanistan's Taliban.

Especially intensive is Russia's cooperation with China. In July, China's President Jiang Zemin visited Russia, followed by Chinese Prime Minister Zhu Rongji in August. In October, Putin will be at the Asia-Pacific Economic Cooperation (APEC) summit in Shanghai. One of the issues will be to de-escalate the situation on the Korean Peninsula. This Autumn, India's President Atal Behari Vajpayee will visit Russia. In September, the Russian Academy of Sciences will host a conference on the Russia-China-India strategic triangle. To this picture, the Commonwealth of Independent States summit and the conference on Macedonia must be added. Thus, Russia's, and Putin's, weight in world politics is growing by the day.

Decoupling Russia From the Dollar

In a similar skillful manner, Russia's leadership succeeded—despite determined resistance from within government institutions—in shattering the dollar's role as a “reserve currency” for Russia's population. Twice, in 1992-93 and in 1998, Russia's citizens lost their savings because of ruble hyperinflation. To a large extent, Russia's internal trade is using dollars. In a hearing sponsored by the State Duma's economics committee, Lyndon LaRouche and Russian economist Tatyana Koryagina warned that the country was extremely vulnerable to a dollar crisis.

Apparently, these warnings did not go unheeded. In early July, the gold chervonets and the sable silver coin, which had heretofore been of interest only to coin collectors, were declared to be legal currency. At the same time, an heated debate started in the Russian media, focussing on a coming dollar crisis. Within the Russian government, intensive fights about strategy of de-dollarization started. Declarations and rumors were published and denied, government actions were decided and rescinded. At the end of August, exports of gold and other precious metals were stalled, until the administrative details of a new regulation were clarified, which could take months.

Into these battles, burst Russian oligarch Boris Berezovsky's *Novaya Izvestiya*, with the claim that the government was preparing to return to the former Soviet Union's currency regime, forcing the population to accept government debt certificates for their rubles. But instead of enraging the population over these alleged government plans—which were denied instantly—and to create bad feelings against Putin, Berezovsky's intervention served only to feed the insecurity among the population about the dollar's future. Russia's citizens, who have had to endure ten years of “reforms,” do not want to lose everything again.

The effect of the debate is clear: From all parts of the

country, reports are coming in that a real “buying frenzy” has erupted, and that the Russians are spending their dollars to buy cars, furniture, refrigerators, and other durable goods. Apparently, the psychological bond of the Russian population to the dollar has been broken, and this has been admitted openly by Russian media. Russia’s banks are issuing fewer credits in dollars, while they are increasing their ruble credits. The more this development continues, the less will Russia be affected by a dollar crisis.

Behind The Threat To Russia’s President Putin

by Mark Burdman

In the late August-early September period, an ominous new threat has been launched, against the life of Russian President Vladimir Putin. The transparent coordinator of this threat is Russian “oligarch” and criminal wheeler-dealer, Boris Berezovsky, who has announced an “Autumn propaganda war” against Putin. As *EIR* has reported, Berezovsky has resolved to have Putin out of power, by the end of the year. *EIR* investigations have determined, that Berezovsky is the tool of powerful American and British intelligence interests, as well as of the networks of mega-speculator George Soros.

The mounting threat must be seen in the context of desperation at the highest levels of the New York-Washington-London financier-political elites, in reaction to the accelerating global economic collapse. As the British oligarchy did a century ago, in such circumstances, in setting the triggers for World War I, these elites react by unleashing “geopolitical” provocations aimed at undermining the keystone powers of Eurasia. Their objective is to prevent the coming-into-being of a Eurasian group, that would respond to the current crisis, by adopting policies in line with the Eurasian Land-Bridge program advocated, today, by Lyndon LaRouche.

In recent months, Putin has shown himself to be a skilled statesman, who has been steering his country away from economic collapse, and bringing Russia into effective relationships with continental Europe and with China, India, and other nations of Asia and Central Asia. Reports from Russia, are that he is bringing former Prime Minister Yevgeni Primakov, a key architect of a “Eurasian” policy for Russia, into a prominent foreign policy position. As we have been reporting, the Putin government has also been taking measures to phase out dependency on the dollar as a currency, and to reintroduce gold as a key vehicle for savings and monetary transactions.

This combination of policies does not amuse the relevant Anglo-American berserkers. An extremely well-informed British expert on Russian affairs told *EIR* Sept. 5: “I am sure there is a very considerable threat to the life of President Putin.

There are people determined to get rid of him, and Putin knows it. The campaign against him is calculated and organized, and is the key to a plan to destabilize Russia. Putin has proven to be cool, calm, and collected, as a Russian leader, and this has some people very irritated.” This source stressed, that the threats to Putin come at a time when there is a “tumultuous and almost-seismic debate in Russia, over the future of the country; things are delicate. Putin, with great skill, is trying to simultaneously build up relations with Europe and with China.” This is being done, in the face of a chorus of voices from Anglo-American assets, against a “Eurasian” policy for Russia.

‘Silence Will Kill Him’

The lead edge of the anti-Putin offensive, is the publication, during the week of Aug. 27, of a 24-page extract, in the scandal-sheet newspaper *Novaya Gazeta*, from a book, to be published in October in Russia. The excerpt alleges vast crimes—ranging from terrorism and assassinations of Russian political figures, to instigation of the war in Chechnya in the Northern Caucasus—by the FSB, the successor to the KGB, in the period leading up to, and after, Putin’s 1998 assumption of the position of FSB chief.

The book has been co-authored by one Yuri Felshtinsky, an American citizen, and former FSB Lt. Col. Alexander Litvinenko, who was formally accorded political refugee status in Great Britain in May 2001. But it is known throughout informed Russian circles, that the bankroller and patron of the Felshtinsky-Litvinenko enterprise, is Berezovsky. A senior Russian strategist told *EIR* on Sept. 5, that the *Novaya Gazeta* extract and upcoming book, should be seen as “masterpieces of Berezovsky propaganda.”

Immediately after the *Novaya Gazeta* extract appeared, the Russian daily *Sovietskaya Rossiya* ran an article on the book entitled “Silence Can Be Dangerous,” warning Putin that he must respond to this provocation; this article appeared on the Strana.ru website on Sept. 4. *Sovietskaya Rossiya* wrote: “The book is full of facts, telephone numbers, names, and analytical and operational reports from the FSB. At first glance, the book may seem to be written by Litvinenko. The real authors are Russian businessman in exile Boris Berezovsky and the CIA. The tycoon who hates Putin for his own forced isolation and disgrace has thrown this book at the President like a bomb. It is a shell of enormous destructive force targetted directly at Putin’s Kremlin office. Silence on the President’s [part] will mean that the blast will kill him.”

On Sept. 4, the *Moscow Times* daily ran a piece on the book, including an interview with Felshtinsky from London from the previous week, in which the latter defended the book’s charges, and said, revealingly, that the book “is the story about how the FSB, in a multi-step operation, put an end to [former President Boris] Yeltsin’s reforms.” These “reforms” were the worst sorts of “free market” and “Thatcherite” policies which looted and ruined Russia’s economy in



Explosive new scandal-threats are thrown at Russian President Putin (at right, at UN signing of U.S.-Russian oil exploration agreement). The threats are transparently aimed at restoring Boris Yeltsin's policy of privatization "reforms," which wrecked Russia to the benefit of speculators and mafias.

the 1990s; the backers of the attack on Putin want to force a return to those disastrous "reforms."

Moscow Times also wrote: "Oleg Gordievsky, a former KGB officer who defected to Britain in 1985, said by telephone from London that he has read the manuscript and trusted the information." Gordievsky, veteran *EIR* readers will remember, was vigorously denounced by LaRouche, in the 1980s, as a conduit for Anglo-American disinformation. Acting in that capacity, Gordievsky wrote a November 2000 article, first published in the Hollinger Corporation-owned London *Daily Telegraph*, entitled, "Putin May Be Worse Than We Think."

The George Soros Connection

The basics of the Litvinenko biography are most interesting. In 1998, soon before Putin became head of the FSB, Litvinenko gave a press conference, claiming that he had received "illegal orders" for certain operations, including to kill Boris Berezovsky! According to high-level Russian sources, he had already been, or was soon thereafter, bought up by Berezovsky. When Putin took over the FSB, Litvinenko was arrested, and released in 2000, under agreement that he would not leave Russia. But, he soon did so, illegally, turning up in Great Britain.

According to Russian press accounts, he was helped to defect from Russia by one Alexander Goldfarb, a Russian emigré and employee of George Soros. Goldfarb directs a Soros-funded program, nominally aimed at fighting tuberculosis. That itself has a certain irony, given that Soros-funded "shock therapy" and "reform" programs in Russia, have been instrumental in expediting the spread of tuberculosis!

When Litvinenko fled Russia in 2000, he teamed up with Goldfarb in Turkey, in what was, most likely, an operation jointly cooked up by Berezovsky and Soros. Officially, Goldfarb served as his interpreter. Beyond that, he arranged for Litvinenko to procure a New York lawyer, and for him to go to Great Britain.

Felshinsky, meanwhile, is a curious bird. He emigrated from the Soviet Union to the United States in 1978, and, after some time, became an American citizen. In 1993, after writing a doctoral dissertation, he became the first citizen of a foreign state to receive the status of "Doctor" from the Russian Academy of Sciences. He has written a handful of books that were published in London, and presumes to be a leading expert on, and manager of key archives about Leon Trotsky.

'Berezovsky Is Well-Connected'

What makes this all the more dangerous, is that Berezovsky is hardly a lone operative. The above-cited Britain-based expert commented to *EIR*: "I find the emergence of this new book to be very ominous. Berezovsky is desperate, as he knows the net is closing in on him, and he has a vendetta against Putin. Worse than that, Berezovsky is very well-connected here in Britain. He has a base of operations in London, an office and a house there, and a vast array of financial contacts."

Preliminary investigations by *EIR*, indicate close connections of Berezovsky to Australian news magnate Rupert Murdoch, and to such U.S.-based creatures as televangelist swindler Pat Robertson, "junk bond king" Michael Milken, and Robert Strauss, who was the "King of Thieves," when he was the senior George Bush's Ambassador in Moscow.

French Courts Reopen Probe Into Princess Diana's Murder

by Jeffrey Steinberg

"It is as if we are back at square one—but four years later." Those were the words of John Macnamara, former security director of Harrods department store in London, and the personal representative of store owner Mohamed Al Fayed. Macnamara told *EIR*, in an Aug. 30 interview in Washington, that a French appeals court has ordered a magistrate to reopen part of the investigation into the circumstances surrounding the Aug. 31, 1997 car crash in Paris, that claimed the lives of Princess Diana, Al Fayed's son Dodi Fayed, and driver Henri Paul.

Macnamara was in Washington for a press conference with Al Fayed's local attorney, Mark Zaid, at which new, startling details of the four-year-old probe into the deadly Paris crash were presented, before a packed audience of reporters and television crews at the National Press Club.

Nothing, however, was more startling, than the news that the case has been reopened, and that the judge who conducted the two-year probe, from Sept. 1, 1997 to Sept. 20, 1999, is facing charges of judicial misconduct, for suppressing a crucial part of the investigation. *EIR*'s long-standing charges, that the real causes of the deaths in Paris were covered up by French officials, are now fully corroborated!

In a videotaped statement released at the outset of the press conference, Mohamed Al Fayed assailed the cover-up of the deaths of Princess Diana and Dodi, by the governments of the United Kingdom, France, and the United States. He reported that "the examining magistrate in Paris, Judge [Hervé] Stephan, misled my lawyers and the court by instructing the police not to carry out a proper investigation into the role of the paparazzi and others who were keeping surveillance on my son and Princess Diana. I am pleased to say that a new French magistrate has recently reopened this prosecution." (See below for the full text of the Al Fayed statement.)

The Details

Within days of the fatal Paris crash, attorneys for Al Fayed petitioned Judge Stephan, the magistrate assigned to probe the causes of the crash, to investigate "infringement of the right of privacy in private life," in addition to the core issue of whether the crash was the result of vehicular homicide or manslaughter by paparazzi and others.

The probe into infringement of privacy was vital to the entire investigation. From the moment that Diana and Dodi's plane landed in Paris, on the afternoon of Aug. 30, 1997,

they were stalked and assaulted by scores of paparazzi—who knew, in advance, their every move.

Yet, months after the request for the invasion of privacy probe, Al Fayed's attorneys discovered that Judge Stephan had never ordered the police to open the second track. Finally, Stephan, under pressure from the Al Fayed camp, issued a written order to Police Lt. Catherine Anselm to open the investigation, on Feb. 15, 1999—with the evidence now 18 months cold!

According to official French documents released at the Aug. 30, 2001 Washington press conference, on March 30, 1999, Judge Stephan had a phone conversation with Lieutenant Anselm, and ordered her to "put the file on hold"—i.e., he ordered her *not* to conduct the probe of the invasion of privacy that he had personally instructed her to open, in the written document of Feb. 15.

On July 16, 1999, Judge Stephan met with Lieutenant Anselm and other police officials, and again told them to put the privacy probe on hold.

On Sept. 20, 1999, Judge Stephan officially closed the investigation into the Paris crash, finding no basis for prosecution of any of the paparazzi, and ruling that the crash was an accident, caused solely by high-speed drunk driving by Henri Paul. No mention was made of the invasion of privacy probe—because Stephan had verbally instructed the police to ignore his written order.

The same day, according to her affidavit, Lieutenant Anselm returned the entire investigative file—including Stephan's original Feb. 15, 1999 written order—to Judge Stephan.

After two years of investigation into the most significant political death in Europe in decades, Judge Stephan released a three-paragraph finding, supplementing a six-page report issued by the French police. Stephan's 10,000-page report, detailing the 24-month probe, has never been released to the public.

Now the Appeals Court has ruled that Stephan violated his mandate by suppressing the police probe into the invasion of privacy—a probe that would have broadened the scope of the investigation to cover the entire ten-hour period when Diana and Dodi were in Paris—not just the ten minutes, from the time they left the Ritz Hotel, shortly after midnight on Aug. 31, to when the crash occurred in the Place de l'Alma tunnel.

Meanwhile, Judge Stephan is in hot water. On Oct. 3, he will appear before the French Appellate Court, which will consider how to punish him for his judicial misconduct.

A new magistrate, Judge Josi, is now actively investigating the invasion of privacy charges, and a number of the paparazzi are once again facing criminal prosecution.

Other Evidence Of Cover-Up

At the same Washington press conference, Macnamara and Zaid revealed that French coroners had further tampered with the evidence: They embalmed Princess Diana's corpse before it was shipped back to England! The embalming foreclosed a number of potentially fruitful avenues of medical forensic investigation. No such embalming was done on Dodi Fayed, whose body was flown back to England at about the same time.

French officials were well aware that the nearly two-hour delay in bringing Princess Diana from the crash site to the hospital, was the single biggest cause of her death. The kind of internal injuries that she suffered in the crash were not necessarily fatal—had she been brought into surgery in the shortest possible time. High-ranking French police officials, including Paris Police Chief Philippe Massoni, and Interior Minister Jean-Pierre Chevènement, were personally in charge of the rescue effort, with Massoni at the crash site and Chevènement at the hospital, a short time after the crash.

French officials also sabotaged any opportunity to obtain forensic evidence from the body of Henri Paul. They failed to store the body at the appropriate temperature, and rejected repeated requests from Paul's family to store body and blood samples for future investigation. The French have also systematically refused to allow any DNA tests, which could prove, conclusively, that the blood samples with alcohol, drugs, and carbon monoxide, allegedly taken from Paul immediately after the crash, were not actually his! Those blood samples are the only basis for the "drunk driving" cover-story. Discredit that claim, and the entire house of cards cover-up comes crashing down. A hearing is scheduled for Oct. 11, 2001, at which Paul's family will once again attempt to get court authorization for DNA tests.

Documentation

The following statement by Mohamed Al Fayed was released in Washington, D.C. on Aug. 30:

A year ago on the third anniversary of the tragic deaths of my dear son Dodi and Diana, Princess of Wales, I filed a lawsuit to gain access to information in the possession of the United States government. I was forced to do this because my appeals to the American government to reveal what it knew, were ignored. I said then and say again now that I will never rest until the truth is known about the events of Aug. 31, 1997.

A year has now passed and the United States government, particularly the CIA, FBI, and NSA have done nothing to assist my efforts. Instead, they have done everything possible to delay the case and obstruct the release of documents which would show the collaboration between the United States intelligence services and the British secret services.

My Washington lawyer, Mark Zaid, and my Harrods Director, John Macnamara, will soon explain to you in detail the progress made in the United States and Europe, particularly France, which will demonstrate the corruption and cover-up by those responsible for investigating the cause of the deaths. They will give you details of:

1. The discovery that Princess Diana's body was embalmed in Paris within hours of her death. What reason can there be other than it was part of a cover-up to prevent proper forensic tests in the U.K.?

2. Evidence from leading pathologists that tests revealed Princess Diana may have been pregnant at the time of her death. The extortion attempt against me in 1998 by former CIA agents was covered up by the ex-U.S. Attorney for the District of Columbia and those working within her office. Part of the extortion was to sell me a pregnancy report on Princess Diana. Despite all my efforts to bring these people to justice, the U.S. government failed to protect me and I now have a lawsuit pending in California against those responsible.

3. The fact that the examining magistrate in Paris, Judge Stephan, misled my lawyers and the court by instructing the police not to carry out a proper investigation into the role of the paparazzi and others who were keeping surveillance on my son and Princess Diana. I am pleased to say that a new French magistrate has recently reopened this prosecution.

4. The withholding of blood and body samples of the driver, Henri Paul, by the French government, and their obstruction to our challenge for independent examination which would show that the blood was not that of Henri Paul.

5. How a former MI6 officer, Richard Tomlinson, was to be here with you today but was prevented by the U.S. government from doing so. He wanted to describe to you how Henri Paul was a paid agent of MI6 and that a plan similar to that which caused the deaths in Paris was planned by MI6 to kill [Yugoslav] President [Slobodan] Milosevic. Although the American government has denied Tomlinson entry to the United States, his message will be conveyed to you today by way of video extracts.

6. James Andanson, one of the paparazzi working for the British secret service in Paris, was murdered and his death covered up as suicide. I trust you will listen carefully to what my representatives have to say and I once again seek the support of the American people to bring pressure through their members of Congress to release the documents that will reveal the truth about the tragedy. I am in no doubt that the deaths were the result of murder with racism at the core.

Finally, I should tell you that the Princess of Wales loved America and its people. She planned to stay with Dodi in Malibu and there make her home in California.

Inca Monetary Fund's Toledo Takes Office

by Luis Vásquez Medina

Alejandro Toledo turned his July 28 inauguration as President of Peru into a crude parody of the coronation of a new Inca Emperor. Together with his wife, the Belgian indigenist anthropologist Eliane Karp, the new President led an Incan ritual enacted at the foot of the ruins of Machu Picchu, in which Karp, dressed as a *nusta* (the favorite concubine of the Inca), proclaimed Toledo to be the “Tenth Pachacutec,” after a famous Incan emperor. In a speech loaded with the tones of millenarian revenge, delivered in Quechua with a marked French accent, Karp repeated the stale attack on 500 years of Christian civilization, and proclaimed the opening of a “new age.” Far from being an affirmation of national sovereignty, this constituted an act of public submission to the post-modernist ideology of globalism.

The Toledo regime, installed in power by Wall Street and the U.S. State Department, with the help of \$1 million from the kingpin of narco-legalization, George Soros, has proven to be a Wall Street-run government of narco-terrorism. In little over a month in office, the Toledo regime has already begun to pick apart Peru, reviving, from within the government itself, the genocidal narco-terrorism of Shining Path and Tupac Amará Revolutionary Movement (MRTA) which had been decisively crushed by President Alberto Fujimori and his government.

Lyndon LaRouche has warned repeatedly that the British-centered Anglo-American financial interests are conducting a new Opium War against Central and South America, seeking thus to destroy the nations of the hemisphere. In June 1999, the world witnessed the obscene public embrace by New York Stock Exchange President Richard Grasso and Raúl Reyes, the financial chief of Colombia's biggest drug cartel, the Revolutionary Armed Forces of Colombia (FARC). Today, that embrace (the “Grasso abrazo”) is embodied in the cabinet itself of the Toledo government, where top Wall Street financiers and well-known narco-terrorist controllers join forces.

Cabinet Run By Wall Street Bankers

Toledo is no new Pachacutec, but rather a *yanacona*, the Quechua word for vassal. And it is a decidedly white man before whom he bows. Toledo imported his Economics Minister straight from Wall Street, calling in Pedro Pablo Kuczynski (or PPK as he is known), Soros' right-hand man

in Peru, and giving him super-minister powers. The international banks were very clear about PPK's mandate. On May 11, before the second round of voting for the Presidency had even been held, the *New York Times* declared that “PPK is the key operative in the elections of the Andean country.” After Toledo's election, Reuters wrote, citing a financier, for Wall Street, “the longevity of the rally [in the value of Peruvian Brady bonds after Toledo's triumph] rests not on Toledo, but his economic adviser, Pedro Pablo Kuczynski. ‘He is almost the only tangible source of comfort that investors have, that nothing crazy in economic policy will happen.’ ”

Kuczynski, a British-educated banker and naturalized United States citizen, has an unenviable and long career at the service of foreign interests operating against the interests of Peru: In February 1969, when he was manager of the Central Reserve Bank of Peru, he countermanded an express order from President Gen. Juan Velazco Alvarado, and handed \$17 million to the International Petroleum Company (IPC), for which action he had to flee the country. He took refuge in the United States, where he began work for the international banks (PPK has held executive positions in First Boston since 1982, at least). He married Jane Casey, daughter of William Casey, the late former CIA director, a marriage which permitted him to enter into contact with the U.S. intelligence community.

In 1992, PPK accompanied Paul Soros, brother of the megaspeculator, on his visit to Lima, the capital of Peru, to pick what assets the Soros interests wished to buy. In 1994, PPK set up a Latin American Enterprise Fund, which “invests” the money of various of Soros' fellow speculators.

Until his appointment, PPK also served as a director of EDELNOR, a privatized distributor of electricity in Lima; of COSAPI, a construction and real estate company; and of the Peruvian affiliate of the British-controlled Australian BHP mining cartel company, BHP Tintaya, formed out of “privatized” state assets bought up at bargain-basement prices.

Until “their man” offered a cabinet post in his government to PPK, the Toledo-supporting daily, Lima's *La República*, decried PPK as “the Viceroy.”

Upon being named Toledo's economics czar, Kuczynski overrode the objections raised within Toledo's political party, Perú Posible, and got one of his former employees, Roberto Dañino, also a naturalized U.S. citizen, appointed as Toledo's Prime Minister. Dañino worked in a leading Washington, D.C. law firm, Wilmer, Cutler and Pickering, which specializes in making financial arrangements for private investors.

“The Viceroy” has already announced that he will privatize, possibly under the euphemism of “a concession,” the Mantaro hydroelectric plant (the country's largest), Lima's water utility, SEDAPAL, and Petroperu's Talara refinery. When Dañino laid out the government program before Congress, he carefully sidestepped the issues of privatization and the drug trade. The government failed, however, to get Con-



Alejandro Toledo, speaking at a Heritage Foundation-sponsored lecture on "Restoring Democracy in Peru," in November 2000. Now, as President of Peru, Toledo is turning the country over to the narco-terrorists.

gress to approve the emergency economic measures which it had sought. It managed to win approval of only certain specific laws, such as a meager wage increase of \$13 a month for public sector workers, including teachers and police—the candy-coating for the privatization shock to come.

The Robespierres and Marats of the Regime

With the financiers positioned on top, a half-dozen cabinet posts were handed over to the bankers' Jacobins, whose assignment is to deploy the mobs and terrorists to destroy any opposition, including potential opposition. The ministries of Interior, Education, Labor, Foreign Relations, and Women were handed to old militants from the radical left, and, in particular, to Revolutionary Vanguard (VR), a group which in the 1970s and '80s advocated Régis Debray's theories of armed struggle, and which militarily trained its cadre. Of the old VR militants turned government ministers, Fernando Rospigliosi stands out: He had been information chief of the daily *Marka*, mouthpiece of Shining Path. Today, Rospigliosi is Toledo's Interior Minister, in charge of the country's internal security and responsible for designing counterinsurgent strategy. What he has done in the month he has headed the ministry, has been to deny, in any and all languages and despite all the evidence that has accumulated, that narco-terrorism has resurfaced in the coca-growing zones, following the withdrawal of a military presence in those areas. Rospigliosi has already declared that while he is minister, he will not permit the "militarization" of the anti-subversion fight.

Another VR militant and sociologist from the '68 genera-

tion, now in the Toledo cabinet as Education Minister, is Nicolás Lynch, zealous defender of multiculturalism. Lynch has announced his intention to impose the obligatory teaching of Quechua, the ancient—and conceptually limited—language of the Inca Empire, throughout Peru.

Heading the Labor Ministry is Fernando Villarán, brother of former minister Susana Villarán, an open advocate of drug legalization. Fernando Villarán comes out of the quarries of Liberation Theology, and, along with his sister, was educated by the priest, Gustavo Gutiérrez, founder of Liberation Theology.

The Peruvian Foreign Ministry has been given to Diego García Sayán, an avid defender of drug legalization and the man who introduced Toledo to the circles of George Soros. García Sayán, as head of the Andean Commission of Jurists, had coordinated a joint project with Soros' Lindesmith Center to turn the coca growers of Peru, Bolivia, and Colombia into a unified, Andes-wide narco-terrorist army.

The government's effort to patch together a parliamentary alliance behind its policies failed, when the APRA party, holding Congressional seats whose votes Toledo needs to get laws passed, refused to back PPK's request for special powers. The government has already begun to lose credibility, including within its own ranks, and a leftist alternative is being formed, supposedly critical of neo-liberalism—i.e., free trade—which has begun to view Toledo as a Peruvian Kerensky. This radical left wing of the government is planning to build a political machine on a national scale, managing and restructuring the national budget toward that end. To this can be added the political power that stems from a

multitude of new prefects and sub-prefects (regional political authorities) whom Rospigliosi will name.

Demilitarization Is First on the Agenda

So far, it has not been easy for the Toledo government to alter the economy to PPK's liking, given the immense social pressure on the government to fulfill its demagogic electoral promises. If it has moved slowly on the economy, the government has advanced rapidly in the destruction of the Armed Forces, another of globalization's demands. The accelerated dismantling of the Peruvian military forces, begun under transitional "President" Paniagua, installed in power by the U.S. State Department after it overthrew President Alberto Fujimori in November 2000, has meant an increase in drug trafficking and a resurgence of Shining Path. The so-called "re-engineering" of the Armed Forces implemented by current Defense Minister David Waisman, has already led to a nearly 65% cutback in the military budget, and everything suggests that the budget "adjustment" is not going to stop there. Waisman has announced that a new mass retirement of military officers from all three forces is being prepared. Rumor has it that the new dismissals will affect more than 400 generals and colonels, a move which would behead the Peruvian Armed Forces.

Another development that has advanced rapidly is the "Truth Commission," which has been created in the image of what was foisted on El Salvador. In Peru, it is made up, among others, of the current head of the Andean Commission of Jurists, former member of the Salvadoran Truth Commission Enrique Bernal. According to President Toledo, the decisions of this commission will carry the weight of a government decision. Immediately after it was formed, the Truth Commission proceeded to "uncover" the Aucayacu massacre, supposedly carried out by the Peruvian Army in 1987, during the Alan García government.

The Empire Demands Fujimori's Head

Unable to comply with its own electoral demagoguery vis-à-vis the economy, the Toledo government is focussing its energies on orchestrating an "anti-corruption" circus, according to the libretto written by Transparency International. The vast majority of the cases of alleged corruption already brought before the courts—which, more and more people are convinced, are subordinate to the government and to a Congress dominated by the ruling party, the APRA, and Justice Minister Fernando Olivera's Independent Moralizing Front party (FIM, which is in the ruling coalition alliance with Toledo's Perú Posible party)—are pure and simple cases of political persecution.

The most scandalous case has been the one opened against former President Fujimori. Living in exile in Japan, Fujimori has been subject to an intense investigation, which has failed to turn up secret bank accounts or other such signs of corruption. Given this failure, the ruling parties (Perú Posible and

FIM), with the collusion of former President Alan García's APRA party, have undertaken to register a constitutional accusation against Fujimori, over the La Cantuta and Barrios Altos massacres (mass assassinations of terrorists carried out by a right-wing paramilitary band during the early 1990s). Congressman Daniel Estrada, the old leftist militant who argued the accusation against Fujimori, compared him with Himmler and Goebbels. Estrada urged the docile Peruvian Congress to accept the accusation against Fujimori, on the "presumption" that he was aware of the attacks carried out by a paramilitary band in the 1990s.

Given this logic, the Congress should also have accused former Presidents Fernando Belaunde and Alan García, since acts of this sort were also carried out during their terms. However, shamelessly, Congressmen from the Belaunde and García political blocs supported the accusation against Fujimori.

Narco-Legalization Is On the March

Today, the skies over the Peruvian Amazon are once again filled with narco-planes. Interception of these small planes by the Peruvian Air Force has practically disappeared, because of deep budget cuts imposed on the Armed Forces, and withdrawal of U.S. aid for such interceptions. At the same time, all actions against illegal coca crops have halted, on the request of the country's Federation of Coca Growers. One of the main advisers to that organization, well-known legalization lobbyist Roger Rumrill, is rumored to be the Toledo government's choice for Peru's next drug czar. It requires no great leap of the imagination to conclude, therefore, that the Toledo government is preparing a series of actions that will lead to the legalization of drugs in Peru.

In fact, certain circles around Toledo have already said it outright. For example, Congressmen from the FIM party, headed by Justice Minister Fernando Olivera, called for the legalization of drugs at a meeting of the Andean Parliament, held in late August in Bogotá, Colombia. The FIM's Carlos Infantas, who headed the Parliament's third committee on narcotics affairs, insisted on opening up a debate on drug legalization throughout the Andean region. Speaking to the meeting, Infantas said: "It is time to stop whispering, and to openly face the question of drug legalization."

The 25 members of the Andean Parliament also approved the suspension of all aerial fumigation of coca crops in the region, a measure reaffirmed days later in Peru by Prime Minister Dañino, who announced that the burning of coca crops and use of pesticides against coca were now suspended as well.

Narco-Terrorists Reborn As Heroes

The ongoing dismantling of the Armed Forces, the lack of government, and the abandonment of any state presence in vast areas of the country, is being fully exploited by Shining Path. In the seven months since the fall of the

Fujimori government, no one, with the exception of Interior Minister Rospigliosi, is denying that Shining Path has returned, and with a vengeance. On Aug. 20, Rospigliosi, under pressure from the media, admitted that “for budgetary reasons,” the Paniagua transition government had closed down counterinsurgency bases in the country. The fall of the Fujimori government was also used to dismantle the entire national intelligence service.

On Aug. 7, the Lima press reported that the town of Pangoas, on the left bank of the Ene River, was once more in the public eye. This is the same region in which the Fujimori government had surrounded and captured “Comrade Feliciano,” the second-in-command of Shining Path after its “president,” Abimael Guzmán, was captured in 1992. In Pangoas, a column of more than 100 terrorists, armed with modern Israeli-made weapons and with anti-aircraft protection, decimated a national police patrol, killing four agents, and then disappeared into the jungle. Today, although the government denies it, there exist four main centers of subversion in the country: along the Apurimac River, along the Ene River, in the departments of Ayacucho, Junín, and Cuzco, and in the Upper Huallaga Valley in the departments of Huanuco, and Ucayali. Shining Path activities have been detected in Yurimaguas, Apurimac, San Martín, Amazonas, Cajamarca, Huncavelica, and Puno.

Shining Path has begun to make its presence felt in the slums of Lima as well, thanks to the fact that it has succeeded in rebuilding its nation-wide communications network, including with Shining Path members in prison, many of whom now have cellular phones and free contact with the outside. In mid-August, after eight years, Shining Path downed two high-tension electricity towers in Ayacucho department. There were also dynamite attacks in the same department, in the town of Puquio. According to a report by the Peace Council, an institute that studies the terrorist phenomenon in Peru, Shining Path has not only succeeded in reestablishing a central command on a national scale, but the theft and transport of explosives from various parts of the country has increased in recent months.

Peasants in the Peruvian interior, represented by legally constituted self-defense militias known as *ronderos*, which, together with the army, succeeded in defeating narco-terrorism during the 1990s, have travelled to Lima, demanding that President Toledo restore the budget for weapons and gasoline, which had previously supplied the civil defense patrols. Despite these appeals, however, the government not only continues to deny the resurgence of narco-terrorism, but has taken certain actions which will undoubtedly encourage the narco-terrorists. For example, on the pretext of indemnifying the relatives of those killed in the Barrios Altos and La Cantuta massacres, President Toledo called together the relatives of the disappeared terrorists and pledged to them that his government would raise monuments to honor Lima’s “fallen.”

Army War College in China-Bashing Orgy

by Michael O. Billington

Parameters, the monthly publication of the U.S. Army War College, published three separate articles in its August edition calling for the United States to adopt an imperial military policy, supposedly necessary to meet the threat of an aggressive war launched by China, either against Taiwan or over the Spratly Islands in the South China Sea.

Parameters generally serves as a sounding board for widely divergent views within the military establishment, leading even the *Washington Post* to describe the series as “unusually bellicose,” while noting the absence of any “balancing article.” These articles appear simultaneously with the Bush Administration’s open support for both the Israeli drive for religious war in the Middle East, and NATO’s training and direction of the Kosovo Liberation Army invasion of Macedonia. Such China-bashing must therefore be treated as deadly serious, despite the strategic incompetence of the arguments presented.

In the lead article, “What If . . . China Attacks Taiwan,” Richard Russell of the National Defense University, a biographer of Cold Warrior George F. Kennan, argues that the current accepted dogma, that China would be unable to militarily conquer Taiwan before the United States could come to its defense, must be rejected. China is capable, Russell argues, of a successful blitzkrieg assault on Taiwan. Russell says China is willing and able to use nuclear and chemical weapons as a means of surprise attack, and that they “might want to resort to force in the near to medium term, before Taiwan has time to strengthen its defenses under U.S. tutelage. In short, storm clouds are gathering in Asia.”

The United States, therefore, according to Russell, must abandon its long-standing policy of “strategic ambiguity,” which is based neither on pledging to defend Taiwan, which would supposedly encourage Taiwan to declare independence, nor pledging *not* to come to Taiwan’s defense, which would supposedly encourage Beijing to seize Taiwan militarily. As to President George W. Bush’s pledge to do “whatever it takes” to defend Taiwan, which was a de facto dumping of the “strategic ambiguity” policy in any case, Russell argues that the pledge is meaningless, because the Chinese can take over before the United States has the time to mobilize.

His proof lies in a tiresome repetition of the phrase “China could.” “China could” increase aircraft production and hide the planes from surveillance; train more troops clandestinely;

produce more ballistic missiles; fire “massive surface-to-surface missile barrages”; and on and on.

The racist nature of the argument is not hidden: “The Chinese might be more willing than their Western counterparts to integrate the use of weapons of mass destruction into their surprise attack to magnify the psychological blow against their victim. . . . The Chinese are less adverse than many in the West to using brutal violence against their own citizens for political objectives.”

This thinking is driven to ridiculous extremes in arguing that China might go to war as a means of using up “largely obsolescent” weapons: “Beijing might calculate that it would be a more prudent use of national resources to expend the arms and equipment in combat for the noble cause of reuniting the renegade province of Taiwan to the mainland.”

Unipolar World

Lt. Col. Roy C. Howle, Jr. contributes the second article, which argues that the United States must not only give up “strategic ambiguity,” but must “come to grips with the central question of whether it wants a unipolar or multipolar world.”

The idea that the United States should adopt a unipolar, imperial outlook, to defend its role as the “only superpower,” is not just the ravings of a military yahoo. The core defense policy group in the Bush Administration looks to a strategic Defense Planning Document, prepared in 1992 by Paul Wolfowitz, now Deputy Secretary of Defense, which raised the imperial battle cry: “Our first objective is to prevent the reemergence of a new rival, either on the territory of the former Soviet Union or elsewhere, that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions include Western Europe, East Asia, the territory of the former Soviet Union, and Southeast Asia.”

Colonel Howle proposes that the new imperial role of the United States in a globalized world must indeed be global: “To be effective, America must recognize that the New World Order is not a place, it is a process. The security perimeter can no longer be defined in terms of this place or that, this country or that. Rather, it must be defined in terms of systems, relationships, and objectives such as democracy, free trade, stability and freedom of the seas.” As to Asia, the United States must make clear to China that “the aim of U.S. military policy and operations” are to “ensure that no player feels it can afford to use force to change the balance of power.”

Food and Energy

Completing the trilogy are two professors from the University of Hull in the United Kingdom, long a center for the

promotion of Sir Halford Mackinder’s geopolitics of Empire. In April 1995, for instance, the Center for Security Studies at Hull held a symposium for leading British and American military, academic, and government figures, to reassert the Anglo-American “special relationship,” and to bring the United States into line with the British Commonwealth’s new imperial vision for the world.

In keeping with that tradition, Dr. Thomas Kane and Dr. Lawrence Serewicz argue in “China’s Hunger: The Consequences of a Rising Demand for Food and Energy,” that China will necessarily be driven to war by its insatiable demand for food and energy: “The factors that place the P.R.C. at odds with the established world community are global, material, and integral to China’s existence as an independent polity.”

The argument is trite: that the need for resources for the huge Chinese population will “trigger outright wars over resources,” at first in the South China Sea, but then beyond, and that it is “wishful thinking for Americans and Europeans to assume that they can cajole the Chinese into adopting a putatively more civilized pattern of behavior,” and therefore the “supporters of a liberal political order” must be prepared to defend their interests.

Both China and Russia

As is clear from the imperial tone of the articles, the target is not China per se, but any combination of nations which may threaten the Anglo-American financial institutions’ capacity to enforce their policies. This was made even more explicit in a commentary by Constantine Menges of the Hoover Institution, in the July 29 *Washington Post*. Menges, who is about to release a book, *The United States, Russia and China; Geopolitics in the New Century*, sends a shrill warning that the China-Russia Treaty of Cooperation signed on July 16, and the Shanghai Cooperation Organization, formed on June 15 by China, Russia, and the four Central Asian republics which were formerly part of the Soviet Union, are intended to “oppose the United States on security issues and to divide America from its allies.”

In fact, *EIR* has been told repeatedly across Asia that British and American interests have used this argument, in order to *themselves* separate potential Asian allies from one another—namely, Japan, South Korea, and the Southeast Asian countries, from China and Russia. This is also the meaning of the proposal put forward on July 30 by Defense Secretary Donald Rumsfeld and Secretary of State Colin Powell for a “new Cold War” alliance in Asia, among the United States, Australia, Japan, and South Korea. What the new Cold Warriors fear is that the nations of Asia and Europe are uniting, not in opposition to the United States, but to the putrid corpse of the bankrupt international financial institutions, to which the Bush Administration is foolishly clinging, despite the most obvious stench.

International Intelligence

China-Russia: Zhu Follows Up Friendship Treaty

Chinese Prime Minister Zhu Rongji led a high-level delegation on a five-day visit to St. Petersburg and Moscow, in what China's ambassador to Russia said was the first implementation of the China-Russia Friendship Treaty signed in July.

Ambassador Zhang Deguang told China's Xinhua news agency, "The visit will give a strong impetus to the expansion of multi-faceted cooperation between Russia and China, in particular in the economic field." He said that China-Russia trade is shifting toward large durable goods with high science and technology content, and toward cooperation in energy, space, telecommunications, and similar fields.

According to Itar-Tass press service, energy cooperation was the likely dominant subject of discussions. Ambassador Zhang told Itar-Tass that the proposed Russian-Chinese project to build a 2,400 kilometer oil pipeline from Siberian Irkutsk to Daqing in northeastern China, could alone raise Russia-China annual trade from the current \$8 billion to \$14 billion. He added, "Russia very much wants to sell us Russian passenger jets, and we have sent experts to determine the quality of Russian aviation technology."

Prime Minister Zhu, preceded by China's Foreign Minister Tang Jiaxuan, and accompanied by many heads of economic departments in the Chinese government, was to meet with Russian President Vladimir Putin and Prime Minister Mikhail Kasyanov.

Troy Findings Confirm Homer, Annoy Scholars

A new Trojan War is raging among German scientists over the interpretation of excavations at Troy in recent years, by a University of Tübingen team led by Manfred Korfmann. Korfmann concluded that the new discoveries correct the way Homer and his epics have been viewed, as mythical stories. He found proof that Troy was an ally of the Hittites, the second big power besides

Egypt in the Second Millennium B.C.; and discovered a large lower city suggesting a population of 10,000, a city the ancient Greeks could indeed have seen as a rival power that could have provoked them to war. Homer is both epic poet and accurate historian, Korfmann says.

The team's findings during the past eight years in Turkey are presented with numerous other treasures in a very large exhibition, "Troy—Myth and Reality," shown in Stuttgart, Braunschweig, and soon in Bonn. It is attracting hundreds of thousands of people. The exhibition starts with the *Iliad*, and then compares the archeologists' new findings to what Homer wrote. Korfmann, says the daily *Die Welt*, "successfully did what no other scientist of ancient history managed to do after the decline of humanist education—he made the ancient world popular again" among the general population. The "millions of people that poured into this exhibition" created an upset among the scientific community. Korfmann has no proof for his interpretations, they say; Troy was nothing more than an "unimportant town that . . . housed the regional noble family," as, for instance, Frank Kolb of the University of Tübingen insists.

Die Welt continues, "Many scientists fear, that sensitive ideas could soon become manifest in the mind of whole generations as knowledge": that Homer's epics tell us the true history of his time, the 8th Century B.C., and back into the Mycenaean period, the "golden age of Greece," which the poet revived to lift the 8th Century B.C. Greeks out of a Dark Age.

Brazil Court Revokes WWF Seizure Of EIR Book

EIR's Brazil correspondent Lorenzo Carrasco filed a successful petition before Judge Pereira of the 24th Civilian Court of Rio de Janeiro, as a third party who had been aggrieved in the World Wide Fund for Nature's legal offensive against the LaRouche affiliates in the Ibero-American Solidarity Movement, MSIA, in Brazil. Filing as the author of the book *Green Mafia: Environmentalism At The Service Of World Government*, Carrasco argued that his book fell outside the

scope of the temporary restraining order (TRO) which the WWF had previously obtained against the MSIA publishing or saying anything about the WWF. On that basis, Judge Pereira revoked his earlier decision, in which he had granted the WWF's petition, and had ordered the seizure of *Green Mafia*, as well as copies of *Brasil Nuclear*, the publication of the Brazilian Nuclear Energy Association, which had included an advertisement for the book. The books and magazines seized on Aug. 27 are to be returned to Carrasco.

The legal battle initiated by Prince Philip's WWF against LaRouche's forces in Brazil thus returns to where it stood before the mid-August attempt to silence EIR: The WWF-solicited standing TRO against the MSIA publishing or saying anything about the WWF remains in force; and, the WWF's slander suit against the MSIA, seeking severely onerous damages, is still before the courts.

Actions on both of these fronts in the war between the WWF and LaRouche in Brazil can be expected in the future.

Brzezinski Networks Scuttle Caspian Summit

A summit meeting among the five Caspian Sea states (Russia, Azerbaijan, Kazakhstan, Turkmenistan, and Iran), scheduled for late September, was postponed into November, because recent developments and rising frictions would have made the summit a failure.

Frictions over an unauthorized expedition of two British Petroleum vessels, from Azeri territory, into an oil-field area of the Caspian Sea that is claimed by Iran, have been at the center of the renewed crisis since late July. Iran's Deputy Foreign Minister Ali Ahani was to visit Baku, Azerbaijan on Sept. 3. But there are also frictions between Azerbaijan and Turkmenistan, over an even larger disputed share of the sea.

Co-thinkers of geopolitical madman Zbigniew Brzezinski in U.S. and British circles, want Caspian tensions increased, not resolved. The U.S. State Department's special envoy for the Caspian Sea region and Eurasia, Elizabeth Jones, used her stay in

CHINA AND TAIWAN government oil companies are getting ready to sign a contract to jointly explore the Taiwan Strait, which, the *Wall Street Journal* notes, would bring commercial ties to a potential war zone. This will be the first major commercial agreement between state-owned companies from both sides.

EGYPT held large military exercises on the west bank of the Suez Canal at the end of August, involving its air force, infantry, engineering, and electronic warfare forces. These just skirted the Sinai zone demilitarized since the 1978 Camp David accords with Israel. Israel has been conducting military operations against Palestinian refugee camps at Rafah, right on the Gaza border with Egypt.

INDONESIAN separatists are threatening ship traffic in the Malacca Strait, the world's busiest shipping lane. Ishak Daud, leader of the "Free Aceh Movement" trying to separate that region from Indonesia, indirectly claimed credit for the hijacking of a Honduran ship and holding of its crew for ransom. Daud demanded that ships "seek permission" from him to go through the strait.

THAILAND'S new diplomacy with China and Burma is being protested by Teddy Goldsmith's and George Soros' new Jacobins, who claim to be anti-globalization. What they are opposing in this case, however, is contacts between the Thai and Burmese governments, also involving China, for cooperation against Golden Triangle heroin- and gun-smuggling.

STEPHEN HAWKING, global expert in virtual reality and public advocate of human cloning, made the wild statement to *Focus* magazine Sept. 1, "We must improve human beings through genetic engineering, to not be surpassed by computers. . . . In contrast with our intellect, computers double their performance every 18 months, so the danger is real that they could develop intelligence and take over the world."

Baku on Aug. 26-27, to issue stern warnings to Iran, and to assure the Azeris of full U.S. political support. Jones' tour included Georgia and Ukraine, preparing a session of the avowedly non-Russian alliance GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova) in Vienna, in early September. Jones also tried to rally support for the Baku-Ceyhan oil pipeline, another project that is to exclude Iran and Russia.

What these games and frictions have failed to do, so far, is to disrupt the construction work which was begun, in mid-August, on the Iranian and the Azeri side, on their parts of the North-South Railway corridor, whose route runs from Russia, along the western shore of the Caspian Sea, to the Persian Gulf. And, they have not deterred Kazakhstan and Turkmenistan from pursuing feasibility studies on an oil pipeline to the Persian Gulf, through Iran—the shortest and cheapest transit of all.

New Strengthening Of China-Thailand Ties

Thai Prime Minister Thaksin Shinawatra, accompanied by his Finance and Foreign Ministers, spent three days in Beijing, meeting Premier Zhu Rongji, National Legislature Chairman Li Peng, and President Jiang Zemin. After talks with Zhu Rongji, Thaksin called for a strategic partnership between the two nations, "not only politically but also economically." Agence France Presse noted that in May, Zhu told China's Central Bank to begin negotiating a currency swap agreement with Thailand, in line with the May 2000 discussions at Chiang Mai, Thailand among the ten member-states of the Association of Southeast Asian Nations and South Korea, China, and Japan, known as the ASEAN-Plus-3.

Zhu and Thaksin agreed to strengthen their strategic cooperation in areas including trade, communications, education, and culture. As important or more so, they gave strong public support for a regionwide war on drugs; the talks coincided with a meeting of representatives in Beijing from China, Laos, Myanmar, and Thailand to improve cooperation against drug smuggling. At the end of the four-country talks, an agreement

was reached to increase cross-border police cooperation and intelligence sharing, to improve tracking and capture of smugglers. The agreement stops short of letting police operate in the territory of neighboring countries, but does allow them to cross the border "on short notice" to discuss actions with counterparts. As a result, Thailand has appointed its first anti-narcotics liaison officer to its Embassy in Beijing.

São Paulo Elite Hear LaRouche Strategy

EIR's Brazil correspondent Lorenzo Carrasco addressed 150 of the most prominent São Paulo businessmen on Aug. 28, on "The Crisis Of Globalization, And The Future Of Brazil." The Commercial Association of São Paulo (ACSP) had invited Carrasco to address the group, and advertised it in *Diario do Comercio*, its official paper. Carrasco called upon them to organize themselves, such that they can contribute to the reorganization of the bankrupt international financial system. The questions and answers lasted for another hour and a half.

After showing the inevitability of an Argentine debt default, Carrasco gave a detailed report on LaRouche's proposals at the Economic Commission of the Russian State Duma (lower house of parliament) in June and during his recent video-conference with accountants in Mexico. Carrasco concluded with LaRouche's challenge to banker Felix Rohatyn to debate, on his effort to undermine LaRouche's call for a New Bretton Woods, with his own "delphic" version.

Carrasco then followed with a presentation on the truth behind "the American economic miracle and the new economy," detailing the degree of bankruptcy of both the international financial system, and the American financial system.

Carrasco told the Brazilian business leaders: "In the face of this reality, institutions are emerging in different parts of the world . . . which are beginning to fine-tune their plans like an orchestra, in which LaRouche, with his proposals for the reorganization of the world financial system, is conducting and providing the harmony."

‘Anti-IMF’ Jacobins Are Part Of ‘Strategy Of Tension’ vs. U.S.

by Scott Thompson and L. Wolfe

Democratic Presidential pre-candidate Lyndon LaRouche has warned—including in a statement now circulating nationally as a LaRouche campaign broadsheet—that the expected assault on Washington, D.C. by hordes of Jacobin protesters around the Sept. 29-30 International Monetary Fund (IMF)-World Bank meeting is part of a “Strategy of Tension” aimed at paralyzing the institutions of the U.S. government, as the nation and the world confront the worst financial crisis in centuries. In statements made at the International Caucus of Labor Committees/Schiller Institute conference in Northern Virginia over the Labor Day weekend, LaRouche amplified on the sharp warning he issued the week before on the “anti-globalization” protesters (see *EIR*, Sept. 7, p. 72).

LaRouche recalled the NATO-authored Strategy of Tension that hurled terrorists against Italy, Germany, and France in the 1960s and 1970s. Now, as the financial system disintegrates, the same Anglo-American rentier-financier oligarchy that deployed the Strategy of Tension back in those days, is even more desperate to maintain its power, and would again resort to the use of Jacobin mobs and terrorists to do so. The mass of protesters are pawns, to be used as cover for terrorists.

Over the weeks and months ahead, unless this Jacobin operation is exposed and dismantled, the United States will be hit by the worst wave of terrorism in its history, potentially paralyzing the institutions of government and triggering, from among elements of the Bush Administration, a police-state response, that will threaten the very existence of our Constitutional republic. Since that Constitutional power of the U.S. government is the only force on Earth capable of organizing a recovery from the global collapse, if this country’s Constitutional government is compromised, the power of the financial oligarchy to impose its own “solutions” would be assured.

LaRouche therefore urged citizens to rally around him and his program to defeat the Jacobin terror threat.

In our Aug. 24, 2001 issue, *EIR* revealed the top-down controllers of this Strategy of Tension, including LaRouche enemies Edward “Teddy” Goldsmith and financier George Soros. The Strategy of Tension is carried out on the ground through umbrella groups, such as People’s Global Action and Mobilization for Global Justice, that include several organizations that employ a “White Bloc” or “Black Bloc” tactic of direct terrorist confrontation with the police. And, unfortunately, the AFL-CIO trade-union leadership has become part of the “new terrorist” movement, putting up, according to reliable sources, \$100,000 for the demonstrations against the IMF-World Bank.

The *EIR Feature* demonstrated that not only are the Jacobin terrorists linked to such hard-core terrorist organizations as the Basque ETA and a new Italian Red Brigades, but also they all praise and collaborate with narco-terrorist organizations such as the Zapatista National Liberation Army (EZLN) of Chiapas, Mexico and the Revolutionary Armed Forces of Colombia (FARC), both of which have been engaged in a bloody civil war to divide their respective nations.

The Scope of the Assault

Since the publication of the *EIR Feature*, new information has been pieced together from U.S. intelligence, law enforcement, and other sources, which indicates the scope of what is being planned for Washington, as well as some likely scenarios for the events.

These sources indicate that infrastructure that could support a demonstration of 100,000, as compared with the 15,000 demonstrators who descended upon the April 2000 biannual



The new Jacobins rioting in Genoa on July 1. Up to 100,000 protesters are expected in Washington, D.C. in September for the IMF-World Bank meetings. The financier controllers of these terrorists are hoping to whip up violence—and even for some deaths—to fuel anti-globalization rage.

IMF-World Bank meeting, is now in place in Washington, D.C. There are also reports of highly organized cells of provocateurs who will be deployed to confront local police and other law enforcement personnel on the scene.

Some of these cells are already being put in place, while others are still being organized. For example, several cadre for this confrontation will be trained on Sept. 14-18 at an “encampment” being run by the Ruckus Society, some 35 miles from Washington, at Elaine Broadhead’s Glen Ora estate outside Middleburg, Virginia; there are reportedly several other training and deployment centers located throughout Washington’s Northern Virginia and Maryland suburbs.

Meanwhile, some sources have expressed alarm at the role that the Federal Bureau of Investigation (FBI) is playing. The FBI is reportedly the lead Federal agency in organizing the intelligence and the “counter-response” to the demonstration, the largest such event in Washington since the height of the anti-war movement. Apparently, the briefings the FBI is giving local law enforcement seem to increase the fear and tension among such officers; they have been urged by the FBI to respond to even minor violence with massive counterforce.

If that happens, there is the potential for a “police riot,” which would serve as a political cover for escalated violence by the terrorist cadre and others within the protest movement. In the end, this could result in the deaths of several protesters and perhaps of some law enforcement officers. While the

dupes who have been attracted to “the movement” are not told this, it is the intention of some of the movement leaders, and the bankers and oligarchs who control and fund them, that several protesters should be killed, according to U.S. intelligence sources. It was their intent to have at least five people killed in Genoa at the Group of Eight (G-8) Summit in July, but they managed only a single death.

If and when this does occur, the bloody shirts of these “martyrs” will be waved, with ample media fanfare, to propel this operation into a mass-based Jacobin movement on college campuses and elsewhere, in much the same way that the deaths at Kent State University were used to expand an increasingly violent anti-war movement in the 1970s. The new recruits would become more cannon fodder for what will be an ever more bloody and violent operation. This is the viewpoint expressed by Jacobin controller Teddy Goldsmith, who, in an interview before the Genoa G-8 Summit, told a Washington-based reporter that the “anti-globalization” movement “will become ever larger and more violent.”

Increasing the potential for bloodshed during the IMF-World Bank riots in Washington, according to Metropolitan Police Department General Counsel Terence Ryan, is a lawsuit that would keep police from erecting steel mesh and concrete barricades around the conference site. This suit was brought in the U.S. District Court for the District of Columbia by the International Action Center et al., with the assistance of Partnership for Civil Justice, a Washington-based law firm.

The Transnational Institute

After publication of the Aug. 24 *EIR Feature* on the new Jacobinism, U.S. intelligence sources pointed out yet another institution important in the spawning of the new terrorism: the Transnational Institute (TNI), based in Amsterdam, the Netherlands. TNI was spawned by the Washington-headquartered Institute for Policy Studies (IPS) in 1972. IPS, created in 1963, played a major role in coordinating the “Global ’68” Strategy of Tension played out throughout the advanced sector during the 1960s and 1970s, when the focus was on the “anti-Vietnam War” movement of Baby-Boomer draft dodgers.

The TNI Internet website carries three articles on events during the Genoa G-8 Summit riots, including where the new terrorist movement should next deploy. The authors of these articles are:

Walden Bello. His piece on Genoa is entitled “Creative Destruction: Next Phase of the Global Economy?” and it appeared in *Focus on Trade*, No. 65, August 2001. Bello is a TNI Fellow and board member. He is also a board member, along with Teddy Goldsmith, in the International Forum on Globalization (IFG), which is partially funded by Goldsmith. As a representative of IFG, he took part in the World Social Forum meeting in Pôrto Alegre, Brazil where he headed a “debate” with Soros. He also took part in the Genoa G-8 riots, and then joined Teddy Goldsmith at his Siena villa in Italy, where Goldsmith had been holding a counter-conference with all the ministers for the Tuscany region, hosted by the Mayor of Pisa. The Mayor of Pôrto Alegre joined this conference after taking part in the Genoa G-8 riots. Bello is Director of “Focus on the Global South,” based in Bangkok, Thailand, a project of the Chulalongkorn University’s Social Research Institute. And, he is a Professor of Public Administration and Sociology at the University of the Philippines.

Susan George. George wrote a piece entitled “Democracy at the Barricades,” which appeared in the French weekly *Le Monde Diplomatique*, in August 2001. The lead to the article reads: “Heads of state were besieged in July in Genoa. They talked trade and money inside a guarded, if luxurious compound, while outside Italian carabinieri confronted demonstrators, only a few of whom were violent. Results: news footage of handshakes and governmental agreements, their details already forgotten — and an unwarranted death, 600 injuries, beatings, and frustration. The next talks will be in the safe enclave of Qatar.”

George, the author of nine books, was born in the United States, but lives near Paris, and acquired French citizenship in 1994. She is Associate Director and Fellow of TNI in Amsterdam, as well as having been TNI’s Co-Director. She is also Vice-President of the Association for Taxation of Financial Transactions to Aid Citizens (ATTAC) France, which, despite its peddling of the Tobin tax on international financial transactions, has also been involved in many of the most violent new Jacobin riots. Like Bello, George is active with Gold-

smith’s IFG. During 1990-95, she served on the Board of Greenpeace International, as well as that of Greenpeace France.

Boris Kagarlitsky. He wrote a piece entitled “After Genoa,” that appeared in *Znet*, in August 2001. He writes: “Meanwhile, the movement itself is faced with a fundamental choice. The death of 23-year-old Carlo Giuliani was a watershed that marked the beginning of a quite new stage in the conflict. The carnival is over. From now on everything is deadly serious. The ruling elites have come to recognize that the movement can neither be divided nor tamed, that the acts of protest will not cease of their own accord, and that they cannot simply be put up with or ignored. Consequently, the entire force of the repressive apparatus of the state has been mobilized to attack those who are dissatisfied.”

Kagarlitsky is a TNI Fellow and Senior Research Fellow at the Institute for Comparative Political Studies of the Russian Academy of Sciences in Moscow. Kagarlitsky was a student of art criticism and was imprisoned for two years for anti-Soviet activities prior to his editorship of a *samizdat* journal, *Leviy Povorot*. Kagarlitsky was coordinator of the Moscow People’s Front during 1988-90, and also advised the Workers’ Committee of Prokpievsk and Karaganda during this period. He was deputy to the Moscow City Soviet in 1990-93, during which time he was a member of the executive committee of the Socialist Party of Russia, co-founder of the Party of Labor, and adviser to the Chairperson of the Federation of Independent Trade Unions of Russia.

Kagarlitsky is the leader of 40 Russians who participated in the terrorist assault on the Genoa G-8 summit, representing the first time that Russians had participated in such an event. On Sept. 4 Kagarlitsky wrote an article for the *Moscow Times*, entitled “Terrorism Benefits the State,” that says that the 1999 Moscow apartment bombings, which preceded the second civil war in Chechnya, “marked the start of Vladimir Putin’s election campaign.” This slander, which claims that the Russian intelligence service (FSB) was behind the bombings, appears to be part of the atmospherics being orchestrated by the desperate Russian oligarch Boris Berezovsky, to create the climate for the assassination of President Putin (see article in this issue).

TNI was founded at an Oct. 9, 1972 meeting in Paris sponsored by IPS at La Closérie des Lilas to explore possibilities for a TNI in Europe. IPS co-directors and founders Richard Barnet and Marcus Raskin came over from the United States to present their ideas. Among the invitees were French existentialist ideologues of the so-called “New Left,” including: Jean Paul Sartre, Roland Barthes, Simone de Beauvoir, Michel Foucault, Claude Bourdet, Michel Rocard, André Gorz, and Claude Julien. A similar meeting was held in the Café de Paris, Regent Street in London.

TNI’s first conference, on Feb. 22-24, 1974, featured Herbert Marcuse, a former Office of Strategic Services (OSS) intelligence officer and leader of Germany’s existentialist “Frankfurt School,” who created the Communist Party U.S.A.

leader Angela Davis, as well as several other “New Left” leaders.

TNI-IPS and ‘Narco-Terrorism’

The director of IPS (since 1988) is John Cavanaugh, who frequently speaks at New York Council on Foreign Relations public seminars. Cavanaugh was a Founding TNI Fellow, and helped establish the IFG. Today, he holds a position on the IFG board along with Goldsmith. He also contributed a piece entitled “Homogenization of Global Culture” to a book, *The Case Against the Global Economy and For a Turn Toward the Local* (San Francisco: Sierra Club Books, 1996), edited by IFG President Jerry Mander and Goldsmith.

Cavanaugh works closely with the Progressive Caucus of the U.S. Congress, and with the International Department of the AFL-CIO. The latter, since the days of former Bukharinite snake Irving Brown, has been at the center of many filthy operations.

Under Cavanaugh’s direction, IPS and TNI have become protectors of “narco-terrorism,” which is an integral part of the new Jacobin movement. For example, Saul Landau, who is tied to IPS, in a broadcast on Pacifica News on Dec. 22, 1998 entitled “Report From Chiapas,” began: “Chiapas is an Indian nation occupied by a foreign army. . . . The dramatic action of armed Mayans and their demands—land, food, housing, jobs, justice, and, of course, democracy—burst the bubble of Mexico as a democratic and worthy NAFTA [North American Free Trade Agreement] ally.”

Also for example, a piece by Ricardo Vargas Meza, entitled “The Revolutionary Armed Forces of Colombia (FARC) and the Illicit Drug Trade,” prepared for TNI, Acción Andina (based in Cochabamba, Bolivia), and the Washington Office on Latin America in June 1999, carefully crafts its rhetoric to separate the so-called “rebel” FARC from the narco-kingpins: “While escalating civil conflict in Colombia is attracting increasing international interest and concern, the complex relationships between drug trafficking, political violence, and many actors involved in the social conflict in Colombia are often absent from the debate. This background brief provides a general overview of the relationship between the largest guerrilla group in Colombia, the [FARC] and illicit drug production and trafficking. In policy debates in Washington, the ‘narco-guerrilla’ theory has been employed to suggest that the guerrillas are major drug traffickers and that counterinsurgency and counternarcotics operations are one and the same. In fact, the role of the guerrillas in illicit drug production and drug trafficking has evolved over time and remains primarily focused on taxation of illicit crops.”

As the Aug. 24 *EIR Feature* made clear, the new Jacobin movement is associated with the EZLN and the FARC to such a degree, that the first activity planned for the Sept. 29-30 riot against the IMF-World Bank in Washington, D.C. will be an attack upon Plan Colombia, the billion-dollar U.S. aid package which has been (falsely) characterized as assistance in a war on drug production.

The ‘Faith-Based’ Scam: Religion As State-Run Prostitution

by Anton Chaitkin

On Jan. 3, Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. denounced the efforts to legalize a so-called “Faith-Based Initiative.” He stated: “I have been investigating the development of the Faith-Based Initiative now hitting Congress, and what I see shaping up in the United States, under President George Bush and [Attorney General] John Ashcroft, is a move to turn religion into a form of state-run prostitution.” He said: “This measure must be defeated now.”

LaRouche presented his associates with a detailed assessment, on which he will be reporting much more in the coming days. In the meantime, he asked that a special message be sent to Jesse Jackson to inform him of this evaluation of the proposed law as, in fact, creating a system of government-run, faith-based virtual prostitution.

Proclaimed as Federal funding for religious groups to give services to the poor, the sham program targets those who might otherwise be fighting politically to stop the destruction of the population. While social services are slashed in an economic collapse, George W. Bush’s Faith-Based Initiative aims to coopt Black and Hispanic clergy into competing for the right to prostitute themselves to Bush and his henchmen.

Thus far, the chief coordinator of outreach for the initiative has been the same notorious Republican Party-linked Rev. Sun Myung Moon, who played a key role in soliciting African-American constituencies to help candidate Bush’s cause, against Vice President Al Gore, in the 2000 Presidential campaign. The Bush initiative intensifies the 1996 “Welfare Reform” attack on the poor, which was jammed through the Clinton Administration by Gore. Gore demanded that President Clinton capitulate to the mass-murderous demands of avowed “conservative revolutionary” and then-Speaker of the House Newt Gingrich (R-Ga.). Today, the Democratic Party machine is being herded into support of this project of state-run religion by Sen. Joseph Lieberman (D-Conn.), who coordinates personally with the Moonies.

Bush Gives Moon the Franchise

On April 24-25, 2001, a month after introducing the Bush measure as H.R. 7, Congressional Republicans staged a “faith-based” political support national summit meeting for clergymen at the Library of Congress. And local meetings, to stimulate appetites for the promised funds, were held throughout the country, with satellite broadcasts of the Washington



The world's wealthiest cult leader, Rev. Sun Myung Moon, has been given significant control of the "Faith-Based Initiative" corruption by which the Bush Republicans are trying to buy up local Democratic and religious figures, at a Depression price.

summit affair. This entire "grassroots" side of the event was sponsored by Moon front organizations—the Washington Times Foundation and the American Family Coalition—by arrangement with the Republican leadership.

In March and April, as the project was launched, Reverend Moon toured all 50 states. He met with many funds-starved African-American ministers and politicians, selling the Bush program. Moon ended the meetings by passing out Christian Bernard gold watches, reportedly worth "thousands of dollars" each, to attendees. He thus positioned his gang as the people to see for a better chance at the promised Federal money.

The Moon tour was organized by his assistant, David Caprara, president of Moon's American Family Coalition. Caprara is also president of the "faith-based" lobby group called The Empowerment Network; his two Congressional co-chairmen are Lieberman and Rick Santorum (R-Pa.), who manage the Bush initiative in the U.S. Senate.

Moonie Caprara, it turns out, was Assistant Secretary of Housing and Urban Development when Jack Kemp was Secretary of Housing and Urban Development, under former President George H.W. Bush. Caprara's boss Kemp has received at least \$60,000 in speaker's fees from the Moon organization, while Kemp's boss, the senior Bush, has personally accepted several millions from Moon. At the end of the Bush-Kemp term of office, Kemp created the "Empowerment" lobby—since run by Caprara and co-chaired by Lieberman. Moon's role followed naturally from his assistance to the elder Bush, then Vice President, when Bush managed the criminal money flows and private-agency propaganda for the Central American Contras.

The Bush-Moon operation includes quiet participation by Rev. Pat Robertson, despite his public denunciations of Moon and the "Faith-Based Initiative." Longtime Robertson aide

Billy McCormack regularly represents Robertson's Christian Coalition at Moon events, while Rev. Jerry Falwell, rescued from bankruptcy by millions from the Moon empire, shows up alongside McCormack.

Smoke and Mirrors

The 1996 Welfare Reform Act sharply curtailed government assistance to destitute people without creating new jobs; but it allocated money to private organizations, including churches, to handle a small portion of the distress caused by the Act. In the Republican-sponsored H.R. 7, passed this Summer by the House of Representatives, there is not a significant amount of *new* money. Rather, the bill envisions re-channeling the existing flow to selected religious groups.

Bob Edgar, General Secretary of the National Council of Churches and a former Democratic Congressman, told this reporter that Bush seeks to "dump" Federal social programs; that there will be no new money, and no gain in services to the poor. Edgar said that in this initiative, Bush "has hugged more Blacks and Hispanics than voted for him"; that this is "a political action rather than a social action."

The House bill for the Bush initiative was not passed by the Senate. Lieberman's office says that he will offer some Senate version later this year, but it would only be passed after this year, if ever. Democrat Lieberman claims to want to allocate more money, and Republican Santorum claims that Bush wants to spend more money, but they cannot explain why the bill in the Republican-controlled House only amounted to one-tenth of what Bush is alleged to want to spend.

Meanwhile, Black clergymen and politicians jostle each other to be first in line for the promised manna.

On Moon's national tour, former District of Columbia Congressional Delegate Walter Fauntroy introduced Moon as a speaker, under Caprara's management. Does Fauntroy's new career as a paid Moonie help account for his failure to fight the murderous shutdown of D.C. General Hospital?

Former Washington Catholic priest George Stallings, Jr., also introduced Moon on the "faith-based" tour. He got more than a gold watch: The 53-year-old Stallings recently gained notoriety for marrying a Moon-selected 24-year-old Japanese woman.

Sober churchmen note that the applications filed to qualify for government money include detailed information on the internal workings and finances of the church, while Ashcroft's Justice Department is an active participant in Bush's initiative. Even prostitutes might not be safe from politically motivated, selective prosecution resulting from these payoffs.

Meanwhile, in a relevant development from London, the Murdoch London *Times* reports Catholic Archbishop of Westminster Cormac Murphy-O'Connor as warning, in effect, that "Thatcherism" and the "New Age" are wiping out Christianity in Britain. Those who follow closely the developments around the theme of "faith-based initiatives," must echo the London *Times*: It is also happening here.

National News

'Gore Is a Bore' Reaction to 2004 Bid

Democratic loser Al Gore's attempts to reemerge as the party's Presidential candidate in 2004 are being greeted with the enthusiasm of swimmers for "Jaws II."

The *New York Times* reported on Sept. 2 that even among Gore's most ardent supporters, "There are deep reservoirs of anger and resentment about the way Mr. Gore conducted the campaign." Though many believe he was robbed in Florida, they believe Gore's own missteps made the race much closer than it should have been. Typical is former Gore adviser Lanny Davis, who says that Gore "should have run on the outstanding record of the Clinton and Gore Administration, rather than run away from it."

Another fundraiser in the last campaign commented, "Gore is a bad candidate. He lost three debates to George Bush, and that isn't easy. I won't raise another dime for him."

A Housing Crash 'Could Make Recession Serious'

"It's bad enough that the stock market's wealth effect is disappearing. What happens to the economy if that other prop, home equity, starts to wobble? There are ominous signs that this is about to happen," warned *Forbes* in August. "A burst of the housing bubble wouldn't just hurt homeowners and people who own shares of Fannie Mae or Toll Brothers. It could end up squeezing all Americans. A real estate slump 'could make this recession we're having turn into something that's quite drawn out and serious,' says Yale economist Robert Shiller."

"No one is talking bust—not yet, anyway," *Forbes* claims, but if you look close, "you'll see the cracks starting to form." Sales of \$1 million-plus homes, which outpaced all other categories last year, sank 15% in the first five months of 2001. Supply is beginning to outstrip demand, with the inventory of unsold U.S. homes—which fell steadily during the 1990s and reached a low of 1.4 million homes last year—up

23% since January, according to the National Realtors Association

The pace of sales is down 10% or more in "muscular markets like Atlanta, Seattle, Chicago and Washington." Santa Clara County, California, has four months of inventory for sale, triple the level carried in the past three years. In Dallas, where housing values have soared 73% in the last five years, so many high-end homes are on the market that, at the current pace of buying, it would take 18 months to get them all sold, a level unseen since 1989.

Veterans' Budget Slashed While Medical Costs Soar

Veterans organizations appear to be learning that cameo appearances by George Bush at their recent conventions do not a supporter make, as the Bush Administration has followed up these appearances with studies aimed at closing "outdated and unnecessary" veterans hospitals in every region.

A Booz Allen Hamilton study claiming, "It is no longer cost-efficient to maintain so many full-service hospitals," is being used as a pretext to shift the cost of medical treatment to veterans, and cut funds to the Veterans' Administration facilities.

Brits To Run Chunk Of U.S. Power Grid

Britain's National Grid Group has been appointed to operate a new Regional Transmission Organization (RTO), to transmit electric power in approximately 25% of the United States, for an annual management fee of \$14 million. National Grid will also be able to receive incentive-based earnings if it delivers customer savings and enhanced system reliability. It has a seven-year contract with the new RTO company, called Alliance Regional Transmission Organization. The region included covers 41 million people, and comprises the transmission systems of ten companies covering Indiana, Illinois, Kentucky, Michigan, Missouri, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia. Na-

tional Grid says it will invest \$75 million to run the new company, and start operations in December. It already provides electricity to 1.7 million customers in the Northeast, and will soon buy Niagara Mohawk Holdings Inc. This will make National Grid the ninth-largest electric utility in the United States.

Under threat from the Federal Energy Regulatory Commission (FERC), regions are now required to set up Regional Transmission Organizations (RTOs) to allow electricity to be shuttled around the nation wherever the lowest price will take it. FERC's aim is to have four regional grids for the entire country. The nation's transmission systems used to be built, owned, and operated by local utilities, which used the capacity to bring power from their generating plants to their customers. Now, the transmission system is supposed to function as the "electron superhighway" of the free market, overloading and congesting key lines.

High-School Students Get Drugs at School

According to results from a new six-year survey of 12- to 17-year-olds conducted by National Center on Addiction and Substance Abuse at Columbia University, over half of high schoolers and a quarter of 12- to 14-year-olds reported knowing someone at school who can sell them drugs. Most students do not report classmates who are using or stealing drugs. The study reports that the more a student uses alcohol, marijuana, and other illicit drugs, the lower his grade point average is likely to be. High school students who use alcohol or other drugs frequently are up to five times more likely than other students to drop out of school.

Substance abuse and addiction will add at least \$41 billion, or 10%, to the costs of elementary and secondary education this year, due to class disruption, special education, teacher turnover, truancy, violence, property damage, injury, and counselling. Joseph A. Califano, president of CASA said, "Parents raise hell and refuse to send their kids to classrooms infested with asbestos. Yet every day they ship their children off to schools riddled with illegal drugs."

Lest You Be Judged

The U.S. Senate hearing on the appointment of Clarence Thomas as a U.S. Supreme Court justice, never seriously considered the issues of constitutional law involved, but only the issue of scandalous allegations. As a result of similar practices by the Senate and Presidency in other recent cases, we have today a Supreme Court majority which, in fact, usually votes in direct opposition to our Federal Constitution: the so-called Rehnquist-Scalia majority.

To speak plainly, today's Federal Court is dominated by justices who represent what is best known in our national history as the "American Tory" tradition, of which Scalia represents the most dangerous threat to the future existence of our republic.

Why do we allow our Senators to do such awful things to our nation as that?

Recently, the former assistant to President Lyndon Johnson, and later HEW Secretary, Joseph A. Califano, wrote an opinion-piece published in the Aug. 31 *Washington Post*. Califano put his finger on a symptom of the problem in our Federal courts, when he referred to the use of a "litmus test" standard for the Senate's consent to court nominations.

The problem was, that although Califano did identify a symptom of the disease, he did not supply the proper remedy. The test ought to be: Does the nomination meet the requirement implicit in the Declaration of Independence and Federal Constitution? In other words, is the nominee a representative of the patriotic, or, like Associate Justice Scalia, an extremist expression of the so-called "American Tory," current?

A person bearing the title of U.S. Senator—which means, in other words, "someone who ought to know better"—should be able to recognize a

basic truth of our constitutional process. Although that process may permit any person to attain the position of Senator or Federal Judge, our national history should have repeatedly reminded us, that we must never be so reckless as to allow those of the American Tory persuasion of an Aaron Burr, van Buren, Polk, Pierce, Buchanan, a Cleveland, Teddy Roosevelt, Wilson, or Coolidge, to constitute a majority of the Federal bench.

There are many premises which would be sufficient to prove that argument. The case of the presently onrushing collapse of today's global monetary and financial system is sufficient to prove the point.

The changes in philosophy of practice, introduced by the pro-racist "Southern Strategy" campaign of 1966-1968, made possible the tragic monetary decision of August 1971; and led, through President Carter's similar views on economic policy, to the great monetary, financial, and economic calamity descending upon the world today.

The monetary and economic system we had, from 1945 through the mid-1960s, worked; the evolution of our national policy-shaping, since the 1966-1968 Southern Strategy campaign, has been a catastrophic failure.

The 1945-1964 system, with all its faults, worked to foster improvement in the conditions of life and strength of the economy. The axiomatic changes in policy introduced by those who followed the American Tory tradition of the Southern Strategy campaign, have ruined us.

The facts should be obvious; but, the conclusion ought to be obvious, too.

—*Lyndon H. LaRouche, Jr.,
Founding Editor
Sept. 6, 2001*

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Fridays—5 pm

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Saturdays—12:30 pm

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Mondays—7 pm
Thu.—9:30 am & 7 pm

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Tuesdays—4 pm

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T/W Ch. 34; RCN Ch.109
Alt. Sundays—9 am

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Fridays—4 pm

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- Wednesdays—8:30 pm

WESTFIELD—Ch.21

- Mondays—12 Noon
Wed., Sat.—10 am
Sundays—11 am

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- Time Warner Ch. 12
4th Wed.—1 am

W. SENECA—Ch.68

- Thu.—10:30 pm

YONKERS—Ch.71

- Saturdays—3:30 pm

YORKTOWN—Ch.71

- Thursdays—3 pm

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- MECKLENBURG
Time Warner Ch. 18
Saturdays—12:30 pm

OHIO

- FRANKLIN COUNTY
Ch. 21: Sun.—6 pm

- OBERLIN—Ch.9
Tuesdays—7 pm

- REYNOLDSBURG
Ch. 6: Sun.—6 pm

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AT&T Ch. 99
Tuesdays—1 pm

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AT&T Ch. 22
Tuesdays—6 pm
Thursdays—3 pm

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Thursdays—7 pm

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Table of Contents of The Issue of August 30, 2001

Major Russian moves on gold

Poland hitting bankruptcy crisis

Italian press features Land-Bridge
moves

Israel expands assassination policy

Major *EIR* presentation in São Paulo,
Brazil

LaRouche speech to be webcast

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