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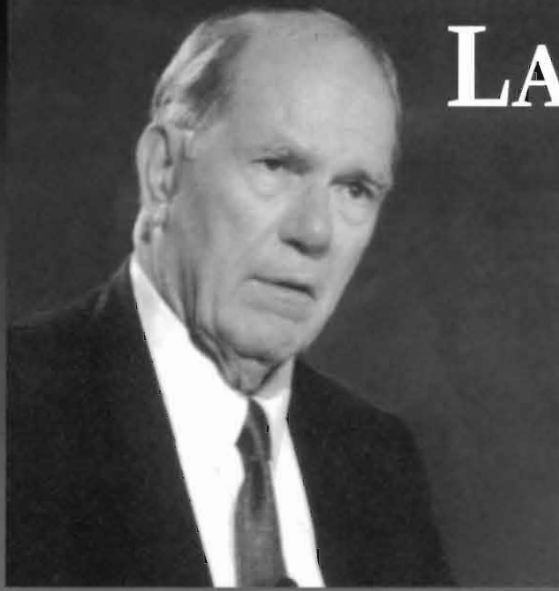
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Will America Still Make Steel In 2002?
The Arab World Is Watching LaRouche
Deflation, Hyperinflation Have Teamed Up

**LaRouche: Their Cooperation
Has Stopped A Coup—So Far**





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—Lyndon H. LaRouche, Jr., Sept. 15, 2001

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From the Associate Editor

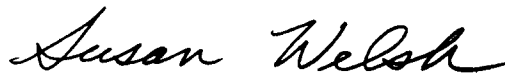
As we go to press, the media are trumpeting the imminent surrender of the Taliban in Afghanistan, and the more insane among them are sounding the charge for taking the “victory” there on, to fight against Iraq, Sudan, Egypt, Saudi Arabia, Somalia—or maybe all of them at once. Pretty much everything Americans are being told about what is going on, is false.

First, the war in Afghanistan is not over, but will now shift into guerrilla warfare. Many international experts confirm this, including retired German Brig. Gen. Heinz Karst, whose interview we publish in this issue. A man who has followed Lyndon LaRouche’s writings for 20 years, he is well situated to evaluate the current military-strategic situation. He explains why many in Germany are unwilling to support Chancellor Schröder’s commitment of German soldiers to the so-called war against terrorism.

The best hope for a positive outcome in this highly dangerous situation, lies with the emergence of a new cooperative relationship between the two Presidents pictured on our cover. LaRouche, in a Nov. 17 speech (see *Conference Report*), analyzes what happened between them on that fateful day of Sept. 11: how Bush was confronted with an attempted coup d’état by U.S. domestic rogue elements, and how Putin came to his aid.

The coup has indeed been stalled, but not stopped. The essential thing now, is for Bush to move, with Putin, to implement the Eurasian Land-Bridge program that LaRouche has outlined, in the context of reorganizing the bankrupt global financial system. This, in the context of the kind of dialogue of religions and cultures which the Pope and Egypt’s President Mubarak are urging (see *International*), and which both the Russian and American President have endorsed.

There is no time to lose. The new “Nazi International,” the advocates of a war against Islam, are on a rampage, as Michele and Jeffrey Steinberg and Scott Thompson report. The Bush Cabinet is split, with the “Wolfowitz cabal” and Attorney General Ashcroft representing the lunatic elements who are propelling us toward World War III. It is more vital than ever, that anyone who wants to steer the world out of catastrophe, rally in support of LaRouche’s leadership.



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U.S. President George Bush (left) and Russian President Vladimir Putin, on their way to a joint press conference, in Shanghai, China on Oct. 21, 2001.



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Deflation Or Hyperinflation? The Two Have Paired Up

by Jonathan Tennenbaum

For passengers on a sinking *Titanic*, it were of rather secondary interest to know which end of the ship is going to hit bottom first; the important thing is to get into lifeboats as soon as possible. But today, with the global financial system in the process of disintegrating under our feet, we witness a heated debate, among “experts” and “insiders,” about whether the fundamental danger facing the United States and other leading economies, is *deflation* or *inflation*.

The anti-hero of this discussion is U.S. Federal Reserve Chairman Alan Greenspan, desperately attempting to control an ongoing collapse (deflation!) of financial asset prices, by unleashing the most uncontrolled monetary expansion (hyperinflation!) since Weimar Germany 1923. That circumstance by itself should demonstrate, that the two apparent opposites—deflation and inflation—are in this case actually combined in symbiosis. A paradox exists only for those, who, instead of rushing for the lifeboats, choose to stay behind in their *Titanic* cabins, deciding what to do with their money. Most of these “market players” are going to lose in any case: wiped out in the collapse of asset prices, or, if enough of them succeed in converting their assets into liquid money quickly enough, they will soon find that money itself worthless.

This is the essential polemic I developed in an October 2000 article, “Hyperinflation Ahead?” published in a German-language special report by *EIR*. At that time, there were clear signs of an onset of *commodity price inflation*: The gigantic inflation of financial asset prices, resulting from the liquidity-pumping operations of Greenspan and the central banks since 1994, was beginning to spill over from the financial sector into the real economy. I pointed to the near-tripling of oil prices, from September 1998 until October 2000, together with sharp increases in other basic commodity prices

and services in Fall 2000, as evidence for the onset of this spill-over process.

This was soon followed by a severe energy crisis in many parts of the United States, with an explosion of electricity and natural gas prices to the consumer. My whole analysis had been inspired by Lyndon LaRouche, who had sounded the warning in 1999 that a critical point had been reached, where the rate of expansion of monetary aggregates now exceeded the rate of increase in financial asset prices. This, he said, marked the point at which a further continuation of Greenspan’s liquidity-pumping policy, would lead toward a “Weimar 1923-style” hyperinflationary blowout of the financial system.

The Other Twin

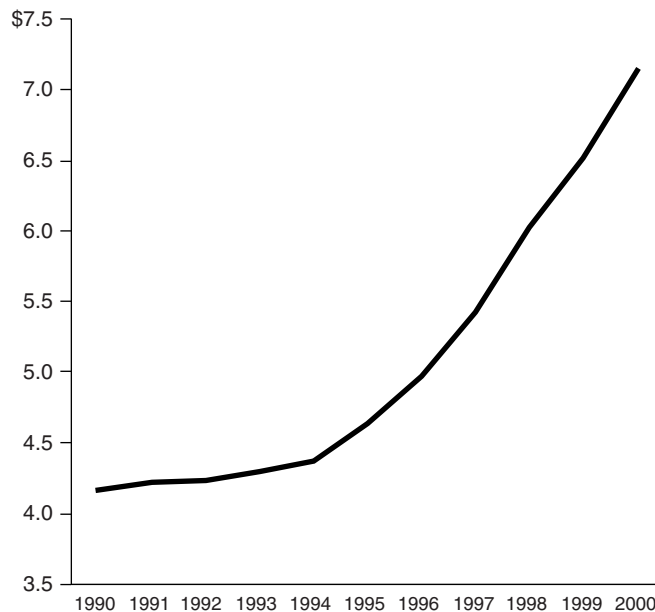
In the meantime, a gigantic wipe-out of financial asset prices has begun—beginning with the collapse of the “New Economy” bubble of so-called high-tech stocks, and now continuing with a drastic downturn in the level of corporate profits, trade, and production, in the United States and most of the world. As global demand shrinks, prices have begun to drop in many categories, including the recent, dramatic fall in oil prices. Warning cries of “deflation!” are beginning to be heard, recalling the horrors of the Great Depression. In this situation, some acquaintances are asking: “Where is the hyperinflation you were predicting? Isn’t the opposite happening? After all, everybody knows that in a depression, you get deflation.”

There is no doubt we are plunging into a depression, as LaRouche has long warned. But before being misled by analogies to the post-1929 “Great Depression,” look at implications of the sheer insanity with which Greenspan and other leading

FIGURE 1

U.S. Money Supply, M3

(Trillions \$)



Source: Federal Reserve.

The record of Fed Chairman Greenspan's terrific monetary expansion since 1994—and during 2001, the curve has gotten much steeper, reaching an annual 21% rate. How can this co-exist with the “deflation” into which the U.S. economy has now supposedly fallen?

representatives of the “financial community” are reacting to the unfolding demise of their entire system.

Exemplary is a commentary in the latest issue of Germany's weekly *Die Zeit* by economist Robert von Heusinger, with the curious title: “The Curse Of Too Much Money.” Referring to Greenspan's tenth reduction of interest rates within a single year, Heusinger says, “One has to be a historian, to find a period of such drastic interest rate reductions. That period was the years of the world economic crisis of 1929-1931.” Then he asks, “Is Greenspan's maneuver pure actionism, as the growing number of his critics are saying? Or is the U.S. economy really in such bad shape?” “The latter is the case,” Heusinger says. “Not inflation, but deflation is the problem today. And the only thing that helps is lowering the interest rates.”

But Greenspan should be careful in doing so, Heusinger warns, because the United States might fall into what he calls the “liquidity trap”: That, as he describes, is the situation in which “even though the central bank pumps more and more money into the economy, demand does not grow. Business won't invest, consumers won't consume. Growth rates and

prices fall.” Even worse, “deflation is poison for all who are indebted. . . . Companies cannot repay their credits, and finally the banks collapse due to excessive bad loans.” Japan, he says, has been experiencing exactly this sort of situation ever since the collapse of the Japanese “bubble economy” in 1989. (We could add, that the United States corporate sector is showing the signs of the “liquidity trap” during 2001.)

Therefore, Greenspan should reduce interest rates even further, Heusinger demands. But if that doesn't work, and the “liquidity trap” is sprung, then “the last, radical measure is to reflate the economy. The central bank purchases stocks, bonds and real estate from private holders in unlimited amounts [!], until private investors realize there is an excess of money in the economy, and inflation is on its way.” Then consumers will begin spending and companies will start investing again. To back up their expectations, the Fed “should commit itself to do nothing to stop the ensuing inflation.”

Weimar 1923, here we come! From 1994—when LaRouche in his “Ninth Forecast” declared the financial system to be already unsalvageable—until the financial asset collapse of the last 12 months, Greenspan has created the most gigantic monetary bubble in world history. To prop up the already bankrupt financial system, the Fed inflated U.S. broad money supply (M3) from roughly \$4.3 trillion in October 1994 to \$7 trillion in October 2000. Seeing the asset collapse set in during the past year, Greenspan has accelerated the monetary expansion even further, pumping in another trillion dollars over the last 12 months alone. Still the outcry is for more, more, more!

Worse Than 1929

It is worth pointing out, that nothing remotely comparable to this hyperinflationary insanity occurred in the lead-up to the 1929 collapse and ensuing Great Depression. From the end of 1925 until the end of 1929, broad money supply (M3) increased in the United States by only 10% (compared to 41% in the four years from end-1995 to end-1999, and 21% annual rate now). Furthermore, the degree of indebtedness of the United States, both internally and externally, was incomparably less. In 1929, America was a net creditor; today it is the biggest net debtor in world history. In 1929, the ratio of total debt to GDP was about 1.6, whereas today it is more than double that. And there are many other notable differences:

- In 1929, America had no trade deficit at all; in 2000, its official trade deficit was nearly \$500 billion,
- In 1929 (before the crash), U.S. citizens were saving at a high rate. Today the rate is negative.
- In the immediate period up to 1929, there was essentially no inflation in the United States. Up to the recent downturn, inflation has been more than 3%, and “hidden inflation” much larger.

Most important, the United States was a flourishing industrial economy when the Great Depression hit. Its currency was backed up by gigantic productive capacities and the

world's most productive workforce. Today, most of the U.S. economy is a "post-industrial" scrap heap, the result of 30 years of systematic dismantling and "downsizing" of her in-depth industrial and infrastructural base, and "dumbing-down" of her population. When Franklin Roosevelt came into office, there were vast idle capacities and qualified manpower that could be set into motion, practically instantly, to bring about a recovery. Today, the internal resources for recovery are relatively much less.

On this background, we need not wait for commodity prices to go up, in order to qualify Greenspan's monetary expansion as "hyperinflationary." There is literally *nothing* to back up the value of the trillions of dollars which the Federal Reserve System has created from nothing over the last half-decade—not to speak of the tens of trillions of speculative paper and debt which have been piled up on that monetary base—no real economic growth, not even the *promise* of some future generation of wealth, but only the prospect of further destruction of an already devastated physical economy. What is the worth of a currency, which is based on a bankrupt system and even worse policies? When the moment of truth arrives, it won't help much to point out, that most of the world's other currencies are in the same shape.

How 'Deflation' Feeds A Debt Bubble

Meanwhile, don't forget the crucial factor of debt. While "deflation" has wiped away trillions of dollars of fictitious financial assets, the cancerous mountain of debt has continued to grow unabated. As I emphasized in my October 2000 study, the ballooning direct and indirect costs of that debt exert a growing inflationary pressure on the economy, which has only been "compensated" by a wholesale looting of producers and workforce, outside and inside the country. Thus, nominal consumer price inflation in the United States (and industrialized nations generally) has been kept low by artificially depressing producer prices for farmers, raw material suppliers, and the Third World exporters of "outsourced" products. The difference—accruing to "middle men" and trading companies, etc.—goes into financial flows to speculation and servicing of the debt. In this process, "overproduction" serves as the pretext for ever more brutal cost-cutting. Thus, it is possible for deflationary and inflationary processes to coexist and even feed each other.

It is notable, that at the same time as commodity prices in the United States tend downward, the cost of medical and many other services, and of housing, continue to rise rapidly. These latter reflect, in my view, the gigantic inflationary pressures generated by the debt pyramid and the accelerated monetary expansion.

By the end of the 1923 hyperinflation, the total nominal national debt of Weimar Germany was worth the equivalent of a few pennies or less. Apparently, this sort of "final solution" to the debt problem is becoming more and more attractive to the loonies who run much of the world's financial system today.

State Budgets On Fire: Don't Worry, Say Experts

by Mary Jane Freeman

"Our houses are on fire!" cry U.S. state officials. "Don't worry," reply the economists, "We predict it will rain soon." That exchange summarizes recent babble, to the effect that there will be an economic turnaround by Spring, and so no need to worry about the billion-dollar revenue holes burning through state budgets. Already at the end of October, California, Florida, Michigan, New Jersey, New York, Ohio, Washington, and Wisconsin announced revenue shortfalls in the multi-billions, and many more have holes bigger than \$500 million. A California headline, "State Revenue Decline Worst Since World War II," captures the reality. The high-flying revenues derived from taxation on the speculative U.S. stock market bubble and the high-tech "New Economy," on which most states relied through the 1990s, have evaporated, leaving a combustible tinderbox.

A few national economic indicators show the accelerating downturn in the U.S. real economy over the third quarter (July-September) and October. The industrial production index fell 1.1% in October, a 13th consecutive monthly fall. Three key components of the index had huge third-quarter drops: semiconductors, 24.8%; industrial machinery, 15.9%; and textiles, 16.6%. September import/export trade figures, released by the Commerce Department on Nov. 20, show exports fell by 8.5% compared to August, with capital goods dropping by \$1.6 billion, and industrial supplies and materials down by \$1 billion. Imports fell 14%, which makes a six-month continuous fall. The impact of the shutdown of physical economy was writ large in October's 732,000 newly unemployed, bringing the (understated) official national unemployment to 7.7 million. These national figures are not divorced from state statistics, but rather reflect economic activity in all 50 states.

This depression trajectory was long in the making, and will not be ended by Federal Reserve chairman Alan Greenspan's interest rate cuts, done to feed the voracious bubble market economy; nor by Congress' pathetic "stimulus package" tax breaks, loans and payments to select corporations, and expanded unemployment benefits coverage.

Revenue shortfalls in the states are tied to three primary tax sources: personal income (PIT), sales, and corporate taxes. **Figure 1** shows states' total tax collections, nationally, have fallen by 3.4% in third quarter 2001 from third quarter 2000. The corporate tax component of this, fell a whopping 25%. States' sales tax growth rate has declined over the last six quarters, beginning second quarter 2000. The folly of tax cuts

FIGURE 1

Year-Over-Year Change In Total State Tax Revenues, 1991-2001

(Percent Change)



*Partial

Source: State University of New York's Nelson A. Rockefeller Institute Fiscal Studies Program, Nov. 7, 2001 report.

at this volatile time should be obvious. The solution lies not in one-time cash infusions, but rather in restarting the productive economy, using directed low-interest credit for nation-building projects—Lyndon LaRouche's policy.

Fiscal Outlook: From Bad To Worse

The state brush fires began in January, leaving over one-third of them scrambling to balance their budgets by June 30—the end of their 2000-01 fiscal year. By the end of the first quarter of the new fiscal year (July-September)—and before the impact from Sept. 11 took hold—44 states were in trouble. The National Conference of State Legislatures' (NCSL) "October Update" found that 16 of these 44 states have *both* revenue shortfalls and spending overruns. But at least 28 states have or will cut their budgets or freeze spending as a result of the revenue shortfalls and expenditures overruns.

The budget-cut fire buckets, which governors, state legislators, and budget officials propose to use to keep the flames at bay until it rains, will in fact act like gasoline rather than water. Some states have reduced or eliminated pay raises for teachers and state employees, which sparked demonstrations at some state capitols—and will lower their revenue. Medicaid expenditures, the biggest budget-overrun item, are getting axed in many states, resulting in nursing home closures and mental health program cuts, as well as smaller benefits paid out to the elderly, disabled, and poor. A blowback of such cuts, is that states will receive still fewer Federal matching dollars. (The matching ratio had already been lowered by the

1997 Balanced Budget Act.) And even before October's surge in unemployment, 23 states' unemployment insurance funds were so low that Federal infusions will be needed to ensure benefits are paid.

Up until now states have done everything possible to avoid cutting school budgets in kindergarten through high school. But a recent Stateline.org news service survey reveals that 15 states have, or soon will cut these, too. "What we are seeing here is a downturn that was so quick that states did not see this coming," said Mike Griffith, policy analyst for the National Governors Association's Education Commission on States. More to the point, they were in denial as to the magnitude of collapse of the real economy. The cuts will include: no teacher raises, halting class size reduction plans, and even cutting school nurse programs. The 15 states are: Alabama, Arizona, California, Florida, Georgia, Idaho, Iowa, Massachusetts, Michigan, Mississippi, Nebraska, North Carolina, New York, Ohio, and South Carolina.

Ironically, when most state legislators were haggling out new budgets for this FY 2001-02, they had already factored in a slower rate of economic growth. But reality raced ahead; even the lower growth projections are too high. "Nationally, FY 2002 revenues were projected to grow 2.3% above FY 2001 actual collections, only half as much as the 4.5% actual revenue growth in FY 2001. It now appears that the modest revenue forecasts made for FY 2002 are unlikely to be met," the NCSL report understates.

Biggest State Economy In Big Trouble

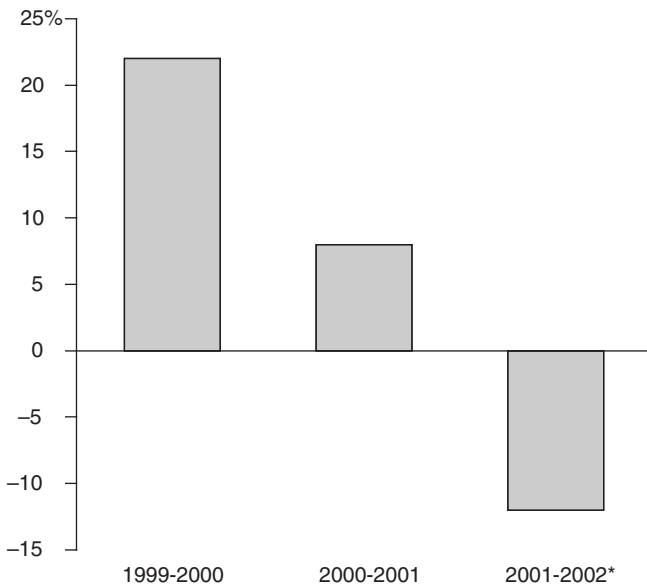
EIR's May 4, 2001 feature on state budgets in crisis, showcased how California's shift away from reliance on revenues derived from the productive economy, to the speculative bubble non-productive economy, created the potential for a long-term effect of "permanently amplifying the magnitude of revenue loss to a crisis . . . beyond control." Indeed, on Nov. 14, the California Legislative Analyst's Office (LAO) issued its 30th annual Fiscal Outlook report. Its opening analysis states that the "deceleration" in revenue growth from FY 2000-01 to 2001-02, will be "the deepest one-year decline in the post-World War II period."

That one-year decline is 12.1%: from \$77.7 billion total revenues in 2000-01, to \$68.3 billion in 2001-02. *EIR* had detailed how the state's inordinate dependence upon revenues derived from the stock market and the high-tech information technology (IT) industry, made the state's wherewithal highly vulnerable as those failed. The impact of the "abrupt revenue fall-off is pushing the state into a major deficit for the first time since the early 1990s." **Figure 2** dramatically shows the decline. "In a nutshell, . . . after increasing 22% in 1999-2000, revenues decelerated to 8% growth in 2000-2001, and are projected to fall 12% in 2001-2002," which the Outlook shows will result in a \$4.5 billion deficit, at the least, by June 30, 2002. That, wishfully, assumes a "recovery" will "begin next Spring." Even so, the following fiscal year's deficit is expected to be \$12.4 billion!

FIGURE 2

California Revenues Plunge In 2001-02

(Annual Percent Change In General Fund Revenues)



*Projected
Source: California Legislative Analyst's Office, *Fiscal Outlook*, November 2001.

EIR asked one LAO economist what the basis is for this recovery assumption. He replied, "It's what the mainstream national economists" are predicting.

Concretely, these multibillion-dollar shortfalls mean that the state of California will not have cash to pay its bills, unless it borrows monies. This is a risky proposition, as the state had already been threatened with having its bonds downgraded, when the manufactured energy crisis forced Gov. Gray Davis to spend \$6-plus billion to keep the power on. That \$6-plus billion hole has yet to be repaid to the General Fund, and negotiations to float \$12 billion in state bonds to cover it are stalled.

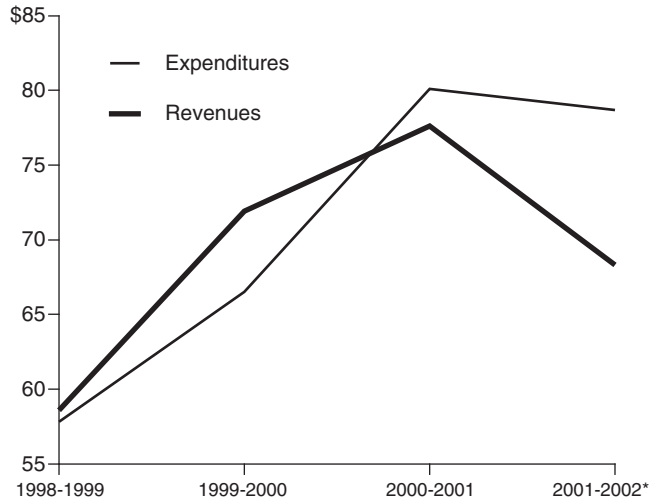
The LAO report assumes no impact on the General Fund's condition from this outlay, because by law the "loan" must be repaid. But it notes, "the loan-repayment delay" has "fiscal implications from a cash-management perspective." That is, "the General Fund will have \$6-plus billion less in cash than its budgetary balance." To bridge this gap, "the state will have to borrow an additional several billion dollars," and this poses "a special challenge" due to the "General Fund's projected large deficit."

This is an understatement. California's current and projected deficits are so huge that the stability of its income streams with which to pay off its bond debts is in question. Were investors to sell these bonds, hoping to get a better return now, than later, this could lead to the blowout of the \$1

FIGURE 3

California: Gap Between Revenues And Expenditures, 1999-2002

(General Fund, \$ Billions)



*Projected
Source: California Legislative Analyst's Office, *Fiscal Outlook*, November 2001.

trillion state and municipal bond market, and set off a financial shock wave.

The gap between revenues and expenditures is depicted in **Figure 3**. The gap is nearly \$10 billion, with \$68.32 billion in revenues expected to come in (plus \$6.7 billion from the prior year's ending balance) against \$78.7 billion budgeted to be spent and \$800 million in other obligations. The resulting \$4.5 billion deficit will leave no final balance at year's end, thus compounding the next year's deficit.

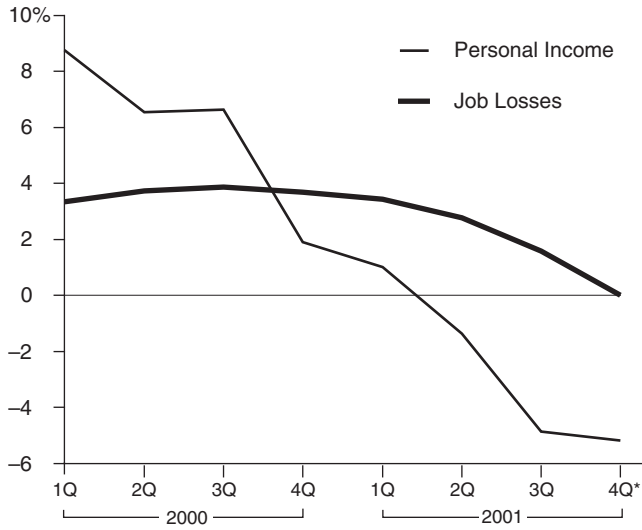
The revenue/expenditure gap means drastic budget cuts will be required. So far, Governor Davis has taken baby-steps, imposing a hiring freeze and asking Cabinet members to find \$150 million in cuts—the two steps together total \$260 million in savings as against a likely need to cut \$3 billion this year. Reductions in education spending, assistance to local governments, and state layoffs are likely. The LAO report, operating in the confines of managing the fire, suggests "reduction or elimination of inflation adjustments for programs, permanent reductions in program service levels (such as reducing caseloads or limiting benefits), or permanent increases in fees or tax rates." But in current national depression conditions, these measures pour on the gasoline.

Unemployment increases in California in the pre-Sept. 11 period were largely in the manufacturing and business services sectors, "primarily related to cutbacks in computer and software industries," reports the LAO. Between January and September 2001, these two categories of employment lost nearly 100,000 jobs in the state. **Figure 4** shows the sharp

FIGURE 4

California Collapse Impact: Job Losses And Income Declines, 2000-01

(Year-Over-Year Percent Change By Quarter)



*Projected

Source: California Legislative Analyst's Office, *Fiscal Outlook*, November 2001.

trajectory of job losses and personal incomes as a percent change year-over-year. The personal income decline is the most dramatic, and directly reflects the blowout of stock markets and the IT sector. As the LAO puts it, the “substantial downturn,” from 8.8% in 2000 to -5.2% in late 2001, is due to “dramatic decline in stock options-related earnings, which significantly reduced wealth, income, and spending.” But worse, LAO wishfully assumes that “California will rebound when the national upturn ensues during the Spring of 2002.”

There was a sharp 18% decline in withholding taxes collected through the first three quarters of 2001-02 over 2000-01 (see **Figure 5**). LAO states, “This . . . decline is . . . the steepest in the past three decades.” Personal income taxes are the state’s largest revenue source. *EIR* showed in May that the capital gains and stock option revenue components in 2000-01 comprised 22% of California’s General Fund revenues! LAO assumes a 60% decline this year in these two revenue sources. Between May and September, cash receipts were \$1 billion short of expectations.

As noted at the beginning, the rate of decline had already accelerated before the attacks; the cash deficit was \$389 million in May-June and \$600 million in July-September. No wonder there’s a hole in the budget.

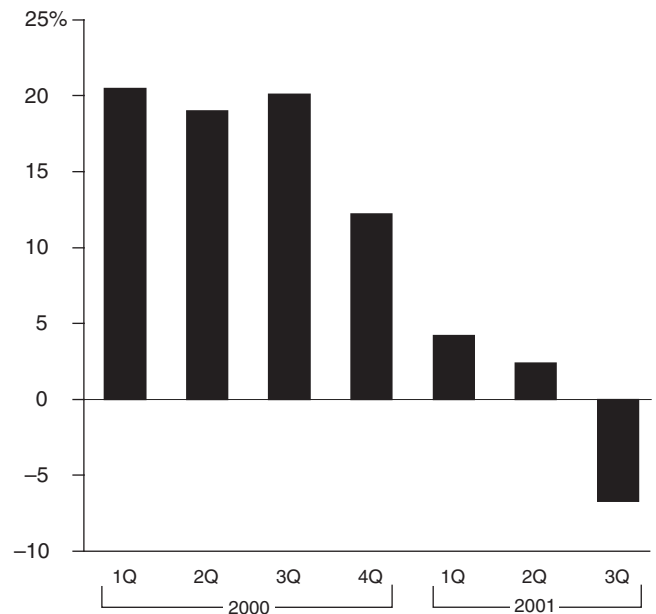
Other States To Keep An Eye On

While California is the most dramatic blowout, both in terms of magnitude and importance, recall that 44 states were

FIGURE 5

California: Sharp Decline In Withholding Tax Receipts, 2000-01

(Year-Over-Year Percent Change, By Quarter)



Source: California Legislative Analyst's Office, *Fiscal Outlook*, November 2001.

already in trouble as of October, with 28 making or planning cuts this year. We touch on just a few of these other precarious situations.

Virginia’s outgoing Gov. Jim Gilmore (R) suddenly found an \$890 million hole in expected revenues, making a sham out of his pre-election accounting shenanigans to keep his GOP promise to cut car taxes. On Nov. 15, he blamed Sept. 11 for the newly found recession, while suspending the phaseout of car taxes and announcing 2% spending cuts in most agencies, as other state officials consider cuts in Medicaid benefits.

Illinois now expects at least a \$500 million shortfall, and budget cuts will likely mean state worker layoffs.

Maryland’s General Assembly budget analysts predict a two-year \$1.7 billion deficit. Gov. Parris Glendening has imposed a hiring freeze and cut all agencies by 1.5% for starters.

New York’s latest financial report states this year’s shortfall is at least \$1.5 billion, but is expected to go to \$3 billion once the full “impact of the attacks” is counted. That is, there was a decline before Sept. 11. Gov. George Pataki’s administration has said the state is experiencing the largest revenue declines since the 1960s, and that when the World Trade Center disaster’s impact is factored in, they will be the worst losses since the Great Depression.

Steel's Supports Are Buckling One By One

by Patricia Salisbury

Testimony at the hearings of the International Trade Commission (ITC) in Washington on Nov. 6 provided a glimpse of the catastrophic collapse of the U.S. steel industry that is under way. The hearings were part of the "remedy phase" of an ITC investigation which found in October that foreign imports, the alleged "glut of steel on the world markets," threaten U.S. steelmakers. Testifying for the United Steel Workers of America (USWA), International President Leo Gerard summarized the state of the industry by pointing out that in the past 16 months, eleven steelmaking plants with the capacity to produce 12 million tons of raw steel have shut down in the United States.

Several more have gone under since Gerard spoke. Some 25 steel companies have filed for bankruptcy protection since the end of 1997.

Gerard went on to beg the Commission to recommend the strongest possible remedies to President Bush; specifically, maximum tariffs (50%) on categories of imported steel covered by the ITC findings, and import quotas set at a "pre-crisis" representative period. He asked in addition that the Commission recommend unprecedented supplemental remedies: a temporary floor price on domestic shipments (flat-rolled), tied to either the full cost of production or average 1996-97 prices; and legislation to provide that the Federal government will somehow assume the so-called "legacy" costs of the industry, the health care benefits guaranteed to now-retired workers.

Gerard also indicated that the Commission and the administration must act immediately, if further shutdowns are to be avoided. However, even before hearing the ITC recommendations, U.S. Trade Representative Robert Zoellick has drawn a line in the sand for steel industry consolidation. In a number of interviews, he has stated that the administration wanted to see an industry consolidation plan before providing either import restraint or "legacy" cost relief. This can only mean more plant closings and layoffs.

Gerard and other speakers at the ITC hearings are by no means exaggerating the collapse of the industry. Company after company is hanging over an abyss, and hardly a week goes by without some new shutdown being reported.

On Nov. 20, Cleveland-based giant LTV Steel Corp., in Chapter 11 bankruptcy since December 2000 asked a Federal bankruptcy judge to let it close all its steel plants. The company could throw 7,500 workers on the streets by Dec. 4.

LTV plants in Cleveland, Ohio; East Chicago, Indiana; and Hennepin, Illinois would be up for sale. An enraged Gerard, who was negotiating with the company when LTV put its closure notice on the media wires, termed the move "reckless and irresponsible." According to the *Cleveland Plain Dealer*, Gerard has called for the LTV chairman and chief executive to step down. The paper also reports that Rep. Dennis Kucinich (D-Ohio) will ask the bankruptcy court to appoint a trustee to run the company.

On Nov. 15, another 1,000 steel workers were laid off when Geneva Steel Holding Corporation announced that it is shutting down its only steel plant, located in Vineyard, Utah. The Vineyard plant, which can produce 3 million tons of steel, produced roughly 1 million tons last year. The Geneva closing is notable, because it is the only steelmaker to have successfully negotiated a loan under the Federal loan guarantee program; even that \$110 million loan infusion has not saved the company.

In October, news of the bankruptcy filing of Bethlehem Steel rocked the industry. Now details of the proposed reorganization of the company under the bankruptcy proceedings are beginning to leak out from top-level meetings in Pittsburgh. According to information posted on the website of USWA Local 6787 in Burns Harbor, Indiana, Bethlehem is proposing to lay off 2,000 of its 13,000 workers and reduce its health care obligations, in order to emerge from bankruptcy. Bethlehem's Burns Harbor plant would be hardest hit, with 1,000 layoffs from its current 5,000-person workforce. There would be 800 layoffs at the Sparrows Point, Maryland plant. Paul Gibson, president of USWA Local 6787, urged calm, saying, "Our most formidable enemies will be fear and panic."

The Overproduction Fraud

The most formidable enemy of the industry and its workers today are their own self-consoling lies. At all union levels, spokesmen continue to parrot the line that it is overproduction of steel on a world basis that is causing the crisis. Once that point has been conceded, the door is open to the continued devastation of the industry and its workforce, under the rubric of "restructuring."

In reality, the level of annual world steel output in the 1990s *fell to levels lower than the 1980s* (1980 produced 780 million metric tons globally). Now, to build the newly proposed links of the Eurasian Land-Bridge will require vastly greater capacities of steelmaking, capacities being thrown away daily. In the United States, a simple upgrade of the decaying rail system to meet double- and triple-track specifications, would require over 105 million tons of steel for this project alone—the same level as total U.S. annual raw steel production currently.

Steel workers and their representatives are well aware of the economic recovery proposals of Democratic Presidential pre-candidate Lyndon LaRouche. What are they waiting for? The last plant to close? It won't be long.

Airlines Are Losing Financial Altitude Fast

by Anita Gallagher

By every real measure, airlines in the United States and worldwide continue their financial free-fall that began well before Sept. 11. Cutbacks in flights and at least 140,000 layoffs in the aviation industry have not begun to stem the hemorrhaging, as the airlines still face \$700 million in security expenses, with the \$5 billion emergency bailout from Congress already used up.

The only happy people on the financial side are Wall Street predators, who want to go further than deregulation allowed, and use the near-bankruptcy of the airlines to ram through mergers and acquisitions, extort “givebacks” from unions (for pilots to \$22,000-per-year flight attendants), and cut back “unprofitable” routes, letting isolated parts of the U.S. be damned—in anticipation that regulators might allow all this “to save the airlines from bankruptcy.” Indeed, Federal Reserve Chairman Alan Greenspan, Treasury Secretary Paul O’Neill, and Transportation Secretary Norman Mineta have designated deputies to fill their posts on the Air Transportation Stabilization Board, leaving only Comptroller General David Walker remaining, to make the ugly, political decisions, as to which carriers’ austerity measures merit the \$10 billion in loan guarantees.

U.S. Democratic Presidential pre-candidate Lyndon LaRouche has insisted that on the contrary, only bankruptcy protection can save the transport function of the airline industry and its workforce from being looted and sold for scrap. As LaRouche explained to the Society of Economic Scientists of Guatemala on Nov. 13 (*EIR*, Nov. 23), government has the responsibility to uphold the general welfare of all of the people, in all of the territory of a nation. To do that, LaRouche said, “The point is, most of the existing [economic] policies simply have to be wiped from the books. . . . And therefore, we act according to the moral principle, to *cancel* all outstanding agreements which are contrary to the general welfare of a *nation* or a group of nations.”

Whistling In The Dark

While LaRouche alone has put forward a Chapter 11 bankruptcy solution to save the airlines—which the Democratic Party, President George Bush, and the unions have yet to seriously consider—their non-solutions are producing financial chaos.

The U.S. Treasury Department is, for the second time, extending by two months a deadline for airlines to pay \$2

billion in Federal excise taxes on passenger tickets. The deadline had already been extended to Nov. 15 under the bailout package. The tax collections support improvements at small and medium-sized U.S. airports, as well as the Federal Aviation Administration.

Phoenix-based America West, the eighth-largest U.S. carrier, became the first airline to go to the Air Stabilization Board for a loan guarantee, asking for \$400 million. The Board had made known that it would award the guarantees (no money!) based on the givebacks and concessions the applicants had extracted. America West submitted agreements for \$600 million in concessions from aircraft suppliers, state and local authorities, and other collapsing entities. America West had been widely believed to be headed toward insolvency before Sept. 11.

United Airlines, in a move that will be repeated by many an airline, announced that it would defer delivery of 43 jets from Boeing and Airbus for 2002-03, and buy only 24 of the 67 planes originally planned. This will save United, currently losing \$15 million a day, about \$2.5 billion.

Boeing, reeling from the cancellation of plane orders, announced a layoff of 30,000 in September. Boeing has already reduced the planes it will build this year from 538 to 522; in 2002, it now plans to build 350 of the 520 it expected, and says 2003 will be still lower. Boeing’s competitor, Europe’s Airbus, produced 320 planes this year instead of 330 planned, and its CEO Noel Forgeard says it expects to produce 300 in 2002, though it holds 375 of what might be called “formerly firm orders.”

Boeing is now desperately lobbying the U.S. Congress to make its 767 the next generation of Air Force tanker. This would commit the military to lease 100 converted 767s to begin replacement of the aging KC-135E tankers, at a cost of \$16-20 billion through 2012.

In an example of a predator waiting in the wings, BBC news has reported that “British Airways is set to capitalize on the new readiness by regulators to allow airline consolidation in the wake of 11 September, by finally clinching a partnership deal with American Airlines.” American is the largest U.S. carrier. Without the \$500 million in bailout money, American would have lost almost \$1 billion from July to September. On Nov. 19, rival ailing carriers Delta, Northwest, and Continental asked for a court hearing on the proposed partnership. British Airways itself is losing £2 million (\$2.8 million) per day.

In Canada, the airlines have asked the government to pay for new security measures that will cost close to \$1 billion. Previously, airlines paid such costs themselves.

Thai Airways CEO Virabongsa Ramangkura said, “If we continue managing the way we have, I can guarantee that in no more than three years, the company will collapse.” Every airline official in the world might say, “Amen,” adding under his breath that it won’t take three years. It is now time for the airline industry to listen to Lyndon LaRouche.

IMF Continues To Back Drug Money-Laundering

by Valerie Rush

Declaring that “it would be inappropriate for the [International Monetary] Fund to become involved in law enforcement issues,” the Executive Board of the world’s leading financial policeman made it clear where it stands on the global challenge of doing real battle with the drug money-laundering which finances international terrorism. The Board met Nov. 12 to discuss how the Fund should respond to the post-Sept. 11 clamor worldwide for effective measures to fight international terrorism. But when it came down to endorsing a set of eight Special Recommendations issued at an extraordinary plenary of the multinational Financial Action Task Force on Money-Laundering (FATF), held in Washington, D.C. on Oct. 29-30, the IMF choked.

Those recommendations were especially designed to go beyond the money-laundering issue per se, and to take direct action on the question of combatting terrorist financing. The measures committed the 31 FATF member-nations to “criminalize the financing of terrorism,” “freeze and confiscate terrorist assets,” “provide the widest possible range of assistance to other countries’ law enforcement and regulatory authorities for terrorist financing investigations,” and more.

Had the IMF agreed to require member-nations’ implementation of such measures as a conditionality for lending, it would have gone a long way to clamping down on the drug money flows that finance terrorism worldwide, and on the drug trade itself. Instead, the IMF Executive Board statement read, “The Fund’s primary efforts should be in assessing compliance with financial supervisory principles and providing corresponding technical assistance. . . . It would be inappropriate for the Fund to become involved in law enforcement issues.”

As money-laundering specialist Jonathan Winer told Bloomberg news service following the Fund’s executive meeting, “They are willing to do everything to combat money laundering and terrorist finance except make it a condition for lending. . . . Until the IMF demands these changes, some countries will feel they don’t have to make them.”

A History Of Drug-Pushing

The IMF’s refusal to make adherence to the FATF’s Special Recommendations on terrorist financing the *sine qua non* of its money-lending practices, should come as no surprise to *EIR* readers. In fact, back on July 16, 1999, we reported on the fact that the Colombian government was including the profits of the illegal drug trade in its GNP calculations *on the*



Colombian President Andrés Pastrana’s visit (right, with U.S. Attorney General John Ashcroft) did not show a turn in U.S. policy against the narco-terrorist FARC, despite clear signs beforehand. Does the reason lie with the IMF?

explicit recommendation of the IMF. Said the IMF’s Western Hemisphere public affairs officer Francisco Baker at the time, “In principle, countries all over the world should be measuring illegal activity,” just as the Netherlands includes prostitution as part of its national economic activity.

As far back as 1978, the IMF was defending drug money. In an interview then with *EIR*, an IMF Colombia specialist talked about that country’s marijuana crop: “From an economic viewpoint, the marijuana is just a crop, like any other. It brings in foreign exchange, and provides income for the peasants. . . . Well, you know, legality is a relative concept. In a few years, marijuana may become legal anyway.”

EIR has consistently warned that the motivating force behind the push to legalize drugs, and specifically the profits they generate, is the accelerating decline of a cancer-ridden world financial system, which heavily relies on injections of those illegal profits to survive another day. In essence, the IMF is dedicated to protecting the income flow that keeps the system alive.

U.S. 2004 Presidential pre-candidate Lyndon LaRouche has dubbed this unholy alliance between international finance, the drug trade, and the terrorism it finances, the “Grasso factor,” after New York Stock Exchange president Richard Grasso. In June of 1999, Grasso flew down to Colombia, to meet with Raúl Reyes, the financial chieftain of the terrorist FARC cocaine cartel. The two shared an affectionate embrace, and went on to discuss “mutual investment possibilities.” Grasso’s trip triggered a virtual pilgrimage of international business magnates to Colombia’s cocaine heartland, where the FARC’s business acumen and “knowledge about investment and capital markets” were openly admired.

Many inside the Bush Administration have begun to see the need for policy changes. Yet, until the “Grasso Factor” is eliminated, neither the drug trade nor terrorism can be defeated.

China Consolidates Its Economic Security

by Mary Burdman

As the world economy spirals downward, China is rapidly moving to consolidate its national economic security. The global crisis which broke out in Asia in 1997-99 had already made emphatically clear to Beijing, that certain vital economic-financial policies—a non-convertible currency, strict financial controls, and the launch of the “Eurasian Land-Bridge economy”—had protected China from the disasters suffered by its more vulnerable neighbors. Yet, at the same time, China’s enormous internal tasks—economic construction to meet the needs of 1.26 billion people, reforming and modernizing the state-owned industries—while dealing with an extremely volatile world, meant that a more active economic policy had to be launched.

In 1998, Beijing adopted its “pro-active fiscal policy” of massive government investment, a huge Franklin Roosevelt “New Deal”-style infrastructure-building program. Most important is the “develop the West” policy, to bring China’s vast, impoverished hinterland into the 21st Century. At the same time, China is expanding cooperation with the nations of Asia, with Russia, and with Europe.

The international financial debacle of the past 18 months has given this process urgency. Already more than a year ago, Beijing began publicly shifting the emphasis of its economic strategy from dependence upon rapidly expanding exports and foreign investment, to development of its huge internal market, as the foundation of its economic security. Since Sept. 11, Beijing has moved decisively to confirm its commitment to national economic construction and Eurasian cooperation, while acknowledging the fragility of the globalized economy.

This is the first of several articles on this process, beginning with development of the strategically important Autonomous Region of Tibet, the “roof of the world.”

‘March Toward Modernization’

On Nov. 8, China’s State Council issued a White Paper on “Tibet’s March Toward Modernization.” As this report was released to commemorate the economic progress made over the past 50 years in Tibet, the Beijing government focused attention on one of the most remarkable “great projects” now being built in the world, the Qinghai-Tibet rail line. The day before, the Ministry of Railways gave a progress report on the construction of this railroad, and on Nov. 15, the Ministry

confirmed that it is planning to begin construction of a second rail line into Tibet, once the Qinghai-Tibet link is completed in 2007.

Much controversy has been generated by the move by the People’s Liberation Army into Tibet in 1951, to consolidate Chinese sovereignty there and finally unite modern China. Yet it is clear, as the White Paper states, that this was the “starting point” for bringing Tibet out of the primitive conditions which prevailed there. Only in 1959, after the Dalai Lama had fled to India, was the serf system—even more brutal than that of Medieval Europe—finally ended. It is essential to understand the achievements of the population of Tibet since then, to “clear up various misunderstandings on the ‘Tibet issue’ in the international community,” the White Paper states.

During the late 19th and first half of the 20th Century, Tibet had been a prime target of the “Forward School,” first, of the British Empire, and, after 1947, of the United States. A small, but driven group of cadre within the British political-intelligence apparatus in India, considered it essential to control Tibet, to enhance the power of British India and to counter the influence of both Russia and China. Tibet was also used, especially in the 1920s and ’30s, as a base for arming separatist operations in western China. By 1945, after decades of civil war and 15 years of Japanese invasion, China was practically cut off from Tibet, and access was through British-controlled India.

When the British left India, a faction of U.S. intelligence moved in. Beginning in 1950, the United States became the international sponsor of “Tibetan independence.” By the time the Dalai Lama fled Tibet in 1959, his caravan was guided by radio contact with U.S. intelligence operatives in India. For the next decade (1959-69), the United States trained, armed, and otherwise actively supported groups of Tibetans fighting the Chinese government. Today, the Dalai Lama’s “government in exile” promotes the importance of Tibet as a “buffer state”—an old geopolitical term—between China and India.

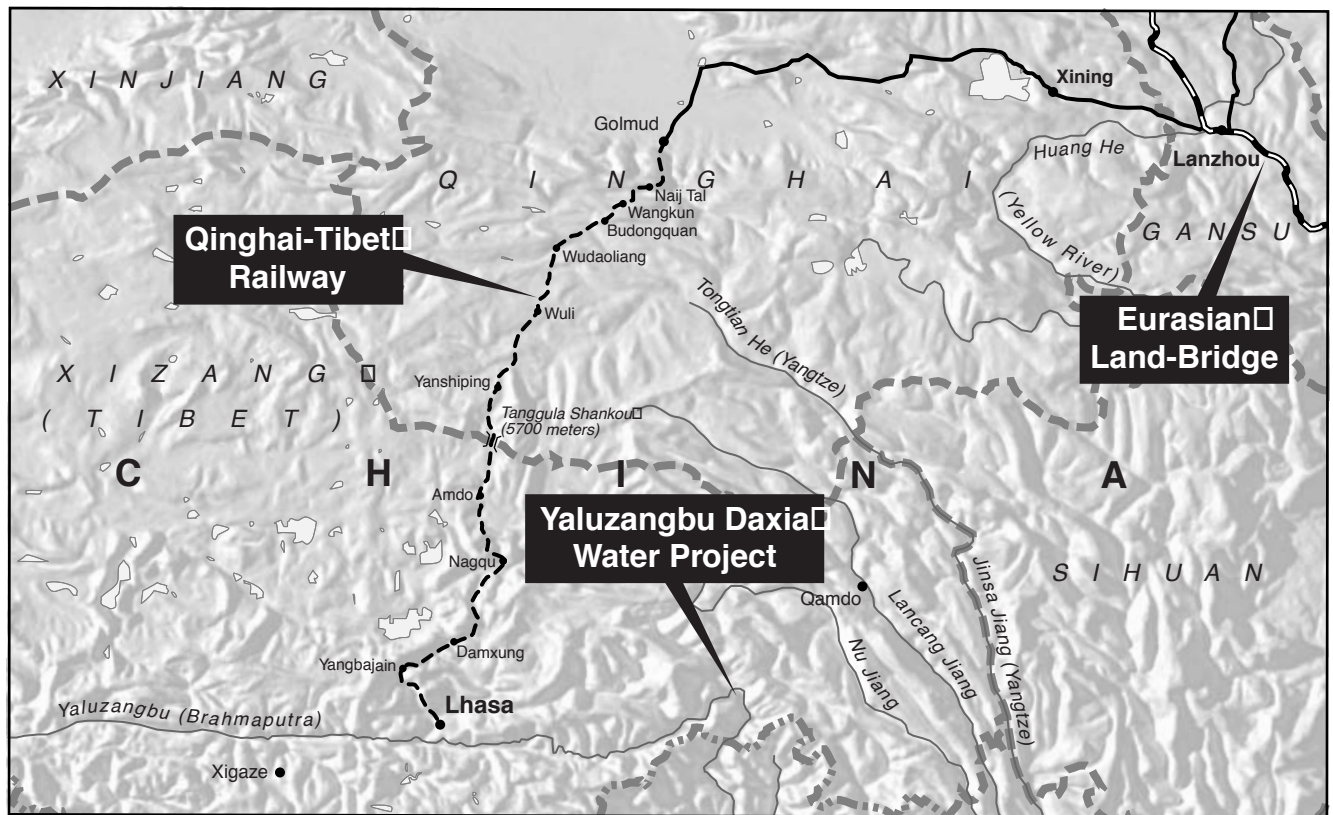
The modernization of Tibet is a central issue of the national unity of modern China. Because of China’s severe poverty, internal turmoil, and isolation, development of Tibet has been a gradual process over the past 50 years. Now, with the program of rail construction, economic development has the opportunity to gather momentum.

Bringing Tibet Into The Modern World

The lama-ist theocracy which tightly controlled Tibet “became an extremely decadent social system, [which] relegated Tibet to the state of extreme poverty, backwardness, isolation and decline, to the point verging on total collapse,” the White Paper reports. All farm and pasture land, forests, mountains and rivers, and almost all livestock—the basic means of existence—were owned by 5% of the population. The rest, serfs, could be sold, mortgaged, or exchanged by their owners. Tibet had no industry or science, and used primi-

FIGURE 10

Rail And Water Projects In Tibet



tive farming and herding methods; 95% of the population was illiterate.

The results were stark. In 1959, infant mortality was 430 per 1,000; it has now fallen to 6.61. Life expectancy, at 35.5 years in the 1950s, is now 67. Population hovered below 1 million from the 18th Century to the 1950s, the primitive conditions exacerbated by the widespread practice of polyandry and monasticism. Tibet’s population has since grown by more than 160%.

Progress resulting from introduction of much-improved agriculture methods, health care, and basic infrastructure, especially roads and power, will now be speeded up. “In 1994, the central government held the Third Forum on Work in Tibet . . . [and] adopted the important decision to devote special attention to Tibet and get all the other parts of China to aid Tibet. This was supplemented in June 2001, when the central government held the Fourth Forum on Work in Tibet, and wrote a plan for overall modernization,” the White Paper states.

Sole dependence upon agriculture fell from 99% in the 1950s, to 30% now, and water management and modern techniques have greatly improved farm and herd production. Since the beginning of the 1990s, those living in most extreme

poverty fell from 480,000, to just over 70,000.

A basis for modern industry has been established. An energy system, based on abundant hydropower, has been built, with an installed capacity of 350 megawatts, and more is planned. In October, it was decided to build the largest power transmission base of the entire country in southwest China over the next five years, to exploit the huge hydropower resources of this area, which includes Sichuan, Yunnan, Guizhou, Guangxi, Chongqing, Chengdu, and Tibet. A number of hydroelectric stations are under construction, and a high-voltage network will be built to expand electricity distribution, including to east China. China has potential hydropower resources of 378 million kilowatts in installed capacity, but 70% is in the underdeveloped west; so far, less than 8% has been developed.

Modern transport has also been built. In 1959, Tibet had only one road, stretching a few kilometers outside Lhasa, the capital. Construction began in the 1960s, with the Xikang-Tibet and Qinghai-Tibet highways, and modern highways now reach Sichuan, Xinjiang, and Yunnan inside China; and to Nepal. The world’s highest-altitude oil pipeline was built from Golmud, Qinghai Province, to Lhasa.

Efforts are also being made to develop cities and towns

(in the 1950s, Lhasa, the only real city, had a population of just 30,000, with no sewerage or any other modern urban infrastructure). Tibet is also being integrated into the national and regional economies. The central and local governments have set up 25 scientific research institutes over the past 50 years, and education is much improved.

Tibet remains poor and underdeveloped. A serious threat is posed by over-logging and over-grazing, especially in the recent period. Due to its extreme altitude and other conditions, Tibet is a highly fragile area. Deforestation has led to a serious problem of soil erosion in the region, which is the source of Asia's greatest rivers: the Yangtze, the Yellow, the Lancang-Mekong, the Yarlung Zangbo-Brahmaputra, the Irawaddy, and the Salween. The devastating floods of 1998 shocked Beijing into action, and logging by state companies has been banned in most areas of greater Tibet, as well as in neighboring Yunnan province. Projects to restore forests and grasslands have been widely launched.

The Next Period

During the Tenth Five-Year Plan (2001-05), Beijing plans, with other provincial governments, to invest 32.2 billion yuan to assist Tibet in constructing 187 projects. Another 38 billion yuan in subsidies will also be contributed.

The central project is the 1,118 km Qinghai-Tibet railroad, on which construction started in June 2001. This rail line, the first ever into Tibet, is one of the four great projects which will "re-draw China's economic map." The others are the "Move South Water North"; the west-to-east gas pipeline; and the west-to-east power transmission projects.

On Nov. 7, China's State Development Planning Commission and Ministry of Railways held a press conference to report progress on the Qinghai-Tibet railroad. In the first 147 km section, from the starting point in Golmund to Wangkun, foundations are finished and rails will be laid by July 2002, Minister of Railways Fu Zhihuan announced. This section alone involves building 55 bridges and three tunnels.

State Development Vice Minister Zhang Guobao reported that when finished in 2010, the rail line will carry 2.1 million tons of freight into Tibet each year and 800,000 tons out; and that four to eight pairs of passenger trains will use the line every day. The rail line will transport coal, steel, cement, and machinery, at far lower cost than road transport, Zhang said. Now, the price of coal in Tibet—which has no reserves of its own—is more than twice that in Beijing. As a result, almost everyone, including government offices, is still forced to use cow dung for heating, in the extreme cold of Tibet—something the railroad will finally change.

The project is likely to be more expensive than originally thought, at well over \$3 billion. Yet, Beijing is emphatically meeting all costs itself. It is recognized that the railroad will have to operate at a loss. "There could be no question of paying back the investment," Zhang Guobao said. "No for-

eign loans will be involved." At the same time, the government will not issue special treasury bonds for this railroad; "100% of the costs will come from the central treasury," he said.

The scale of the engineering feat involved, is demonstrated by Fu Zhihuan's report that engineers are now building four trial rail lines in Tibet, testing methods to anchor the 550 km of rail which must be built over permafrost. Fu was optimistic. "With those live tests and profound geographic researches conducted in the plateau over past decades, we are confident to finish the huge railway project, with high quality, on time," he said. Along with a national construction team of 11,000 workers, local workers will be recruited and trained to lay the tracks near Tibetan towns.

Second Line Into Tibet

On Nov. 15, the Ministry of Railways let it be known that it is planning to build a second rail line into Tibet after it completes the Qinghai-Tibet link in 2007. Vice Minister Sun Yongfu said that there are plans to continue the development of rail infrastructure in the region, although the decision about a second link has to be approved by the central government. "In the future, Tibet should have its own railway network to transport materials and passengers between major cities in the autonomous region," he said.

Several routes were under consideration for the first line into Tibet, but it was decided to build the shorter and relatively less challenging Qinghai route first. The second rail line will link Lhasa with Kunming, the capital of southwest China's Yunnan Province. The Kunming-Lhasa rail line will be about 500 km longer than the Qinghai route, and will cost an estimated \$7.6 billion and take ten years to complete.

China is not able to construct two large-scale railways at the same time, Sun said, and the new project must wait. However, research on the new routes could soon be launched. Already, the Second Railway Exploration and Design Institute in Chengdu, the capital of Sichuan Province, has conducted feasibility studies into a Yunnan-Tibet railway. Southern Yunnan is extremely rugged, and vulnerable to both landslides and earthquakes. Therefore, the Rail Ministry said, it will take more time to develop the techniques necessary to build a high-quality and stable railway there.

The Kunming-Lhasa rail connection is of great importance, because it would be the basis of connecting Tibet and other remote areas of southwest China to the rail networks of Southeast Asia. Plans for a Pan-Asian railroad have existed for some time, but lack of funding has prevented construction of the necessary connections. At the Association of Southeast Asian Nations summit in Brunei on Nov. 5-6, also attended by China, Japan, and South Korea, Chinese Prime Minister Zhu Rongji announced that China will build one-third of the Laos section of the planned Kunming-Singapore rail line, a 5,500 km project intended for completion by 2006, at a cost of \$2.5 billion.

Business Briefs

Russia

Putin Signs Presidential Council On Science

On Nov. 8, Russian President Vladimir Putin signed an order creating a new "Presidential Council on Science and Technology," headed by Putin, and composed of 25 leading figures from the Russian Academy of Sciences and other scientific institutions. The council is given wide powers to put together a picture of scientific developments inside and outside Russia, to advise on science and technology policy, and to ensure implementation.

The deputy head of the council is Russian Academy of Sciences President Yu. Osipov. The list of council members shows emphasis on nuclear and space technology, biology, and medicine. In addition, former Prime Minister Yevgeni Primakov has been asked to join.

Putin's move comes on the eve of an election process within the Academy of Sciences itself, which began on Nov. 12, in the course of which a new president and governing bodies will be chosen. Unlike previous elections, this one may bring far-reaching changes, including a "generation-shift," with younger members replacing some of the aging Academicians, many of whom are 70 years of age, or older. Speculation in recent weeks, that Putin would make a major intervention into this process, appear to be coming true.

Infrastructure

President Mubarak Opens Firdan Railway Bridge

On Nov. 14, Egyptian President Hosni Mubarak opened the Firdan rail bridge that links Sinai with the mainland, after more than a 30-year interruption following the 1967 Mideast War. The 640-meter-long bridge is the longest revolving rail bridge in the world. Through it, the dream of reopening the "Orient Express" will be realized, after Arab countries fulfill their obligations to complete the line on the Asian side of the Arab nation.

The bridge, which carries the rail line that extends 225 kilometers from Ismailia to Rafah, has been built at a cost of £1.5 billion, to integrate Sinai fully into Egyptian economic, social, and political life within the framework of the national project to develop Sinai up to 2011.

A German consulting firm designed the bridge in collaboration with Egyptian engineers and rail experts. It can be opened to allow the passage of large ships through the Suez Canal, and future expansion of the international waterway was taken into consideration. There are two lanes, one on either side of the rail line, for the passage of cars and trucks of up to 70 tons.

Reopening the "Orient Express" will also depend on achieving peace in the Middle East. The "Orient Express" service was interrupted several times because of wars. The first time was during World War II in 1939, and again during the Palestine war in 1948. But the Cairo-Sinai line continued up to 1967, with an interruption in 1956. After the 1967 war, Israel used the rail lines in building the Bar Lev line, which was destroyed by Egyptian forces in the 1973 war.

As Mubarak told the press, building such vast infrastructure projects, like railways and bridges, shows that Egypt's commitment to peace is strategic. As soon as peace has been established with Israel and other Arab nations, the rail line can extend through Israel and into Turkey. The project is part of Egypt's broader infrastructure program, which aims at linking the country, and through it, Africa, to the Eurasian Land-Bridge.

Nuclear Energy

Construction Starts On Russian-Chinese Plant

Installation of the Russian-made equipment for the Chinese-Russian Tianwan nuclear power station began in mid-November. The Tianwan station is being built at Lianyungang, which is also the eastern terminus of the Second Euro-Asian Continental Bridge.

The Tianwan nuclear plant "is expected to become China's key power supply center in the 21st Century," China's *People's Daily*

reported on Nov. 15. Begun in October 1999, it should be completed in 2005.

The first phase of the Tianwan will have two nuclear-power-generating units with a design capacity of 1.06 million kilowatts. Both the Russian and Chinese governments, as well as many scientists and engineers, are cooperating on this project, the largest cooperative project between the two countries. Alexander Rumyantsev, Russian Nuclear Power Minister, when in Lianyungang, said that Russia attaches great importance to the nuclear plant, and hopes to explore more opportunities for cooperation between the two countries on nuclear energy. The station will have four Russian-made pressurized water reactors, each with a generating capacity of 1 million kilowatts. The German company Siemens' digital instrumentation and control systems, believed to be the most advanced in the world, will be used.

China now has four nuclear power projects under construction. The other three are the second and third phases of the Qinshan Nuclear Power Station in east China's Zhejiang Province, and the Ling'ao Nuclear Power Station in south China's Guangdong Province.

Economic Policy

Galbraith: Bretton Woods Type Of System Needed

Economist James K. Galbraith raised the need to return to a Bretton Woods-style international monetary system, in an October paper in the *Post-Autistic Economics Newsletter*.

The shock of Sept. 11 only "intensifies a decline that was already well under way," Galbraith said, warning that the United States is facing "an economic calamity." "There is . . . no chance that events will right themselves in a few weeks," he said, "or that we will be saved by such underlying factors as technology and productivity growth—as Chairman Greenspan professes to believe—or by lower interest rates or the provisions of the recent tax act. Rather, we are in for an economic crisis; the sooner this is recognized and acted upon, the better. . . . The dan-

ger, at the moment, is collapse.”

“Therefore, like it or not, a new and more just and stable global financial order will have to emerge from the present crisis. . . . The modern system of floating exchange rates and unregulated international capital markets — just 30 years old — has never been tested on the present scale. It could easily fail now. This being so, planning for a transition in the global financial system toward an effective multilateral regulatory and stabilization system should begin quietly, but soon. It is time to examine a return to a Bretton Woods framework of fixed but adjustable exchange rates among the major currencies, backed by a multilateral reserve. . . .

“If mass unemployment or inflation cannot be avoided by pre-emptive means,” he said, “then the entire experience of the New Deal and the War Economy will have to be called upon in due course.”

Economic Idiocy

Greenspan Accepts Enron Prize For Public Service

In an event ripe with irony, Federal Reserve Chairman Alan Greenspan was in Houston on Nov. 13, to accept what the *Houston Chronicle* described as “the Baker Institute’s Enron Prize for Distinguished Public Service.” The James A. Baker III Institute for Public Policy, named for the elder Bush’s Secretary of State, is located at Rice University. Presenting the award to Greenspan, the “Chairman of the Financial Speculative Bubble,” was Enron official Ken Lay.

In his speech to the event, Greenspan cited “the prospective imbalances in energy supply and demand and the importance of market prices in resolving those imbalances,” and noted “that the same price signals that are so critical for balancing energy supply and demand in the short run also signal profit opportunities for long-term supply expansion.”

It is not known whether Greenspan and Lay took the opportunity to regale each other with their respective success stories, or compare the similarities between Greenspan’s speaking style and Lay’s financial reports.

Rice officials said it was too early to say whether the prize will be renamed the Dynegey Prize, after the firm which is taking over the failing Enron.

Space

China Is Accelerating Its Manned Program

Following a trip to Beijing and Shanghai, and interviews with some of China’s top space managers, *Aviation Week* editor Craig Covault reports in the Nov. 12 issue that the pace is quickening in China’s manned-space and booster-rocket programs, and China has great interest in participating in the International Space Station (ISS).

Director of the China National Space Administration Luan Enjie told Covault that China is now training a dozen astronauts for manned flights starting as early as 2002. A vehicle assembly building, resembling NASA’s at the Kennedy Space Center, has been completed, to be able to process two launch vehicles simultaneously, including the man-rated Long March 2F booster. A new, heavy-lift booster is also under development, as well as a series of small satellites. Conceptual design studies and technology development for linking two Shenzhou manned capsules together, as the precursor for a small space station, are also under way. Unmanned probes to the Moon and Mars are being considered. Luan said that China plans to double its civilian space budget over the next five years, to accomplish these goals.

Covault observes that while China’s space buildup will compete with other space powers, both commercially and politically, it also presents new opportunities for space cooperation.

In the United States, such cooperation has been stymied in the past by the fixation on technology export controls, human rights, and non-proliferation. Shortly after the Bush Administration came into office, China broached its participation in the ISS. “We want more frequent communication with entrepreneurs, engineers, and enterprises in the U.S., so that we can have extensive cooperation in the future,” Luan told Covault. “My hope is that the U.S. can treat us as friends.”

NATURAL GAS spot market prices for November jumped up 79% from October. While prices are still 32% below the highly inflated speculative price of November 2000, this is only the first month of the Winter heating season, and analysts can find no reason for the sudden hike. Storage inventories are near capacity, and the economic collapse has capped U.S. industrial demand.

THAILAND and Cambodia agree to build several roads linking the two nations, after a visit by Cambodian Prime Minister Hun Sen to Bangkok in mid-November. One, from Ankor Wat, Thailand, will pass through the former Khmer Rouge headquarters at Anlong Veng. Another will link Thailand’s eastern provinces to the Cambodian port of Sihanoukville.

ISRAEL is officially in “recession,” after the Central Bureau of Statistics announced a 2.8% drop in third-quarter GDP, which is the second month that it fell. On Nov. 15, Prime Minister Ariel Sharon told the annual conference of the Manufacturers Association of Israel, that Israel had fallen into a “difficult period, a period of economic emergency.”

U.S. HOUSING starts are expected to plummet by more than 33% in the fourth quarter, while sales of new homes will drop by more than 20%, despite sales incentives provided by builders and negligible interest rates, according to a semi-annual forecast issued on Nov. 14 by the National Association of Home Builders. Existing home sales are forecast to fall by more than 21%.

VF CORP., one of the world’s largest apparel makers, headquartered in Greensboro, North Carolina, is to cut 13,000 jobs, about 18% of its workforce. Meanwhile, Burlington Industries, once the largest textile maker in the world, filed for bankruptcy on Nov. 15. The firm employs 11,000 workers in the United States, Mexico, and India.

Berlin Seminar: What To Do In A Financial Meltdown

Lyndon H. LaRouche, Jr. joined a panel of distinguished European economists in Berlin on Nov. 5, for an *EIR* seminar on the question, “What Can Be Done In The Face Of A Financial Meltdown?” Over 125 guests attended, representing economic, diplomatic, political, and press circles from Germany and other countries.

Our first report on the seminar appeared in our Nov. 16 issue, with the speeches from the morning panel by LaRouche, *EIR*'s Lothar Komp; Prof. Dr. Wilhelm Hankel, former board member of the German Reconstruction Bank (Kreditanstalt für Wiederaufbau); Russian economist Dr. Tatyana Koryagina; and a written message from Dr. Nino Galoni of the Italian Labor Ministry.

This week, we publish the presentations from the concluding panel, by former Dresdner Bank economist Dr. Kurt Richebächer; Schiller Institute President Helga Zepp-LaRouche; Prof. Yuri Gromyko of the Moscow Academy of Culture and Education; and French Presidential candidate for 2002 Jacques Cheminade.

In his keynote address, LaRouche underlined that the cause of the crisis today, lay in the “pathology” of the last 35 years, of relying on the mentality of accountants, or of “general public opinion and government opinion, which obviously does not function.” The key to the relative success of the 1945-60 period, LaRouche said, was the Bretton Woods system, a gold-reserve-based, protectionist system, which allowed those nations that participated in it to improve their standard of living, productivity, and, generally, the perception of prosperity in the future. The switch to a floating exchange-rate system in 1971, he said, “has bankrupted the world.”

LaRouche emphasized that “governments must declare the financial system *bankrupt*, and use the sovereign authority of governments, individually, and as combinations of sover-

eign entities, to reorganize the system in bankruptcy,” as was done after World War II. He added a second aspect: the need to revive and protect the *sovereign nation-state*, without which no economy can function.

Dr. Kurt Richebächer

U.S. Economic Growth: Only In The Statistics

Dr. Kurt Richebächer, former Dresdner Bank General Representative and now publisher of the Richebächer Letter, addressed the afternoon session of EIR's Nov. 5 seminar. He drew on his long history in banking and economic policy-making, to ridicule the fraudulent methods introduced in recent years in the United States, to “doctor” statistics, and make a catastrophic economic picture look like a “miracle of productivity and profits.” He also highlighted the change in mentality that has occurred over the last generation. In his day, people were proud to have paid off their home mortgage; but today, in America, people are proud to be able to go to the bank and get a bigger mortgage, based on inflation in real estate! When asked, during the discussion period, about the thinking of the German industrial bankers of his generation, he answered, “We saved, we invested, and we worked hard. That was the secret to the German economic miracle.”

The following is the prepared text of his speech. It has been translated from German by EIR.

According to the dominant opinion, the American economy has, in recent years, experienced a great renaissance, which accomplished miracles of productivity and profitability. For some years I have been concerned to make clear to my readers and others, that these wonders have taken place in statistics alone, and not in the economy.

At first, I was struck by a rapidly growing discrepancy between the euphoric earnings announcements of the firms, and the unrelentingly gloomy picture of earnings, which the official income statistics showed. It was a difference of day and night. As a macroeconomically oriented political economist, I concern myself fundamentally with the accounts of official statistics. What they show, clearly and openly over years, is no earnings miracle, but rather, the most unfavorable development of earnings in the entire postwar period.

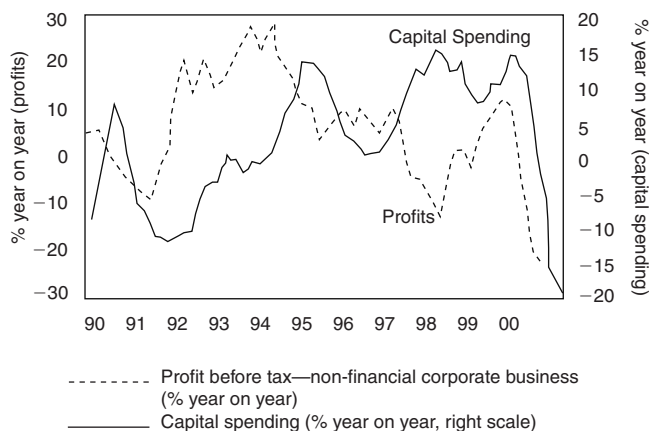
Now, to two reports on this point: In the five years up to 1995, corporate earnings in the U.S.A. rose by about 66%. It was a time of slow economic growth following the recession of 1990-91. The primary causes of this outstanding development were drastically falling interest costs and shrinking amounts of depreciation, brought on by the very weak investment activity of corporations during the 1980s.

In the following five years, up to the end of 2000, America's alleged economic-wonder years, the growth of earnings amounted to 22%, or 4% per year. If one considers, that these were the years of strongest economic growth, in which the stock indexes rose as never before, because supposed productivity and profits miracles were taking place, then this actual picture of earnings was catastrophically bad. In any case, it was so bad, that some time ago, I found myself compelled to investigate the basic reasons for it.

At first, what struck me was an immediately exploding difference between the actual expenditures of corporations for computers, and the effect of this on the real social product [GNP]. During the three years from the end of 1997, to the end of 2000, the expenditures in question rose by about \$34 billion, which contributed all of 2% to the economic growth of this period in nominal amounts; [but,] in the totals of real social product, there was a growth nearly seven times as large, \$214 billion, which amounts to almost 20% of real growth. And that was the total upon which Wall Street fixed its gaze.

The reason for this phenomenal difference was no secret. It is called the "hedonic price index," and it follows from the fact, that computer production as well as computer investments of corporations, were being measured into the reckoning of real social product, not according to the number of units or the total expended, but rather, according to the performance of the installed computers. But this has, in the last five or six years, really exploded. In my eyes, this way of accounting was a case of plain economic nonsense, because the hedonic

FIGURE 1
U.S. Profits: No Money For Capital Spending



dollars were being paid out by no one and earned by no one.

Significantly, a second statistical change then had a statistical effect. It consisted in the ruling by official American statistical bureaus, two or three years ago, to treat the software expenditures of corporations no longer as costs [of production], but rather as investment expenditures which became capitalized. This had three immediate effects. At the same time, and to the same degree, this method of accounting inflated not only the real social product and productivity, but also corporate earnings. For the years 1998-2000, this added some \$70 billion. But this also was, in the final analysis, nothing but an illusion, since it added no additional dollars to the corporations' bank accounts.

Not measurable by the outsider, but equally significant, were the effects of a third statistical change. It was adopted in 1995 on the recommendation of the Boskin Commission, which had the mission of creating an improved measure of the rate of inflation. The members of this commission were known for the fact, that they stood for the most distinct possible improvements *downwards* [in the inflation rate]. Above all, this had to do with the stronger consideration of quality improvements. It has become generally known, that the going consumer-price inflation rate has been shrunk by 0.8 percentage points.

All these statistical changes have been publicly announced. But the general interest in optimism is overwhelmingly strong. The results, not surprising, are the devastating numbers that now come into view. They have effected a certain sobering-up, but they remain far behind reality. It speaks volumes, that the earnings have fallen far more sharply than the stock indices. The paradoxical result lies in the fact that American stock prices, in relation to earnings, are far higher than even at the peak of the boom.

May Germany Initiate A New Global Policy?

Mrs. Zepp-LaRouche is the chairman of the Schiller Institute's international advisory board and president of the Institute in Germany. Her speech to EIR's Nov. 5 Berlin seminar has been translated from the German, and subheads added. Its full title is "May—And Should—Germany Seize The Initiative For A New Global Policy?"



Before our eyes clearly stands the danger of a double catastrophe: The world economy is at the point of plunging flat-out into a Depression; simultaneously there threatens—from a “horizontal” spreading-out against additional nations, of military operations in West Asia and the Middle East, which is right now being vigorously discussed among certain Anglo-American circles—a dynamic which soon will no longer be controlled by anyone, and which could end in a Third World War.

The long-developing systemic collapse of the world financial system has entered its end-phase: the Argentine default; the increasing consequences this threatens to have for American and Spanish banks, and thereby the rest [of the world's banks]; similar developments which are showing themselves in Poland, Turkey, and other so-called emerging markets; the debt crisis in the United States; the depression in Japan—the list of Achilles' heels could be continued; the system is irreversibly at its end.

At the same time the military operation in Afghanistan, after three weeks of bombardment, has led nowhere, according to its military expectations, but in humanitarian terms, to a potential holocaust of 7.5 million human beings. Its spread to Iraq, Syria, Sudan, for example, or by the proxy of a military strike by Israel against its neighbors, could have incalculable consequences. The destabilization of the Musharraf government in Pakistan, with potential conflict between the two nuclear powers, India and Pakistan, would be an acute danger, along with the destabilization of the

moderate governments of that region, and the sinking of Central Asia into tumult and chaos. The result would perhaps be a longer religious war—or as the former CIA chief [James] Woolsey says, at least a 100-years war: exactly the “War of Civilizations” long propagandized by Samuel Huntington.

Either of these two processes alone, taken by itself, can lead to chaos; but should both of them erupt unhindered, the plunge of mankind into a new dark age would be certain.

The German Predicament

The question we must put to ourselves, here in Berlin, is this: Can Germany, in light of this predicament, and the complex existing strategic situation, take a significant political initiative?

It is urgent that we in Germany overcome the already almost genetically conditioned prohibition of [our] thinking, which follows roughly this chain of argument: “Germany is only an intermediate power; we have twice opposed America in world wars and lost; we don't want to pass that way again; therefore, ‘unconditional solidarity with America’; and thus, send the Bundeswehr [Army] into West Asia and the Middle East!” Unconditional solidarity with what? With depression, war, and chaos? How is this paradox to be solved?

To begin with, Germany has—despite the frequently incomprehensible behavior of its governments—a steadily increasing esteem and authority among the nations of Eurasia and those of the Southern Hemisphere; and many hoped that after its unification, it would pursue a policy more in its own interests—in vain, as we know. Yet in this dramatic and highly dangerous world situation, Germany can contribute the lessons of its own history to the solution of the two most important questions: namely, how depression and war are to be overcome.

From every standpoint, the fundamentals of the world economy, leaving aside a few exceptions such as China, are today in a worse state than in the Depression of the 1930s. Nevertheless, the same methods remain valid in overcoming them. The positive example of Franklin D. Roosevelt is known. Less known, but thereby just as momentous for its having been neglected, is the Lautenbach Plan.

The Lautenbach Plan

On Sept. 16-17, 1931, a secret conference of the Friedrich List Society took place, in which the chief of the Reichsbank at that time, Dr. Hans Luther, and 30 other leading authorities in economics, finance, and politics participated. The primary presentation was made by Dr. Wilhelm Lautenbach, an important economist and official of the Ministry of Economics. In his memorandum, Lautenbach set forth why, under the simultaneous conditions of depression and breakdown of the financial system, normal market mechanisms no longer work (thus, exactly as it is today); thus also, why tax reductions and austerity measures against spending, only accelerate unem-

ployment and the fall of production.

There can be only one way out of this downward spiral: If the state, through the stimulus financing of infrastructure and projects that unleash and expand idle productive capacities, brings the economy as a whole into a recovery. If this involves projects which are in the interest of the general welfare, which should [have been] invested in anyway, even if the economy were going well, then the tax revenues will thereafter be greater—because of the general stimulating effect—than the [cost of the] original credit-financing.

The Lautenbach Plan was not realized then, in time. [Economics Minister] Hjalmar Schacht later certainly made use of aspects of the Lautenbach Plan. It is one of the tragic moments of German history, that the pathway out [of the Depression] proposed by Lautenbach was not taken in time. Had that happened, the economic crisis would have been overcome, and with it the unemployment and [social] conditions which made possible Hitler's seizure of power. The Second World War would not have taken place. That is the first lesson Germany has to contribute, as to how war can be prevented before it is begun.

The Peace of Westphalia

The second question is, how a wrongful war can be brought to an end. Already, the situation in West Asia and the Middle East is a living Hell; relations between the Israelis, and the Palestinians and other Arabs, are characterized by enmity or hatred. In the case of a spread of the military action beyond Afghanistan—which, in reality, would be prolonged into a War of Civilizations lasting years, indeed, perhaps lasting 100 years—the result would be the death of millions, if not billions of human beings, and the brutalization and slide into barbarism of the survivors. Everything which we regard as the accomplishments of Christian European culture, and also of Islam, would be destroyed.

In Europe, we have experienced what ruin was caused by the Thirty Years religious war, from 1618 to 1648. When, after four years of negotiations, the conclusion of the Peace of Westphalia was finally achieved, a Treaty was formulated, which comprehensively set forth, for the first time, the idea of an association of states resting upon national sovereignty. The entirety of the international rights of peoples, as this has been developed through the UN Charter, is built on these principles. They are also the sole way in which groups, made enemies by religious and ideological questions, can find peace.

Article I of the text of the Treaty demands, that the relations of previously hostile parties be placed on the basis of a “general, permanent peace” and a “truer and more honest friendship,” and “be honestly and seriously held and nurtured in such a manner that each party [must] promote the benefit, honor, and advantage of the other.” Thus it is demanded, in so many words, that the relation be founded not upon hatred, but upon *agapē*.

Article II reads—and I quote it here, because it is not generally known:

“On both sides, all should be forever forgotten and forgiven—what has happened in terms of hostility from the beginning of the unrest, no matter how or where, from one side or the other—so that neither because of that, nor for any other reason or pretext, should anyone commit, or allow to happen, any hostility, unfriendliness, difficulty, or obstacle in respect to persons, their status, goods, or security itself, or through others, secretly or openly, directly or indirectly, under the pretense of the authority of the law, or by way of violence within the Kingdom, or anywhere outside of it, and any earlier contradictory treaties should not stand against this. Rather, each and every one [of these things], from one side and the other, both before and during the war, whether insults, violent acts, hostilities, damages, or injuries, inflicted with words, writings, or actions, and without any regard to persons or causes, should be completely put aside; so that everything which one side could demand from another on such account be buried in everlasting oblivion.”

Without this approach, neither will the conflict in West Asia and the Middle East be solved, nor that of any one of the other crisis regions of the world, in which wars have alternately smoldered or raged for a century. If we cannot make this concept our own today, in the face of the threatening worldwide conflagration, then nothing, absolutely nothing of our civilization will be saved.

Besides *agapē* in foreign relations and the principle of permanent forgiveness as the pre-requisite of peace, the Peace of Westphalia brought about still another decisive innovation: namely, the role of the state in the economic reconstruction after the devastation; and thereby began a tradition which, with Leibniz's concept of *physical economy*, became the basis of all successful periods of economic development since.

Therefore, war avoidance can be seen in a pure, theoretical economic form, as it was applied in the Lautenbach Plan; and in securing the peace after a wrongful war, as occurred in the period following the Peace of Westphalia through state-directed economic assistance; [and] just the same as in Germany, in the Reconstruction phase after the Second World War.

I believe that Germany has the right and the duty to place the experience from the Thirty Years War and the Second World War on the agenda, within the authoritative body of the international community of nations.

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A Strategically Sound Perspective Is Needed

Yuri Gromyko, of the Moscow Academy of Cultural and Educational Development, delivered the following speech, entitled “War Hysteria, And The Dialogue Of Cultures, In A Period When The International Institutional Infrastructure Must Be Changed,” to the EIR seminar in Berlin, on Nov. 5. Subheads have been added.



In this very special period of time, which is very dangerous and simultaneously very interesting, it is becoming more and more evident that the main defect in political thinking, is the absence of really clear and sound, strategically organized perspectives. It is even possible, for the case of each politician, to make an assessment and a diagnosis, identifying whether he or she has a clear vision of what the next steps in world development as a whole should be.

Why is this so important? Because the absence of this kind of vision, at this moment, leads to the repeated resort to very old stereotypes of political thought and action, which are nothing but rubbish. These stereotypes are all clear, and may easily be named and enumerated. Among them, we have:

1. A continuation of the Cold War, with Russia and the U.S.A. (as the citadel of the Free World) in the role of the main adversaries. When he was in Berlin, our President, Vladimir Putin, especially spoke out against these stereotypes, saying that they were blinders.

2. The doctrine of globalization, meaning the end of nation-states as such.

3. The perspective of a “Clash of Civilizations” as a fatal deadlock.

4. The Pax Americana perspective, meaning a unipolar world with respect to power, or, more precisely, a one-and-a-half-power world.

5. The organization of the world into a hierarchy of clusters, in which there is a first-class paradise, a second class, and a third class with the prospects of a ghetto.

Post-War Institutions Have Disintegrated

It is now clear that the world put together after the Second World War, at Dumbarton Oaks, Yalta, and Potsdam, has disintegrated. Therefore, the whole array of international institutions constructed during the past 50 years—financial, economic, and political institutions—are no longer adequate. These institutions were not intended to support or to promote the development of the world as a whole. They were deliberately introduced for the purpose of suppressing some nations, to the profit and gain of others. Their main purpose had to do with preserving the political and financial status quo that had been achieved. They were connected with the doctrine of neo-colonialism, in the period of Cold War rivalry between the Soviet Union and the U.S.A.

It was very important for the superpowers to locate bridgeheads and staging grounds, in various geopolitical niches. This does not mean that these international institutions and their possibilities should be neglected. They can be very important in stopping a war, for example, but when it comes to proposing new perspectives, they are useless.

It is also rather important to see that the rivalry of the three main political projects of the 19th and 20th Centuries has come to an end: the conservative-traditionalist (anti-progressive), the liberal, and the communist projects, which dominated the whole 20th Century. Of course, all of these mass political projects served as means to implement a well-defined policy. But, it is interesting to see that the liberal project, which involved the orchestration of palliatives and represented compromises between the communist and traditionalist projects (as Wallerstein has also emphasized), having achieved victory, is actually situated in a vacuum, and is decaying and self-destructing through its own impulses to continue expanding.

Fundamentalists And De-Modernization

The end of this well-defined ideological infrastructure does not, however, mean that we now have positive possibilities. The destruction and total annihilation of the communist ideological project and the deterioration of the Roosevelt initiatives for the Third World (Asian and African nations), due to the actions of subsequent U.S. administrations, have caused mass desperation in rather many groups of states in the Third World, which cannot change their own position by themselves. Precisely in this period of time, when the traditional political active forces that failed to solve the problems are departing, we can see new political actors donning a very old mask: Maybe it is even a death mask. Some non-traditional religious groups, the usual fundamentalist elements, are proposing their own political solution to the social problems. For a fairly large number of people, these fundamentalist proposals simply mean that the instrumentalities of political action—which were elaborated earlier—no longer work, and all traditional rhetoric is futile.

So, the appearance of fundamentalist religious groups as

active forces, in a situation of political and social instability, simply means that the huge energy of endeavors in the direction of justice is not being realized; although at the same time it is eagerly awaited by many nations. The active political engagement of some religious fundamentalist groups, emerged in the period when the communist project was totally destroyed. This is no mere coincidence. Some of the ideas of the socialist movement involved efforts to develop national industrial forces, educational institutions, and science and research institutions for Third World countries. The development of the national industrial forces means the possibility to change a country's position in the world order. Today, after the collapse of the socialist system, rather many nations have no possibility to change their economic and cultural position. Therefore, the energy of their hopes for building a more just order, is seized by the fundamentalist movement.

It is very important to understand, that fundamentalist elements are opposed to the religious traditions of their own country. If we look at Chechnya, we can see that the Wahhabite Muslim movement is fervently opposed to the popular tradition of Sufism. Yet, that Sufi tradition, in the form of the Chechen Sheikh Kunta-Haji Kishiyev's doctrine, was exactly what Leo Tolstoy accepted during his service in the Russian Tsarist Army, and then developed into his brilliant anti-war homily in the novel *War and Peace*. From a certain standpoint, fundamentalist Calvinist ideas and Wahhabite ideas resemble each other.

Fundamentalist proposals involve two elements — the element of pure force as a means of making political decisions and solving problems, but also with the so-called ideas of de-modernization. We can detect attempts to implement this project everywhere — in Chechnya, in Afghanistan, and in Kosovo.

The ideas of de-modernization are also related to post-modernist ideological utopias, with their intentions of exiting from modernity. What does this mean? It means that people, in a situation of accepted or imposed de-modernization, have decided against developing science and technological approaches. They oppose initiatives to give a sound and high-level education to each and all, and they don't want to develop infrastructure projects and breakthrough programs. Thus, Helga Zepp-LaRouche's appeal to cultivate interconfessional dialogue against war, to support peace, is very important.

A New Institutional Infrastructure

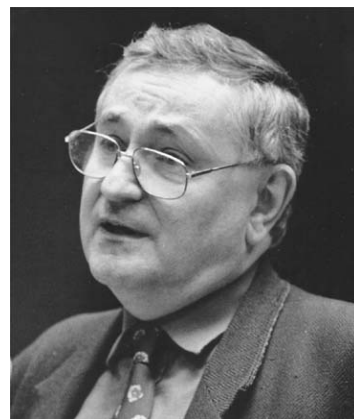
In such a situation, it is very important to discover that we can have tactical and strategic goals that are very different. Tactical goals involve the possibility of finding profit for oneself within the framework of existing political institutions — to reduce indebtedness, to force the international public to acknowledge the Russian way of doing things in Chechnya, or even to tell everybody that Russia is located simultaneously

in Europe and Asia, and other very important geographical trivialities. The existence of strategic goals presumes the launching of new, broad initiatives, to create a new international institutional infrastructure. The purpose of these institutions must involve new ideas for the development of the world as a whole, to organize a new, more just order. Thus, Lyndon LaRouche's ideas on launching long-term projects in Eurasia (the Land-Bridge, and others), and to restore the Russian program for the exploration of our northern territories, are very important. These new initiatives can be realized, only through the integration of the scientific research, industrial, and educational institutions of every nation-state that is taking part in these programs.

Jacques Cheminade

Europe's Contribution To A New Bretton Woods

The following speech, "The Contribution Of Continental Europe To A New Bretton Woods," was delivered by Jacques Cheminade, French Presidential candidate for 2003, to the EIR seminar in Berlin, on Nov. 5. Subheads have been added.



The world monetary and financial system is breaking down before our eyes. Is it not therefore tragically ridiculous, to see our nations of continental Europe trying to build their future institutions on such a broken pedestal, on the basis of "free trade," "free competition," and free circulation of money flows? Our leaders, in private, admit that something is rotten in the kingdom of Brussels, but they stick to their habit of going along with the smell. As a result, our nations of continental Europe contribute nothing to bringing a New Bretton Woods into existence, and, worse, our leaders try to intimidate all those who try to find a way out of the global financial crisis.

The situation is the following. As of now, under the Maastricht, Amsterdam, and Nice treaties, we are caught in an absurd set of arrangements, an unholy alliance of petty interests under a European central bank stubbornly wedded to

monetarist policies and to the cause of the so-called stability pact—which is nothing but chains preventing the prisoners from leaving their jail cells while the prison is burning. The euro, the common currency of 11 of our states, is going to be imposed on Jan. 1, 2002, against the sovereign national power of each nation to print its own currency.

The debate is not based on reality, but on formal combinations hiding the absolute impotence of all to address the real problem. As in a Rabelaisian story, each of the participants grabs a tail which leads to no real body. Some call for a federalist utopia, with no defined purpose—a hara-kiri of their very self to do so. It is said that while the American government is conducting a war without knowing its aim, the European governments are searching for unity without knowing why. Others respond to such a flight forward with a flight backward, and mistake national sovereignty for chauvinism, retreating into a foxhole. The more sophisticated fools call for a “federation of nation-states,” a sort of animal with two tails but, still, no body.

We cannot tolerate that any longer. In the real world of today, in the present tragedy, the nations of continental Europe are only going to survive as nations if they break with the present financial and monetary system, throw away the rotten pedestal and drop the tails. It can only be done, at this point, by joining the New Bretton Woods and Eurasian Land-Bridge perspective, as a common cause of Europe. It requires political boldness in action more than in words, and no institutional martingales of any sort. It is the only option to reshape the world economic order according to the best that our common political culture has been able to bring forth.

How To Make The Impossible, Possible

Europe can only be built by daring to accomplish great projects together, not by compromises around diplomatic tables or following the advice of so-called experts. Under the dictates of Maastricht, Amsterdam, and Nice, it is impossible. At the same time, the process of the enforcement of the euro is taking place. The question, therefore, is how to make the impossible, possible. In other words, how to introduce, under the aegis of Europe, a new hypothesis, solving the paradox that we are confronting, and succeed in doing so. After all, is it not the solution of paradoxes that defines European culture, and not vain deductions or synthesis?

Let’s then see what true European culture and the laboratory of European history tell us.

First, that none of our European continental nations is able today—as opposed to Russia, the United States, or the British monarchy—to conceive of itself as providing leadership to the world, for the best or for the worst. Why? Because we have been, over recent decades, occupied countries, both by foreign armies and by the Anglo-American counterculture and financial power. France, except for some years under de Gaulle and a few months under Mendes-France, has never recovered from Napoleon, the Holy Alliance, World Wars I

and II, and the scars of colonialism. Germany was, after France, the target of the British monarchy, and it never recovered, as a world-leading nation, from World War I, Nazism, World War II, and the post-war occupation. Other continental countries are in no better shape, or, worse, with the exception of those Italian politicians inspired by the principles of Pope John Paul II. The situation, in official terms, is therefore practically hopeless.

But, reality is never restricted to official terms. Out of the best of our nations—which all have been part, at different moments, of the great European Renaissances—it is possible for a group of people to emerge of the type that Jean Monnet used to call “inspirers.” This is again a paradox: As the tragic present moment of history scares our leaders and political careerists of all sorts, it, on the contrary, gives rise to the best impulses in people who identify with those past moments of the Renaissance. These are generally, as Lyndon LaRouche often repeats, individuals born before 1945, old enough to have escaped from the short-termism of post-war counterculture.

Thus we have, in each of our countries, a potential “assembly of good minds” that can provide inspiration and leadership. It is our task to find them, give them hope, and mobilize them as a body. Those, by historical impulse, will tend to understand the present importance to link up Russia, China, India, and continental Europe in a “common cause,” in a community of principle around an economic development program—the Eurasian Land-Bridge. At the same time, they would identify the crucial issue as the direction taken by the American Presidency, because their experience covers the impact of the policies adopted by Franklin Roosevelt, John F. Kennedy, and Martin Luther King. Therefore, LaRouche and the New Bretton Woods would appear for them, beyond the present limitations of their nations, as the key factor not only for the world, but also for the recovery of those very nations. Moreover, and much more important, they would identify the issue of “culture” conveyed by this approach, as opposed to the disastrous effects of the nihilism of the last 40 years.

To gather these men and women as a body of ambassadors of continental Europe, to outflank the impotence of our present politicians, and represent the cause and contribution of Europe in the debates on the New Bretton Woods, is therefore our first task. Here, today, is a step to broaden our outreach.

Getting Europe In Shape

Our second task is to establish the minimal conditions of principle required to make Europe fit for its participation in the New Bretton Woods impulse. It does not mean that the changes are going to take place by naming them, but they are well-needed points of reference for a political fight.

First condition: Europe should not continue to be built around a monetarist order, but should accomplish great infra-

structure projects, with the physical leverage of science drivers. A few years ago, European Commission President Jacques Delors tried to stress this point, but with two main flaws. He simply outlined the projects, as an excellent technocrat, but without attacking the international financial system that prevents their realization. And he did not extend the projects toward Asia and Africa, failing to give the necessary world dimension to Europe. Today, after Chinese President Jiang Zemin's call on May 24 for a "New Silk Road" between Asia and Europe, at the third foreign ministers meeting of the Asia-Europe Meeting (ASEM), in Beijing, the opportunity cannot be clearer.

End The Maastricht Conditionalities

Second, the paralyzing conditionalities of Maastricht and of the European Stability Pact have to be dropped. The law of physical economy has to replace the logic of impotence: because, according to the present regulations, no European state has the right to issue long-term, low-interest credit in favor of great projects—which will be reimbursed by the payback generated throughout the economy by the realization of those projects. This is labelled "inflationary," while to the contrary, the banks can issue credit with a multiplier effect to invest in the financial markets! This scandal is generally little known, except by some "experts" managing the rules of the game. Of course, on top of that system, is the European Central Bank, a bankers' and Treasury officers' bank, with no control by elected officials or political institutions.

What an hypocrisy! There is, in such a system, enough money to save the financial bubble, until the crash is detonated, while there is no credit to generate a physical development policy to the benefit of peoples and their nations. It is self-destructive and absurd. We have to reestablish instead a national banking system in each of the European states, and an association of national banks at a European level, issuing credits for great projects on the basis of their reimbursement by the earnings generated by the project itself ("deferred payments," as it was called in the terminology of the Marshall Plan). This means to shift from a short-term, fraudulent financial leverage, like in the present European system, toward a virtuous long- and medium-term physical leverage.

Third, "advanced forms of cooperation" among European states should be organized around, and for, those great projects. Such "advanced forms of cooperation" should not pertain to the domain of "the experts," but be discussed in a dialogue between the states and the citizens. As needed for the accomplishment of the corresponding physical projects, the delegation of sovereignty could be conceded on a case-by-case basis. It should never be in the abstract, in a dogmatic way, but always on a physical basis. In the latter case, it contributes to enhance the concept of national sovereignty in a higher order of common labor; in the former, it destroys the very idea of national sovereignty and republican democracy.

Fourth, behind those projects, there should be an in-depth examination of the foundations of European culture, which is the only way to assert and maintain political will. Today, there is nothing of that sort, and it could not be, because the political economy enforced in Europe goes directly against the very basis of our historical European values!

Fifth, to those who think that our arguments are good, but that one cannot go "against the winds of history," we answer that many times in the past, and quite recently, the word "Europe" has been associated with evil things, bad for other nations, and bad for Europe itself. Fortunately, Europe was able to start again, following an opposite and better track. Indeed, Europe is not a thing in itself, it depends on the intention behind those who fight for it. So, it is because we are faithful to the Europe of the Renaissances—those of Charlemagne, of Italy, of the German Classics, of Henry VII of England, and of Louis XI of France, and of the economic policies associated with them—that we absolutely reject the Europe of Maastricht, Amsterdam, and Nice, which is incompatible with a New Bretton Woods system and the resources needed for the Eurasian Land-Bridge.

A Golden Euro

So these are our principles, defining our political horizon. Nonetheless, it is already Nov. 5, and the euro, symbol of all the wrongdoings that I have just mentioned, is going to be enforced on Jan. 1 of next year. My hope would be that an unexpected and major event, such as the financial "big one," would prevent that from happening, and force through a change, in the direction that I defined. Nonetheless, one cannot bet on mere facts, and when an unpleasant trend develops, the solution is to judo or outflank it.

I propose, therefore, that the nations of continental Europe, as a national emergency measure under the present circumstances, study the feasibility and then immediately issue a golden euro. Not as a standard, a gold standard, but as a transitional instrument of common reference, calling the game of those who would prolong the evil survival of the financial bubble. The initiatives taken in Russia and Malaysia going in the same direction, with, for example, the issuance of the Russian golden chernovets, create the conditions for a first step toward the Eurasian Land-Bridge and the New Bretton Woods. In other words, the idea with this initiative is to put the hot iron where it burns, creating the conditions for an accelerated fall of the present international and monetary system, and therefore an opportunity for a change for the better.

The golden euro, so conceived, is a bridge toward the New Bretton Woods. I expect that the nations of continental Europe would dare to say what they have to say on this point, rejecting forever the delusion that we are suffering from a mere bump, while we are plunged neither into a recession nor, to be precise, into a depression, but into the final phase of the systemic world monetary and financial crisis.

LaRouche Evaluates Putin-Bush Cooperation In Growing Crisis

by Paul Gallagher

Having publicly broadcast within minutes of the attacks on Sept. 11, that calm collaboration between President George Bush and Russia's President Vladimir Putin was the essential response, Lyndon LaRouche on Nov. 17 evaluated that collaboration, as the crucial factor which has in fact "stopped, but not crushed" an intended coup by a rogue U.S. military-intelligence faction against the Presidency.

LaRouche said the war in Afghanistan was secondary to the continuing, intense drive by this faction—co-thinkers of Zbigniew Brzezinski, Henry Kissinger, and Samuel Huntington—to force President Bush into a disastrous global war against Islamic nations. That coup d'état drive has been thwarted through the Putin-Bush cooperation beginning with Putin's urgent call to Bush on Air Force One on the morning of Sept. 11, but not thoroughly defeated.

Recovery From Depression At Stake

LaRouche spoke in Mainz, Germany at the party congress of the Civil Rights Movement-Solidarity on Nov. 17 (see full text, in this section), just after the Putin-Bush summit in Texas had ended, where both Presidents had strongly emphasized the urgency of their direct communications on the day of the deadly attacks. LaRouche said, "We have to eliminate certain myths about the events of Sept. 11 in the United States. What happened . . . was a coup d'état attempt, against the Presidency of George Bush, by a military faction, at a very high level." He compared this to the period of early 1933, when the world financial system was collapsing as now: International fascist financial and political circles not only made a coup in Germany, bringing Hitler to power, but also planned an assassination and coup to prevent Franklin D. Roosevelt from holding the Presidency.

Concerning the "attack from the inside" on Sept. 11,

LaRouche continued, "The purpose was, to implement the policy of Zbigniew Brzezinski—a clash of civilizations war—in which a billion Muslims would be killing one another, and also everybody else in sight, as a result of being enraged, by a combination of what is happening in the Middle East, and the expansion of that to a broader war."

Such global religious war-fighting would deliberately destroy the Eurasian cooperation for economic development and recovery from the worldwide economic depression—on which Putin has staked great efforts.

"What Russia has been doing," said LaRouche, "beginning with the Primakov effort as Prime Minister, and continued since then by Putin, in his negotiations—is to do what was proposed, earlier and during that period; to bring about a system of cooperation in Eurasia, which would be based on the power centers of agreement among Russia, China, and India; bringing other nations of Eurasia into economic cooperation around this; and, in cooperation with Western Europe, as a provider of technology into these areas, where development is needed. . . . Eurasian cooperation is the solution."

LaRouche described the events of the hours of Sept. 11 during which President Bush was attempting to face multiple crises, and received a first call from President Putin, the importance of which Bush continues publicly to stress. Putin assured him that "we are going to help you"—that Russian forces would not go on alert in response to the mobilization level of the U.S. military, and that Russia would give the American President full backing. LaRouche evaluated this strong support from Putin, as having caused "an epiphany" for Bush, facing a crisis whose magnitude was so unexpected and for which he was not prepared. The development of that backing has been decisive: "The President of the United States intervened, with the help of the President of Russia, to turn



“The President of the United States intervened, with the help of the President of Russia, to turn around a coup d’état [attempt], against the United States government. So, the coup d’état has not been crushed, but it did not succeed.”

[back] a coup d’état against the United States government. So, the coup d’état has not been crushed, but it did not succeed.”

The World War IV Cabal

Brzezinski had already publicly denigrated the Bush-Putin Texas summit, in the *Washington Post*, calling it a distraction from what the United States should do unilaterally. But the furious public war-cries against Secretary of State Colin Powell’s Nov. 18 statements on Middle East peace, coming from co-thinkers of Paul Wolfowitz and Richard Perle of the Defense Department, showed more clearly the continuing threat of the enemy LaRouche has been pointing to for months.

Only one of many assaults on the announced U.S. peace effort, was a violent Nov. 20 *Wall Street Journal* attack by Eliot Cohen, who is close to Deputy Secretary of Defense Wolfowitz. “Afghanistan constitutes just one front in World War IV,” bellowed Cohen (who strangely considers the Cold War to have been World War III). “The enemy in this war is not terrorism, . . . but militant Islam.” Similar war-calls appeared in other *Journal* editorial columns, the *New York Post* of Rupert Murdoch and the “Mega” Zionist banking circles, etc.

LaRouche warned, over that weekend of the Mainz conference, that this faction still seeks generalized war against Islam, even though its policy has not been adopted by the Bush Administration. There is a battle in which Israel is one of the key cockpits: The military command there is set to unleash general war, and only U.S.-Russia cooperation can stop them. He further warned that this faction seeks the “war

of civilizations” in order to attack what are still its bigger targets — Russia and China. “The real issue is whether we’re going into World War III,” LaRouche said.

President Putin’s urgent deployment to head off this world war faction, beginning with his discussions with Bush on and immediately after Sept. 11, also featured his powerful intervention in Germany in late September. Speaking to the German Chancellor and Parliament on Sept. 25, Putin “judoed the war script.” He told the West as a whole that a successful war on terrorism meant finally ending the cold war: no more use of terrorist formations by one power against another in irregular warfare; ending the drug traffic rather than using it to weaken adversaries; cracking down on money-laundering; a common perspective of development for all Eurasia. Following that came his summit negotiations with Bush and Chinese President Jiang Zemin at the Shanghai summit of the Asia-Pacific Economic Cooperation Forum (APEC). There, Putin again stated “Russia’s Eurasian mission,” in terms of great projects of economic development, and made specific commitments for joint action against international terrorism.

The Putin-Bush cooperation, LaRouche noted, has so far successfully limited the military action since Sept. 11, to forces in Afghanistan which were a major security threat to Russia and to other Eurasian nations. “The United States,” he pointed out, “or part of it, had been financing *support*, through the Taliban, for disrupting Russia! What happened *after* Sept. 11, when the President of Russia, in fact, rescued the United States from a coup d’état, by his intervention (if indirectly, nonetheless effectively). A new agreement was struck.”

Are You Willing To Make The Change?

Mr. LaRouche addressed the annual conference of the Civil Rights Movement Solidarity party (BüSo) in Mainz, Germany, on Nov. 17.

We are in a period of history which is unlike anything that, probably, any of you have experienced in your lifetime. And this period of history, which most of you do not know even from studies, this type: It's a period where everything that seemed to be conventional and expected, suddenly vanished. And things came forward, and became dominant, as if from nowhere, at least in the eyes of most people. These are characteristic of the truly great revolutionary periods of history, the great upheavals which mark the separation between entire phases of history, sometimes the existence of the nations. We're in such a period.

The reason, why all of these political parties, of the Americas and Western and Central Europe, will soon disappear from the scene, is because they have come from a period which is past, and have entered a shift, into a period in which they are irrelevant.

Now, this is not really something to be described. There's a principle involved. It's a principle which I've sometimes referred to, in writing on the subject of the "goldfish bowl." The way society is organized, is not really rational. It is not, so far. Societies are organized, like the Roman Empire, on a system which has many of the elements of *vox populi*. It's called "popular opinion." Popular opinion varies in its composition, from nation to nation, and time to time. It is generally thought of in terms of the acceptance of certain institutions: institutions of government; institutions of law; institutions of financial and accounting practice; institutions of taste, dress, custom, and expression of opinion. When people wish to influence other people, they will generally appeal to some of these generally accepted institutions, or opinions, as the authority for their behavior. In turn, they believe themselves to be compelled to behave as these habits instruct them to behave. And when the time comes that these assumptions of institutions, habits, laws, and so forth, no longer work, then you have the spectacle, which is like the legendary goldfish, which, being released from a bowl into a large pond, swims in small circles, because that is its habit: That is public opinion; that is popular opinion; that is what the Romans called *vox populi*.

What is changed, then, are certain assumptions which



Lyndon LaRouche addresses the annual conference of the Civil Rights Movement Solidarity party (BüSo). "It's a period of great danger, globally. It's also a period of great opportunity. The question whether the danger will be mastered, will depend upon how many natural, organic leaders, come forth from the population, to exert leadership; leadership of the quality, which Schiller identifies as the Sublime."

are—relative to a far more Classical education in geometry, in Euclidean geometry—are changes in axioms or definitions, axioms and postulates, of the way a people and its society think. Now, what if you come to a world, as people did in, for example, 16th-Century Europe? The world of Kepler. And Kepler's accomplishment, in becoming the first founder of a comprehensive mathematical physics, especially with his discoveries in astronomy and astrophysics: What Kepler showed, is that all of his predecessors, including Claudius Ptolemy, Copernicus, and Brahe, were absurd in their fundamental assumptions about the way the universe worked. Because they assumed that the universe would work, according to the kind of lawfulness, which had been prescribed by Aristotle, in his writings. And science showed, as in the case of Kepler—but also in earlier writings of the same type, back to Plato—that this assumption, that a fixed set of generally believed assumptions, was true, was overturned. And this became known as modern science.

Modern science is based, very simply, on the discovery of the absurdity of previously established scientific opinion. And experimental evidence is presented, which presents these scientists with a—let's call it an ontological paradox: a contradiction in physical terms, in which the same standard of mathematical physics, for example, says that something

works, but the same, in another experimental case—it doesn't work. And therefore, you have a contradiction between the two cases.

Typical is the case of Fermat, in showing that they had two kinds of phenomena in light, in the bending of light: one, reflection, which appears to follow a pathway of shortest distance. And then, you have another thing: refraction, in which it doesn't. Now, therefore, your concept of time itself, and of the relationship of matter, space, and time, must be radically changed, to take into account the fact of refraction. And much of the work of the 17th Century, of the followers of Fermat, such as Huyghens and Leibniz and Jean Bernoulli, and so forth, was based on the implications of this discovery, that space, time, and matter, as conventionally defined, in that time, were absurd, and the case of refraction proved it. The best accomplishments in modern physics come from that kind of thinking.

So, the way mankind advances—and this is particularly true of modern European civilization: With modern European civilization, and its impact, the rate of increase of the ability of human beings to exist, to increase their life expectancy, to increase the quality of life, had been increased as never before in human existence. This gift of European civilization was created by two things: by the creation of the modern sovereign form of nation-state, the thing that people are now trying to destroy; and by the introduction of science, as a mode of general practice, of general change of practice. This resulted in the greatest increase in the human population ever seen, the greatest rate of increase; the greatest improvement of the potential conditions of life, of life expectancy, and quality of life, intellectually, in all of human existence, for the population as a whole. But it's always based on this principle.

Realize that whatever you believe contains an absurdity. Whatever institutions exist, contain an absurdity. And sooner or later you'll discover what that absurdity is. And the question is posed to you: Are you willing to make the change? Are you will to accept the evidence, the scientific evidence that what you believe is, in part, absurd? That you must concoct an hypothesis, the kind of thing that Kant forbids you to do! But you must test that hypothesis experimentally to determine whether or not it is true. And if it is tested successfully, then you must apply that proven hypothesis to effect a *change* in the behavior in society as well as yourself.

Revive Classical Education

The problem is, that when we come to these changes in political and social institutions, we do not have, any more, a society based on a Classical education, a Classical humanist form of education. The lack of a Classical humanist form of education means that people don't *know* anything; they simply *learn* a great deal. We teach our children the way we teach



“Thus the legendary goldfish, which continues to swim in small circles. . . .”

dogs to do tricks. We do not educate our children to *know*, by *reliving* the great discoveries of the great minds of the past, which you do in a Classical humanist education. We are swayed by popular taste, not by knowledge. We act like trained animals in a circus, or a carnival. We've come to the point that being a trained animal is sometimes fun in a circus, because the animal is fed daily, the tents are put up properly, the care is what they expect. But one day, the circus goes bankrupt, and then, the animals have a terrible time. The same thing happens to society. The “animals” have a terrible time.

But, because we do not have a society that is educated in science, in the scientific way of thinking, as Kepler, Leibniz, and so forth; because we have a society in which Classical humanist education has been banned, for example, in Germany, for the past 30 years. Therefore, you have, among Germans, for example: You meet a German who was educated in the Classical humanist education, the Humboldt system, *prior* to the Brandt reforms, and one who was educated *after* the Brandt reforms: It's like meeting *two different species*. One inferior, morally, to the other. The ability to think is lacking, has been largely destroyed. We have in the labor force in the United States, we have not only vast unemployment, in fact, but we have people who are unqualified for work. We have people who are not qualified for the kinds of jobs which have disappeared, which are the jobs they used to be trained for, but which no longer exist, at least not in great numbers.

So, we've come to a point, in which we have to make a change. The existing parties are based, and base their success, on the record of success in influencing institutions, under conditions which *no longer exist*. And by their clinging to the anchor of a sinking ship for security, *they drown in their own folly*.

So, our problem is to understand this process, and understand that, in dealing with people throughout the world, we have to deal with this problem. We're dealing with people who *don't know how to think*. They have been taught *to learn*,

not to know. Therefore, politics, real politics today, takes the form of *applied Classical humanist education*, of thinking, preparing, when you're dealing with people, to present what they need to know, in the form of the experiencing of an ontological paradox, a relevant ontological paradox, and working through the process of discovery, to see what the principle is, which that paradox requires us to discover. And when they have shared the discovery of that principle, *then they know it*.

So, being in real politics today, is actually a form of *applied Classical humanist education*: in science, in emphasis on Classical poetry, Classical drama. Because the only way you can transform society from one that doesn't work, like the present European nations, or the present United States, is by educating the population to *know*. How can a population have the confidence to make revolutionary changes, suddenly, and in large numbers, if they don't *know* what they're doing? They can continue to stumble into the ditch by following the habits they've acquired, habits expressed by the existing political parties, which might be called the rubbish dump of dead ideas. You have a dead idea, you jump into one of these rubbish dumps, and you are disposed of in due course. But, if you want to be a part, a relevant part of the conditions of life which are emerging, then, you have to know what you're doing. To influence large numbers of people, to make a fundamental change in the way *they* behave, they have to know what they're doing. And therefore, the issue is that.

How An Economy Functions

Let me just give one example of this from my own personal standpoint: Some years ago, now, over 50 years ago, I made a certain series of scientific discoveries, in the field of physical economy. These were made in the course of refuting the absurdity of the arguments for information theory by Norbert Wiener, and the arguments for systems analysis and artificial intelligence by John von Neumann, both of whom were acolytes, in their childhood or youth, of Bertrand Russell, and who represented a principle of pure evil. But, later, in the course of working through these discoveries I made, I found, I turned again to Bernard Riemann, and found out what kind of a conception you had to have—how do you organize such a set of ideas into a functioning economy? And therefore, the ideas of Riemann became an integral part of my own discoveries.

In the course of this, I came to understand how modern economies function. They function in terms of long waves, long cycles, not the way Kondratieff described it for the Russians, but another kind of long cycle. The cycles are, as Kondratieff suggested, largely technologically based. That is, when a society has adopted a certain kind of general technology, that technology, as the population becomes more proficient in it, as investment occurs, that wave of technology will tend to result in an increase in the productive powers of labor, and other benefits. After a while, not making additional new

discoveries will result in the same society, which succeeded in that wave of technology, will then go into an attritional period of decline.

So we have these characteristic cycles in society, which are largely cycles of ideas; in physical science, they're cycles of physical ideas, or how to apply them. There are also cycles in the way people cooperate. If you educate people in the Classical humanist mode, in an educational system, then you will have a labor force which is able to think, which knows. Such a labor force can more rapidly assimilate new technologies; whereas a labor force which is trained like a donkey to pull the same load, given a different job to do, can't do it. So, you have cycles of culture, as well as physical science, as such.

Thus, in analyzing economies, I always look at this question of axiomatics. What are the principles which cause an economy to behave the way it does? We say an economy is behaving the way it does because the people in it, the form of government institutions, the form of laws, the form of accounting procedures, and other customs, caused that society to behave in a certain way, as if it were a very specific kind of geometry, in which nothing can happen that doesn't fit the assumptions, the definitions, axioms, and postulates of that geometry.

And therefore, a society has a cyclical characteristic; the most typical cycle is that of one generation, or two generations. If you look at the history of economy, the history of events, you find that the period from the age of birth, to the age of about 25 years, is a characteristic cycle in modern society, because it takes about 25 years to take a child, and bring it to maturity as a professional in modern society. But, you will find that, for example, investments in infrastructure—benefits last for a quarter-century to a half-century. There are investments that take that long. Investment in an agricultural program by a farmer: He has to plant a crop program, he has to develop the crop program, which in vegetable crops is lower; if he has to develop cattle, like high-quality dairy cattle, it may take 25 years to build up a decent herd of high-quality dairy cattle. It's not done so easily, so it's an investment over a period of time, whose fruit is harvested over a period of time, and which is used up over a period of time.

And so, we think about 5-year cycles, not so much; but 10-, 20-year, 50-year cycles are the kind of cycles we experience in physical economy. And political economy tends to follow underneath the needs and impact of physical economy.

The Post-War Policy Crisis

And the problem has been, that, in the postwar period, since 1945, the policies which the United States had intended to follow had Roosevelt lived, were not carried out. Those policies meant the immediate elimination of colonialism, immediate! That the French, the British, the Dutch, the Portuguese colonies would be instantly wiped from the map, as colonies, and independent nations would stand where colo-

nies had stood the moment before. The United States, which had built up a large war machine, an industrial war machine, intended to *convert* that industrial war machine into a production machine for capital goods, for the world at large. In conjunction with developing, as Roosevelt laid out in a famous meeting he had in Casablanca, in 1942, to develop Africa, Asia, areas of colonialism as independent nations, and the United States, while helping Europe to recover from the combined effects of depression and war, would also devote a large part of its production to meeting the needs of what we call today, developing nations. We didn't do that.

We didn't do that.

But we developed a Bretton Woods system of modified form, which, unfortunately, was based on an artificial conflict between the Soviet system and the Anglo-American system. We lived on this mixture of conflict, and a fairly good economic system for Western Europe, Japan, the United States, the Americas, for a period up until the middle of the 1960s.

Then, shortly after the death of Kennedy—the assassination of Kennedy—it was torn down. It was signalled by the ouster of Erhard, here in Germany, which was a turning point downward for the German economy, and the attempt to ruin de Gaulle, in the same period, which was a downturn for the French economy. You will find that most of the benefits, in Germany, that are being taken away today, were those that were built up and set into motion, as part of the postwar economic recovery, from 1945 through the middle of the 1960s. You find the same thing in France; France is living on the fag-end of the exhaustion of what Charles de Gaulle, as President, contributed to the development of France, essentially.

The same thing is true around the world. The United States, Western Europe, Japan, and most of the Americas, increased their productivity, improved their standard of living, improved the conditions of life, consistently, over about that period, from 1945 to 1964-65. That was a cycle.

Then there were the changes that came, coinciding with the war in Vietnam. There were the radical changes, in culture, in politics, and in economics. And from 1965 on, Europe and the United States *willfully* began to *to destroy its own economy*, its own productive capability. Just make a list! Of the great German firms, for example. Industrial firms, which existed, employed people and so forth, in 1965. Make a list of those, which have disappeared, or have shrunken into obscurity, since that time.

There's another cycle: Over the past 35 years, the world system, the so-called Anglo-American system, has been dominated by this degeneration. This degeneration was accelerated, by the collapse of Soviet system. With the collapse of the Soviet system, Anglo-American interests believed that they had established a potential world empire, like the Roman Empire; or more like a Venetian model of the Roman Empire, that is, where a rentier-financier group of parasites would run the world, from the standpoint of their financial interests. Nation-states, as such, would be destroyed, as was done with

the Maastricht treaties—these kinds of things. This process of *destruction* of civilization, *accelerated* after 1989! It shouldn't have! The right policy could have been followed. It wasn't.

The policy was, *to take the opportunity of the collapse of the Soviet adversarial posture, as an excuse for accelerating the rate of destruction of the economy!* Which is what happened.

We've now come to the point, that that system, for its own *axiomatic reasons, is finished! It's over!* We are now standing at the *end-phase* of an entire period of history! The end-phase of, actually, the entire 1945 to 2001 interval of history, which contains within it several cycles. And, by looking at the assumptions of policy-making, the assumption of prevailing ideas, which have guided each of these changes, I was able to make forecasts, which have been, on record now, the most accurate long-range economic forecasts made by anyone in the entire past 55-60 years. Simply because I emphasized what I had discovered: that you do not look, from week to week, from month to month, from statistics, and try to determine where an economy is going. You look at the *underlying, axiomatic assumptions, that control the behavior, of populations and their component parts.* And, thus you can foresee, if you think ahead.

Lessons Of Classical Tragedy

The problem we have—another one, the crucial one, which I'm sure Helga [Zepp LaRouche] referred to today, because I know she was going to do something like that—is the question of the Sublime.

The greatest problem we have today, is not just the problems I've discussed, but something related to that: that tragedy, as I'm sure Helga emphasized, does not lie in a mis-leader. Tragedy lies in a bad people, with a bad culture. The great figures of tragedy—the leading figures of tragedy—were bad because they were *consistent*, in their behavior and outlook, with the society which they led. What was bad, was the lack of a leader, who would *lead the society away* from its habits. In each case of a tragedy—and remember, all the great Classical tragedies were based either on actual history, or upon legends, which had a historical significance, such as those of the Homeric epics. So, in all real Classical tragedy, the writer was writing about real events, with the skill of a tragedian, and we should study these things to see how the mind of the great Classical tragedians worked, in understanding the critical points, by which a people of a culture *destroyed themselves*. It was not a mis-leader: It was *they*, themselves, that destroyed themselves. As civilization today is destroying itself; as Western Europe is destroying itself; as the United States is destroying itself. It is not being destroyed from the outside: It's being destroyed *inside, by its own people! By its own culture!* Why? Because it has the willpower, to be able to make decisions which would change it: *But they don't make the changes.* It is that characteristic behavior, of not *making*



*“Great leaders inspire a population to rise above its pettiness.”
Germany’s Chancellor Konrad Adenauer (left) and France’s President Charles de Gaulle.*

the changes in a timely fashion, which is the force of tragedy, in real history, as we face it today.

Moral Requirements For Leadership

So, therefore, what’s the problem? The problem we face—when you get into a situation like mine, you face it more clearly, than, perhaps, in any other position. In a position, where you have some leadership, some influence, of things in the world, on a fairly significant scale sometimes. And, you know how to solve the problem that threatens civilization. But, you find the institutions and people aren’t willing to do it. They are, in a sense, *not willing to survive*, if it means giving up a set of definitions, axioms, and postulates, that govern their behavior. That’s how societies are doomed. Not making a breakthrough, to freedom.

And, thus, the problem is: How do we understand this problem? We say, “Forget this business about, ‘the people are good.’ ” Well, every human being is born good. That is, they have the creative power, which is goodness. The job is, to develop it; to bring it to fruition; to make it efficient. But most people never mature. Even people,—often scientists: They never mature. They remain bad children. Their sense of identity is located in a very small geographic area, in a relatively small set of social relations. Within a short term of time, when you look at things like the great figures of tragedy—the ones who are not tragic in themselves—the great figures often sacrificed their lives, not as a human sacrifice, but by putting their lives at risk, by doing what they knew to be necessary, to lead their society out of the grip of a tragedy.

The problem is, there are very few people today, who have that moral quality. There have been relatively few people in all history, who’ve had that quality, to rise above the littleness, the mediocrity, the small-mindedness, the petty self-interest of the average person. People say, “If you’re so smart, why aren’t you successful?” “Why would you do that? You would ruin your career!” And, it’s by that kind of small-mindedness, that people in positions of power become *fools*, by trying to be realistic and successful.

Whereas, the hero, the true hero, who typifies what is called the Sublime in Classical art, is the person, who knows the change that has to be made, in the assumptions of the society, to save the society, *and will risk everything, as necessary, to bring about that change.*

The only thing that saves a people, from the kind of self-destruction, which European nations and the United States are bringing upon themselves today, is to find among them *leaders*, who will represent the Sublime, who will do what *is necessary*, for the nation, for the people, and for the future, whatever the risk that entails for themselves.

And, people are not stupid. Even when they’re behaving badly. We find that you can often, if you have those qualities, you can often *touch them* in people. Great leaders inspire a population *to rise above its pettiness*. For example, as de Gaulle did. De Gaulle was the leader of France. He came to France, and they struggled against a coup d’état, against him, and an earlier coup. He gave a famous speech, which I saw on television, and he said to the French population: “*Aidez moi*” [help me]. And, the French population responded, and

France was saved. De Gaulle, the hero, in that moment, who saved France, and saved Europe from the hell which would have resulted, had he not succeeded!

It is *always* that. When you look at the history of the rise of Nazism in Germany: *There were people on the scene, who could have prevented that! And, didn't.* Because, they wanted to work within the system, to control the problem. The same thing is true, in all history. There have always been people, on the scene—to my knowledge—who had the knowledge, and had the impulse in the right direction, to provide leadership. But that leadership was often rejected. Or, they didn't cultivate their powers of leadership, adequately. Didn't rely upon it. They flinched. They vacillated. And, therefore, a nation was lost, or went to hell.

We're in such a period, now. So, I think it's a period of great danger, globally. It's also a period of great opportunity. The question whether the danger will be mastered, will depend upon how many natural, organic leaders, come forth from the population, to exert leadership; leadership of the quality, which Schiller identifies as the Sublime.

Thank you.

Dialogue With LaRouche

The following transcript of the discussion which followed Mr. LaRouche's speech, includes brief paraphrases of the questions, due to technical difficulties.

Sept. 11: An Attack From The Inside

Q: Could you elaborate on the terrorist attack of Sept. 11?

LaRouche: First of all, we have to eliminate certain myths about the events of Sept. 11 in the United States. What happened in the United States was a coup d'état attempt, against the Presidency of George Bush, by a military faction, at a very high level. This was not an attack from *outside* the United States: It was an attack from the *inside*.

Now, this goes back—those who've studied the history of irregular warfare, in the post-1945 period, such as the late Professor von der Heydte, would appreciate this immediately. And, I've had some expertise in these matters: *That was a military coup d'état attempt, organized by a faction within the security apparatus of the United States, against the President of the United States.*

The purpose was, to implement the policy of Zbigniew Brzezinski—a clash of civilizations war—in which a billion Muslims would be killing one another, and also everybody else in sight, as a result of being enraged, by the combination of what is happening in the Middle East, and the extension of that to a broader war.

It didn't work. But something else did: The key reference for this coup, is twofold. First of all, the U.S. economy was collapsing, the world financial system was collapsing. We're at Doomsday on the world economy. It's finished, in its pres-

ent form. So, just as in Germany, in 1933, in January-February 1933, a financial crisis of the deepest type—and this is worse than the Depression of 1929-33—provokes from certain desperate circles at high levels, coups d'état. Not only was there a coup d'état in Germany, organized from London and from New York, which brought Hitler to power, but, a similar attempt was made in the United States, in the form of an assassination attack against the President-elect, Franklin Roosevelt; and also, in a planned *military* coup against the U.S. government, to prevent Roosevelt from becoming President, just as von Schleicher was knocked out in Germany.

So, when you get into a period like this, of a profound crisis of the financial system, is the time in which, in smaller countries, less powerful countries, or in major countries, you suddenly have the danger of coups d'état, and related effects. *That's what happened.*

What happened that's different? While President—and President Bush has described this incident a number of times, since the event: Bush was travelling in a plane, he was told to get out of Florida, immediately, and get into Air Force One; he did. In the period, in going from there to an airport in Louisiana, he received a signal from President Putin of Russia. After they left Louisiana, on their way to an airport in Nebraska, a telephone conversation between Putin and the President occurred directly. At that point, Putin said to the President of the United States: "I know you're in trouble"—according to Bush's version of the story, and Putin was standing there, in Crawford, Texas, as Bush told this story yesterday. "At this point, I know you're having trouble. I know you've put your systems on alert. We're not putting our systems on alert, because we want *to help you.*" "To help you": So, what happened was, is that the President of the United States intervened, with the help of the President of Russia, *to turn a coup d'état, against the United States government.* So, the coup d'état has not been crushed, but it did not succeed.

Now, if you look inside the U.S. government, you say, "How could a coup d'état occur? Who was for it?" Well, a lot of people are for the coup d'état! Brzezinski, for example! Kissinger, for example! People inside the administration: Wolfowitz, for example—the Deputy Secretary of Defense. Many people were *for* launching an immediate confrontation with China, *and* Russia, *over the issue of bombing Syria, Iraq, etc.!* A "Clash of Civilizations" war.

So, what happened, if you watch carefully, as has been emphasized by our people looking at this: Until 8 o'clock in the evening, that night—remember, the attack occurred at about 9 o'clock in the morning—8 o'clock in the evening, or after 8 o'clock, was the first time the name "terrorism" was used. How was it used? It was used, as I had said earlier in the morning, I said, "Some idiot is going to try to blame Osama bin Laden, for this thing"; which I said about 9:15 or 9:20 in the morning, on a radio broadcast. And they did. They said, "We're going to bomb Afghanistan." And they did. Why did they do that? Well, it's the nature of politics. Afghanistan and Osama bin Laden had nothing to do with the coup d'état

that occurred on Sept. 11, that attack in the United States, as such. *But*: The Taliban and Osama bin Laden were a major security threat to Russia! And prior to the attack of Sept. 11, the United States, or part of it, had been financing *support*, through the Taliban, for disrupting Russia! What happened *after* Sept. 11, when the President of Russia, in fact, rescued the United States from a coup d'état, by his intervention (if indirectly, but nonetheless effectively), a *new* agreement was struck. "Okay. The American people are going to demand we go after somebody. We can't go after Zbigniew Brzezinski. We can't shoot Brzezinski. We can shoot the Taliban, because we don't like them. We can shoot Osama bin Laden, because he's no good. The Taliban have shown themselves to be very evil people we don't like. So, let's bomb them."

"Besides, everybody bombs Afghanistan, ever since the British started their wars there, during the 19th Century."

So, what you have is, the Afghanistan war is a hoax! There are real elements to it; there are real causes for it. But it has nothing to do with Sept. 11. It is a reflex, a political reflex to a combination of circumstances, in which the Sept. 11 situation occurred. No one in Germany, for example, is going to attack Israel, for its role in this, are they? Not publicly. Germans are not permitted to do that. But you have to talk about what Israel is doing. And you think about the Warsaw Ghetto, when you think about what's being done in Israel, against the Palestinians, by the present military dictatorship there. We all know that. But, it's not going to be said in Germany. Those issues are not going to be raised in the United States, either, about Israel's complicity in this operation.

Therefore, you find somebody else to bomb. Because it's political manipulation of populations and public opinion, which is still the name of the game.

Now, in this situation, the positive side: What Russia has been doing, since 1998 — beginning with the Primakov effort as Prime Minister, and continued since then, by Putin, in his negotiations — is to do what we proposed, earlier, and during that period; to bring about a system of cooperation in Eurasia, which would be based on the power centers of agreement among Russia, China, and India; bringing other nations of Eurasia into economic cooperation, around this; and, in cooperation with Western Europe, as a provider of technology into these areas, where development is needed.

Since that time, Russia has made significant steps forward. There is presently, a very strong movement for a regional bloc in Asia, of Japan, Korea, China, and the nations of Southeast Asia. There're problems there, but it's a serious effort. The dynamic, is moving toward cooperation. Eurasian cooperation is the solution. It must be based largely upon economic cooperation.

And, that's the solution.

Those who run the coup, like Brzezinski, who designed the coup, with his "Clash of Civilizations," his "Chessboard game" — these fellows aim to *destroy* the possibility of such cooperation in Eurasia. So, therefore, I say, the answer is —

even though I have very good relations with the Islamic world right now, because I've told the truth; and the Islamic world is in a frightened situation, and they want to hear the truth. But, the key to the solution to this problem is, to *make this Eurasian cooperation work*. And to achieve the victory of Eurasian cooperation, over the kinds of ideas, which are expressed by the people who plotted the coup, or the attempted coup d'état, against the Bush government in the United States, on Sept. 11.

'Never Go To War Over Religion'

Q: In Islam, there is no separation between politics and religion. What do you think of this idea?

LaRouche: Well, the idea that you can not separate politics from religion, is the most dangerous idea you can imagine. We've had a lot of experience of that in European civilization. We had the Crusades, which were rightly denounced by Pope John Paul II as a great error. Especially in the period from the Second Crusade through the middle of the 12th Century — the 12th to the 13th Century. This was destructive. The effects of this were continued in Europe with the Hundred Years' War. They were continued in England with the Wars of the Roses. They were resumed, under Venetian influence, between 1511 and 1648, in terms of a series of religious wars, orchestrated by Venice, for the purpose of attempting to destroy the effort to launch and consolidate modern nation-states, which Venice considered a threat, to its rentier-financier interests.

So, therefore, we have discovered, from European history, that wars fought on the basis of religion, *lead inevitably to dark ages for humanity*. So, to have a war in the name of religion, is perhaps the greatest of all crimes. To motivate a war, on the basis of religion, is perhaps the most heinous of all crimes.

Well, how do we deal with this? Helga referenced this today, I'm sure, in her remarks: this question about ecumenical approaches. I have said this, on this question: Let's forget single-issue religion. Let's forget doctrinal religion. Let's find out what is commonly fundamental, to Christianity, Judaism — especially as Reform Judaism, in Germany, reflected that, or in the Polish Renaissance, the Yiddish Renaissance, in Poland and so forth — and also, in Islam, which is a by-product of the impact of Christianity. What is the central issue here? Now, in Christianity, I would contend, we are much better off (except some Christians I would like to disown; I'm not one of them). But, the point is, that we commonly agree, that man and woman are made, equally, in the image of the Creator of the universe. Now, that means, that there's something about mankind, that is special; that is not like the animals; that is in the image of the Creator of the universe. And, therefore, you must treat a human life with that *respect*. That, a sense of natural law, based on that definition of man, is the common feature of Christianity, Judaism (especially as expressed by Moses Mendelssohn), and Islam.

Therefore, the law must be: We have an ecumenical dia-



The leadership of the Civil Rights Movement Solidarity party (BüSo) listens to floor discussion during the party's annual conference in Mainz, Germany, on Nov. 17.

logue, which is a dialogue of cultures, centered on agreement to one principle in common: That man and woman are made, *equally*, in the image of the Creator of the universe.

Now, that says much about the way the Taliban treat their women! They don't treat the women as made equally in the image of the Creator. They violate law! Natural law. And, thus, that's the basis for law.

So, we said: "We agree on that."

Now, we have problems in other parts of the world. You have parts of beliefs, which are called religious, which we would not call religious—we might call them "ethical beliefs"; in which Confucianism, for example, is closest to Christianity. But other forms of belief, which do not accept the idea, that man is absolutely distinct from the animals. So, they don't accept that law.

But, what do we do? What we do, as an example: We have this case of Matteo Ricci, who has just been, in a sense, elevated by Pope John Paul II; who was the great Jesuit missionary to China, who worked with China for years, and became a great influence in China. We follow the footsteps of someone like Matteo Ricci. We work with nations and governments, which do *not* agree, with this conception of man, to try to *win* them to it, the way Matteo Ricci worked with the Chinese, when he was influential in China.

So, our basic approach, is an *ecumenical* approach. Not a pantheonic approach: Not "all religions are equal." We don't accept that. But that doesn't mean you go to war over religion. You must *never* go to war over religion. It's a matter of persuasion. It's a matter of example. It's a matter of finding out, what is the *common* principle. What is the really common

principle? The principle of natural law. It's very simple: That man is not an animal. Man is something else. And therefore, every human life, every human mind, every human face, has a *sacred quality* to it: Which means, that that life must be nourished; it must be defended; it must be enriched; it must be capable of transmitting to future generations, the benefits of the past and of the present.

And that should be our law.

I find that, in my experience, there are fanatics, who call themselves Islamic. But don't worry about that. I mean, worry about it, but don't worry about it as a matter of principle. I find, in the reception I have in the world today, and I've been told by some of our friends: I'm all over the place, in the entire Arab and Islamic press, these days.

We're able to influence this process, in Islam, by doing a very simple thing, which is not done by the attack on Afghanistan: *Tell the truth*. If you tell the truth, then people should trust you. They may *not* trust you, but they should. And, if they should trust you, and they do: We've won.

So, tell them the truth. Give them the message. Say, "We agree on this. You agree?" They say, "Yes." Then, we have an alliance. We must make a strong alliance among those who share that view, of the definition of man, which is shared among Christianity, Islam, and Reform Judaism, in particular.

Science And The Classics: Keys To Change

Q: As you can see, I'm one of the youngest persons, here in this congress. You told us about the fact that we need to change our society, and you said, in several sequences: Well, we need this change to be done. But, how exactly, would you

say this change has to be done? I don't understand. You know, as a young person, you try, of course, to tell the truth about the 11th of September, but can you give me, as a young person, advice, just to say, to my younger colleagues — to my younger friends — what can we change?

LaRouche: You develop two things, or two examples: One, is physical science. The other is in the Classics, especially in Classical drama. I mean, the most useful thing, in Germany, is Classical drama, for political education. Particularly, with Schiller, as an example — it's also true with Shakespeare — the Classical drama, *is not fiction*. Classical drama is a great mind's educational presentation of real history. Not real history as something to contemplate, but real history, as something that can be *known*, in the sense of understood as known. For example: The case of Jeanne d'Arc, is a case (apart from this thing about the relationship to the man, which is fictional in Schiller's play, relative to the real history; it's a different problem, but the same kind of problem: It's called men's clothes/women's clothes, which is in the real history). But, in every other respect, Schiller's research on Jeanne d'Arc, stands up today, against everything that is known about Jeanne d'Arc, to the actual history. And, Schiller based his drama on exactly that history.

The same thing is true of *Don Carlos*, which is one of Schiller's earlier works. It's an example of a real historical situation, in Hapsburg Spain, which was launching a terrible war in Europe, *a religious war*; continuing a religious war, which had been going on from 1511 to 1648, which resulted in the destruction of Spain, from which Spain has not recovered, to the present day. Remember, Spain was once a very proud nation. And, what Charles I and Philip did, destroyed Spain. It was *religious war*, that destroyed Spain. *Bigotry* destroyed Spain — from which Spain has not recovered to the present day! And, that's Schiller's lesson. Now, Schiller did work on the Netherlands war, in general. And, dealt with this consummately in the *Wallenstein* trilogy. Which, again, is the case: *Wallenstein* is not a hero, but he was a heroic figure, in a certain sense, that *Wallenstein* wanted to stop the war in, essentially, the right way. He was *killed*, because he wanted to stop the war. And, the reasons that are given, in defense of the killing of *Wallenstein*, are reasons given by people, who don't understand history, but have some Romantic conception, about what Classical drama is.

So that, the study of Classics, from a standpoint of understanding history, particular *crucial* history, is one of the best educational modes for educating people politically.

Secondly, in science: The case of Kepler is exemplary. Or, you can take a simple problem, which has continuity. For example, Gauss is rich, even in his first major work, which is his doctoral dissertation, on arithmetic. This is *full* of this kind of thing. Riemann is an example of that, but you'd only understand Riemann, against the background of Gauss: Then it's fully understandable — and Kästner.

So, we have, in science — you have experimental cases,

which can be made *clear*, virtually to a layman audience. The key thing here, is to get inside people the sense of *excitement of knowledge, as opposed to learning*. People go to school to *learn*. They learn to copy a formula written on a blackboard. They learn to copy something recited from a textbook. Or given in a lecture. They learn how to choose on a multiple-choice examination.

Do they know anything? No. They have learned much, *but know almost nothing*. The experience of knowledge, which is the thing that distinguishes a human being from an animal, is what they lack. And so, for a simple example, even the simplest ones, which are genuine examples of Classical composition in art, or of Classical examples of scientific discoveries; or even the dialogues of Plato, which are full of this kind of thing: Those examples are things, which are accessible to most people in the population, if somebody prepares the lesson well enough; and can be understood. And, the most important thing, is, not what the person comes to know, as such; the most important thing, is the experience, in the mind, of a person, who now says, "I know what you mean by knowledge!"

Remember: Kant said this doesn't exist. That's one of the problems in Germany, is Kant. As we say, in English, "I Kant." [laughter] "You Kant do it," huh?

But the experience of the idea of knowing, the idea of the act of discovery! Which inspires people to become scientists! Why does a person want to become a scientist? *They are ecstatic about it!* Why does a person become an actor? It's a lousy profession, in many respects. But, good professional actors, sometimes by doing all the trash they have to do to make a living, have the pleasure of actually doing on stage, or in other forms, actually creating a character in a professional way! And, this has a very essential role, in Classical art. So, people choose professions of this type, because of the *passion*, the joy, that practicing the profession means. In politics, the trick in politics, is to impart to a population, the sense of *joy*, which the great scientist gets, that draws a student into becoming a great scientist. Or draws an artist, into becoming a great artist. *Passion*. It's not riches, it's not this, it's not that — you have to survive, I suppose, huh? But, the real thing, is, the *joy*, the *passion* of knowledge. *The excitement. The satisfaction.*

All great experiments, for example, usually involve a *tremendous* amount of work by the experimenter, to make a discovery: *over years*. What kept the person doing that? Working at these discoveries, *over years*? *The passion! The joy! Of doing that kind of work.* The joy of knowing that one is human, because you can do something, that is truly human, that is not animal: You can participate in making a discovery, which will be useful to mankind.

And, our job, in organizing, I believe, is to reach out to people, with that approach. Don't argue with them as much. You may discuss anything, but don't argue; don't try to argue them into a position. Rather, have them have a sense of their

ability to make discoveries: the joy of doing that, and, be inspired; say, “This is the way I want to live.”

That’s what makes a good politician.

The Nation-State And Credit Creation

Q: I have a firm which has been trading with Asian countries for many years. There is a proposal, by some non-governmental organizations, to set up a kind of United States of Asia. What do you think of that?

LaRouche: The problem is, that this kind of project can only be undertaken by sovereign nation-states. That is, on the scale we’re talking about it now. The key thing is credit: All of the major projects, which will inspire people in Asia, to lift their heads up with joy, are long-wave projects, which are investments, which require credit extended over periods of a quarter-century. Now, the only way, in which mankind can generate that kind of credit, is through the nation-state. And the problem we have in Europe, right now, and the problem you have, also, in dealing with the UN, is: Neither the UN, nor the euro, can create credit.

Look at a real situation right now. We’ve lost trillions of dollars in the United States, recently, from the financial accounts, in the past year. Probably \$10-12 trillion have been wiped from the books in financial accounts. We’re on the verge of a collapse of the mortgage system. Remember, \$12 trillion: That’s more than the calculated GDP of the United States in a year—it’s been wiped out. We are in a depression, which is worse, already, in terms of *rate* of depression, than that of 1929-1933. Already, in the United States. You’re seeing similar things in Europe. The rate of collapse—Eichel can not keep up with the rate of collapse of the budget. It’s impossible.

So, therefore, under these circumstances, in which we probably will get—several hundreds of trillions of dollars of financial assets will be wiped out. These are the normal financial assets of banks and other institutions; and governments, too. Where are you going to get the credit, to create mass employment—not only mass employment within nations, but mass employment in trade among nations on long-term agreements? The only way you can do that, is with the sovereign nation-state, which takes a *responsibility*, as a state obligation, *for creating credit by will of the state*. These credits, then, are applied, through *agreements among nation-states*.

That is—for example: Let’s take the maglev, and some other things, with China and Germany. The way in which the maglev can progress, is with a multinational agreement on long term, 25 years or so, involving China, with the extension of this kind of technology. There are other technologies of the same type. So, what is needed, say, between Germany and China, is a set of agreements. Now, also, some of these agreements will involve Russia. So, we will have, in that sense, a three-nation [agreement]. We have a plan, now, for Sakhalin, in northern Russia, Siberia, to connect it to Japan, by rail.

This is already under way. We have projects, which involve Canadians and others, for building a *rail* connection from Siberia to Alaska, and therefore down through all the Americas. Big projects. We have similar kinds of large-scale projects *there*.

So, now, you have a picture of a nest of agreements, which involve largely things that are 25-year investments—that is, 25-year credit extension. This must be at 1-2%, no more; simple interest, no compound interest. Then, you must turn around, and, inside Germany, for example, must create or expand the industries, which are going to meet the contracts on Germany’s performance in these agreements with China, Russia, and so forth.

You have vast areas of potential development of raw materials, for example, in Siberia: Central and North Asia, which can not be developed, except by large-scale infrastructure projects, and which must be developed by integration of cooperation among many nations. Again, credit.

So, therefore, what is needed, essentially, is that; is, you have to say: We’re going to bankrupt the system, because it is bankrupt. But, by bankrupting the system, we’re not cheating anybody, we’re simply recognizing an accomplished fact. As in any good bankruptcy. We’re now saying, we’re not going to destroy the economy, for the sake of the bankruptcy. We’re going to act, to ensure that the economy not only survives, but grows. And, then, we’ll be able to handle our problems.

So, we do that. That’s an agreement among states. Not through the United Nations, which *can’t do that*. The religious figures, as such, can’t do that. It has to be an agreement among states. National governments, which are sovereign, which can honor their debts, in a 25-year period. And a nest of these agreements among governments, is then the way we can have the greatest rate of growth, humanity has ever known, in Eurasia, during the next 25 years. If we get a clear image of that, and I would go back to my experience in Asia, during the end of World War II and immediately following: I was in Burma and I was in India. You’d find people, who were getting the equivalent of about 16¢ *a day* wages, as coolies for the British Army, in India. And some of these would come up to me, and talk to me about U.S. help in getting textile and other industries and machinery into India for the postwar period. Whenever you touch countries with great benefits, you will find, all other things considered, the people *will* respond to great benefits. They will be inspired by them. They will be inspired by that change: The best can be drawn from them.

And, in that case, you don’t need any spiritual factor, as such. The act of charity, in the Classical Greek or Christian theological sense (not the other sense)—the act of charity in and of itself, evokes love from the recipient, of that kind of expression, particularly when it’s in a tangible form. And, if we can agree among nations, knowing that our survival, our well-being, the well-being of our descendants, depends upon *these kinds of agreements*, we can do it.

The problem we have today, which I think you’re address-

ing—the problem is, the presently reigning institutions, including the United Nations, are hopeless, when it comes to implementing this kind of program. We need a revolutionary sense, which can only come from a sense among nations, *that the present system has failed. Stop trying to find a solution within the present financial and monetary system.* It has failed. The present political system has failed. It has failed to change the financial and monetary system. Therefore, accept that fact. Say, “Fine! But the nations still exist. The nations should be sovereign. We, as nations, can decide. Let us decide. Let us change parties, let us change whatever we have to do. Let us do the right thing. We have to think about the next 25 years and beyond.” And, I think, under those conditions, we can do what would seem, today, impossible. We’ve done it before, in history. We just have to do it again—on a bigger scale, perhaps, than ever before.

Putin Saved The United States

Q: Isn’t Bush underestimating the corrosive effect that the war against Afghanistan is going to have, in U.S. relations with Islamic nations?

LaRouche: Well, that’s obviously a problem which I’m greatly concerned with. I think there is a danger. I think that the Bush Administration underestimates the danger, for various reasons. But, we can not have this thing going on, for much longer, because the abrasive and corrosive effect upon Islamic nations, which are so frequently targetted, can lead to an uncontrolled explosion. Which is precisely what Brzezinski and Co. are seeking. And, that is the problem. And, therefore, it is necessary, I think, to mobilize all the more.

Well, I’m doing one thing, of course: I’m being picked up in a lot of the Arabic and other press, in what I’m saying. And, just demonstrating to people in Islamic countries, that somebody *cares* about them: “This is nonsense; it’s unjust; it shouldn’t happen. We agree; we wanted to do something about that.” That, in itself, means that you have not *closed them off*. And, the more people that do that, the better. To keep the dialogue going.

We obviously have to go beyond that. We have to mobilize. We have to mobilize for a sane solution. My basic thrust is, “Go to reality.” Reality is: *This was a coup d’état attempt against the President of the United States.* And, the only thing that saved the President of the United States, from the worst effect, was the intervention of the President of Russia.

Now, exactly what that intervention by the President of Russia means, in its fullest, I don’t know. I know, essentially, what’s reported to me; and I know what the President of the United States has said on only three occasions, about that intervention. So, therefore, in a sense, the intervention of Vladimir Putin, the President of Russia, on that day, with the President of the United States, *saved the United States government* from the worst possible consequences of that coup attempt. Now, sooner or later, that reality has to become clear. It has already begun to be made clear in a certain degree, in a funny way, from France, by what is published by a section of

the French intelligence group that I don’t particularly like. But, they happen to have told some of the truth (not necessarily all of it). And, it was picked up by *Le Figaro*, picked up by others. And, is echoed, in a sense, by the way *Le Monde* covered a book, implicitly referring to this matter. So that, you know that in Europe—in France, in particular, but in other parts of Europe as well—we know from the activities of John Paul II, that there are forces which are moving, to try to get this thing back into some kind of rational shape.

And, obviously: We’ve got a lot of work before us, which still has to be done.

The Taliban Are A By-Product

Q: I am from Nigeria. You said that what happened on Sept. 11 was a coup d’état in America. And, that it was directly targetted to the President of America. To my own understanding, I think that the coup d’état was already planned, and carried out by the Americans, too, within themselves. Then, why did they bomb innocent civilians in Afghanistan? And preparing a longer list, like Iraq, Syria, and all that, saying that they were involved? Thank you.

LaRouche: That, I would have to say, first of all, is the way that politics works, in the world these days. Nearly everything that I know about politics, and I know a good deal, or similar things: Politics is essentially *irrational*. Parliamentary politics is more lies, than anything else. And, that’s the way things happen. But then, political decisions are made, based on a political process of a parliamentary type; then somebody gets killed as a result of implementing that so-called compromise. It’s what happened in this case. For example: Were the Taliban innocent? Was Osama bin Laden innocent? Innocent of what happened in the United States? Yes. Were they innocent—are they terrorists? Of course they are! Of course they are! Who created the terrorists? Ah-ha! It was created by the United States, Britain, and Israel. They created them. This particular operation was created in the 1970s, chiefly under the direction of Brzezinski, who was then the controller of Carter. That is, Brzezinski is the man who picked Carter to become the Presidential candidate, who became President. He was the controller, the chief controller of the Carter Administration.

He started the Afghanistan war! He went to Egypt, to the Islamic Jihad, and began recruiting from the Islamic Jihad, and others, to go Afghanistan to fight a war. They started a fight. They ran a coup in Afghanistan, provoked the Soviets and tantalized the Soviet forces to move into Afghanistan, in defense of their friends: And that’s how the Afghanistan war, from 1979 through 1988 continued—that way! They did it!

All right. Now, what is Osama bin Laden? Osama bin Laden was a playboy of disgusting habits, from an area of Saudi Arabia near Yemen, who was used by the Americans! The Taliban were a by-product of the Anglo-American intelligence operation. The Israeli intelligence operations, which are generally privatized, were all over it! So, you can see, that what I was up against—here, I was sitting on one side, in a



Chairwoman of the Bürgerrechtsbewegung Solidarität, Helga Zepp LaRouche, is presented with flowers at the party's congress in Mainz, where she and Lyndon LaRouche gave major addresses to more than 200 delegates and others.

sense, talking to one side of the National Security Council (the top part), to which I was doing what became known as the SDI, as a policy. And, on the other extreme was Oliver North, and George Bush (the father), and some other people, who were my enemies. Now, these guys who were my enemies, were the guys who were running this kind of warfare: It was called "Iran-Contra." Drug-financed, weapons-trafficking-financed, private mercenary armies, recruited from all over the world, and used as a substitute for regular military forces.

So, the United States, Israel, and Britain created this entity, of which the Taliban and Osama bin Laden are simply a by-product. These entities operate today, based on drug-running. The Taliban are funded by drug money! The biggest source of opium products, into Europe, comes from that part of the world. Most of the terrorist operations of the world, are run by similar kinds of operations—black operations, financed in that way. So, this kind of thing is going on.

So, obviously, they should be cleaned up. We should shut down every drug operation in the world. We should shut down every illegal weapons-trafficking operation in the world; all these things: We should dry this mess out, that the United States, the British, and the Israelis created. Shut it down! Because they *are* killers. Because they do do the things they do. But, bombing the people of Afghanistan, was obviously not the solution.

But, you listen to the United States: The motivation was, the United States people lost 5,000-6,000 people in those attacks, and they need revenge. After they get revenge, we'll do something else. And, that's what happened. The people of

Afghanistan were hit as a free target, as an exercise in ostensible revenge, against the people of Afghanistan. Under the pretext of attacking something which is *not* responsible for what happened on the 11th of September, but which are dirty people. That is, they are drug runners; they are killers! And, they destroy nations, and cause all kinds of havoc. And, they should be arrested. They should be detected—but in a lawful process. Not to destroy nation-states. Not to do this kind of thing.

But, this is what happens in politics, often. Someone says, "Okay. They're dirty: They may not have committed this crime, but *we're going to hang them for it!*" And, that's the way it's done.

Taking Responsibility For The World

Q: The situation in Nigeria is desperate, economically and politically. What can we do to make people recognize the drama of Nigeria, and of Africa, more broadly?

LaRouche: You have to accept a certain reality. As I've emphasized, repeatedly, there are only three national cultures, on this planet today, who are capable of taking intellectual responsibility, for the condition of the planet as a whole. These are: the British monarchy, which runs a number of parts of the world, including Canada, Australia, New Zealand, as well as the United Kingdom; and which is the controller of the financial markets of the world. Not the United States; London is the center of financial transactions of the world. Then, you have the United States, which is a nation, which does not consider itself as having been defeated, or occupied. Then, you have Russia, which by temperament, as a national

culture, sees itself as a world culture; it can think in world terms.

China is a strong nation, in some respects, but it does not think in terms of taking responsibility for the world; but simply negotiating the kinds of conditions it wants in its immediate environment.

Most nations in the world, do not take moral responsibility, for the conditions of life, in other parts of the world. They don't.

Now, the problem, then, comes down—is, you have a world, which is still dominated, by a combination of the Anglo-American powers, and Russia. Intellectually, that's the case; emotionally, intellectually. In Europe? What happens? In Europe, the leading institutions of government will say, and every government will say, "We can't do it, because the Anglo-Americans won't let us. We won't think this, because the Anglo-American occupying powers won't let us!" Japan thinks the same way. Some countries are indifferent to the conditions of other countries—simply indifferent—which tends to be the case in Oriental cultures. In Africa, the situation is hopeless. It's being looted.

So, therefore, the problem is: Who is going to straighten the mess out? Now, making a general moral appeal, for Africa, which many people have done, will not work. Because you don't have any morality to appeal to, on these kinds of issues. No one's going to do anything about it. They might give some money. They might do something else, to try to help somebody in trouble. But, they're not going to *change* the systemic conditions, under which Africans live! Which would mean *overturning* the power of the Anglo-Americans, today! The Anglo-American syndicate that runs Africa! You want to change a condition in Nigeria? In Central Africa? Any part of Sub-Saharan Africa? You've got to go get permission from London and from Washington, and New York. And, if you can't get permission from London, and Washington, and New York, you're not going to get the permission. If you try to implement it, they'll kill you. And, they do in Africa. They kill people, who displease them.

So, therefore, the problem here, is: How do we get the kind of change of attitude, about the world that we require, to deal with these kinds of horrible inequities? We're involved with Africa, as most of you know; deeply involved. It's a very frustrating, a very horrible experience, what's happening to our friends in Africa. And, our inability to *do much about it*, is even more horrible.

But, the point is that, my concern in Germany, in particular, is to try to get Germans, like the French and Italians and others, to stop accepting the role, of being captives of the occupying Anglo-American power—at least, not intellectually! And, to begin to *think* in terms of world responsibility, as a part of a European civilization, which has the advantages, that civilization has; and to use that. What kind of a world do you want? What kind of a world *should* you want? And, to

express that! It's the only thing you can do in Germany; or in other countries. All you can do, is that! And, hope that there's somebody else, in another country, and another country, who will agree with you on that. And, therefore, as a *concert of sovereign nations*, you might be able to solve a problem, which otherwise will never be solved. Therefore, the thing that frightens me, in the sense of being in Germany, or being in continental Europe generally, is the sense that, continental Europe sees itself as an area, which is virtually a colony, a satrapy, a territory *occupied*, by the occupying Anglo-American powers. And, the worst thing, is not the *physical* domination. The worst thing is, *the internal self-domination*, which the European imposes upon himself or herself. And, that puts obstacles, to thinking clearly.

In other words, we are responsible, as human beings, for the world as a whole. A few people, like the people of the United States, or the people of Russia, or the people of England—or at least, around the royal family—are in a situation, where they are habituated to think that, "Well, we can decide what is good for the world. And we'll take responsibility for the world."

We should all take responsibility for the world. We should all think that our governments, as we substantially have them, as instruments of sovereign nations, will have *something to say* about the condition of the world, in all its parts.

Until we get to that point, you're going to find a situation, like today, in which the United States, the British monarchy, and Russia—particularly the United States and the British monarchy—are going to determine what happens in Africa, or any other part of the world.

Of course that should change. But we have to think of how to change it.

'The Best Nation Ever Created'

Q: Is America governable?

LaRouche: I'll be quick on this: Well, obviously, the United States is governed—remember, the United States' problem is, that it's probably the best nation ever created. That's its problem. What happened, of course, is that the United States was created by Europe. It was not created by the United States. It was not created on the frontier. What happened was, at the onset and in the wake of the religious wars of 1511 to 1648, it was impossible in Europe to realize the establishment of sovereign nation-states, such as those which had been pioneered by Louis XI in France and Henry VII in England.

As a result of that, the best minds of Europe looked toward the Americas, the colonies in the Americas, like the old Classical Greek conception, as colonies in the Classical Greek sense, which might develop republics, as Plato played around with Magna Graecia for a while. As republics, and thus, bring that back to Europe.

Now, the most successful part of that occurred during

the period of the so-called American Revolution, in which France, and then the League of Armed Neutrality, organized by Europeans — largely the followers of Leibniz. Leibniz was the single most powerful influence on the culture of the United States; created the United States. But, no sooner had the United States been created, than France was destroyed from inside, by a 1783-1789 process, which led to the Jacobin Terror, followed, in short order, by Napoleon Bonaparte, which is the first modern fascist! He was the predecessor of Hitler. And, France has not fully recovered from the effect of that legacy of the Code Napoléon, to this day!

So, Germany was crushed in the Thirty Years' War. It was gradually coming out; then, it was *betrayed*, at the Vienna Congress. So that, Europe only formed parliamentary governments, which essentially were an extension of the feudal system — a reform of the feudal system — in which the *state* apparatus, in a parliamentary government, is this kind of imperfection.

Therefore, the United States was isolated and weakened. But its tradition was the strongest. And, when Lincoln won the war against the Confederacy, a British puppet, then, the intention to destroy the United States by the British became ferocious. The way this expressed itself, was, that the success of Lincoln, and the success of the U.S. economy, in the period from 1861 to 1876, produced, in Japan and in Europe, imitations of the American model. The most important cases, immediately, were Germany: 1877, Bismarck changed his economic policy, based on the success, in the United States, of the industrialization policy. Russia: Mendeleyev, 1876, went back to Russia [from the Philadelphia U.S. centennial exposition], and started the process of building railroads and industries. In Japan: A revolution in Japan was organized directly by a student of Henry Carey's, E. Peshine Smith, which gave Japan a modern industrial society, as a revolution. Similar things happened, in China, with Sun Yat-sen, and so forth.

So, the British concern was, to destroy the United States! How? By destroying its friends in Europe, in Eurasia. How'd it do that? By geopolitics. By World War I. By putting the fools — the Kaiser, the Tsar, and the other Kaiser (who was a bigger fool than the other one), and the French (Clemenceau) — against each other. And, Europe was destroyed, and has been destroyed, over a period of a hundred years, by this process of geopolitics. Two geopolitical wars. Who put Hitler into power? Wasn't Germans. It was ordered from London and New York. For, why? For geopolitical reasons. To get Germany to go into a second war, and destroy itself in destroying the Soviet Union. That's why it happened.

That's the history. So, therefore, in coming from my country, we've had, in the 20th Century, only two Presidents who approximated what I represent: One was Franklin Roosevelt, who was only an approximation (I have many disagreements with him). But, he represented the tradition of the American tradition. Kennedy, who, with all his problems, was coming

more and more to become a real President — then they kill him! Largely over the Berlin issue. They killed him.

Since then, we've had no President, who actually represents the American intellectual tradition. I'm the only candidate, who does. In the past period. The only candidate who represents the American intellectual tradition.

But, our tradition is a powerful one. It's the same tradition that Europe has, in the struggle for the nation-state, the struggle for culture. So, we have a common interest. Our common interest is to bring these nations into cooperation, in order to bring the world into a decent order, of the type that the American Revolution was *created* by Europeans, to bring about.

So, it's a war! I look at things, in the long term. I have many ancestors. They go back thousands of years. I hope to have many people in my posterity, going ahead thousands of years. We look at ourselves, I hope, as the middle point, between the past and the future. Our job is not to complain about the present, but to ensure the future.

The Antidote To Mass-Media Brainwashing

Q: Who controls the mass media?

LaRouche: The mass media are controlled by a financier oligarchical *cabal*. CNN, for example — perfect example: Look at the history of CNN, how it was formed. A perfect case of it.

But, to understand this, really, you have to go back to the origins of the modern rentier-financier system. It's in the decay of Byzantium. They developed an adaptation to the idea of the Roman Empire, in Venice. Venice was the controlling force in Europe, actually, off and on, to the end of the 17th Century, from that time. It was an actual imperial maritime power, based on a rentier-financier interest, which, through these methods — in the image of Tyre, of ancient Phoenician Tyre — controlled Europe.

So, what you have, was an interest — people use “capitalism”; I wouldn't use the word “capitalism,” for example. It doesn't mean anything. Marx made a big mistake, by using the word. One of his worst mistakes. There is no such thing as “capitalism.” There is a rentier-financier interest, which wants to keep most of the human race as cattle; which plays one section of humanity against the other. Always did. The Roman Pantheon's an example of this. You organize the world into different religions, and then set the religions to fight each other, as a way a small power, an oligarchy, can control the world: setting one group of people against the other.

The mass media have been taken over, especially the Anglo-American mass media, and then, in continental Europe, have been taken over, and are dominated, if not entirely controlled, but are dominated by these kinds of rentier-financier interests. They're the ones who turned the minds of people into victims of George Orwell's Big Brother.

The populations today are mass-brainwashed. And the principal source of mass-brainwashing *is* the mass media. *Not* merely the news media, because there are no news media to speak of, any more. What is called “news,” is merely another branch of the entertainment media. They don’t present news, they present entertainment: what so-and-so’s opinion is. They present sex; they present all this kind of stuff. No content. So, the mind of the population—the populations are largely controlled by the mass media. *The only way to beat that, in history, is the method that Plato used:* You have to actually get people to discover the pleasure, of experiencing the discovery of actual ideas. Ideas as a universal principle.

Remember, the fight in Europe has always been along these lines. Take in Germany, for example: Germany was almost destroyed, destroyed by several things, including the French and English Enlightenment. And, along came people like Kästner, who brought into being Lessing, who brought into being Moses Mendelssohn. And, around this circle, you had the birth of the German Classical movement, which persisted. German culture is largely—all its good modern parts, are based on that offshoot, of this Kästner-Lessing-Mendelssohn circle, which are called the “Classical Circle” in Germany. The Classical Circle was based—as Lessing demonstrates, and Kästner demonstrates for mathematics—on this idea of experiencing *the act of discovery of a universal principle, and being able to prove that it was universal*, whether for mathematics, or something else; or, for art, as Lessing did for Shakespeare, for example. Lessing made Shakespeare accessible: Lessing made Shakespeare accessible—to Englishmen, as well as for Germans of that time.

That kind of experience is the only weapon we have. The weapon people have can be in their own homes, their own neighborhoods, their own circles of friends: Of simply developing and nourishing Classical culture. Because that teaches you, and reminds you what the *difference* is, between *genuine ideas*, and nonsense.

Mendelssohn And The ‘German Jew’

Q: How do you see the “Jewish question”? Also, what do you think about embryo stem cell research?

LaRouche: Of course, there’s been much of the myth of the Jew. I think the best way to understand the role of the Jew in German history, and in modern European history, is to look at the case of Moses Mendelssohn—his importance, and the importance of the work of Mendelssohn; and to look at the fact that, prior to Mendelssohn’s time, and the time of his collaboration with Lessing, that the Jew in Germany was virtually a non-person. Only a handful, which were legalized Jews, were able to function. And, most of them lived in the worst—worst possible conditions.

And, it was the emancipation of the Jew, first in Austria by Joseph II, and then also in Germany; and the influence of this in Prussia, in particular—Leipzig, and also in Saxonia. Leipzig and Berlin, and so forth, were key centers of this.

But the emancipation of the Jew resulted in a proliferation, because of the influence of Moses Mendelssohn and the Classical renaissance—the proliferation of artists, scientists, and so forth, among German Jews, which created the phenomenon of the German Jew, which did not exist prior to the phenomenon of Lessing. Yes, you had a few people who were close to Bach, and so forth, in Leipzig—of the Bach tradition in Leipzig. But, you didn’t have a significant [number]. Of course, you always had these few Jews who were used as money-changers, who were used by the princes. But, the modern Jew was a *German Jew*. And, what I object to, of course, in this celebration of this crazy mausoleum they’re creating in Berlin, is: What about the German Jews? Why have blank slates? What about those who contributed to Germany greatly, in the late 18th Century, in the 19th Century, into the 20th Century, who were among the most precious, and most valuable citizens of Germany? And one of the greatest proponents of German culture?! How can you have a celebration of the Jew in Germany, in Berlin, if you don’t celebrate, specifically, these great figures—not merely Albert Einstein, but these great figures, who contributed so much to German culture? If you take the Jew out of German culture, modern German culture, there *is* no modern German culture! And, that’s where the problem lies. The problem is, modern German culture has been destroyed: Otherwise, everyone would know who Heine was; would know who Moses Mendelssohn was; as well as leading scientists.

The Fraud Of Embryonic Experiments

On this question of the embryonic experiments: This is a scientific fraud. Don’t attack it theologically, though I could. But attack it as a scientific fraud. Vernadsky has demonstrated, and Vernadsky’s experiment—which I have written about, others have written about—has demonstrated that there are three different, distinguishable classes, of universal physical principles *in the universe*. And they exist *everywhere* in the universe.

One, is what we call the “abiotic principles” of non-living processes. But, these do not exist alone, or by themselves. You have also in the universe, another principle, which does not come from abiotic, or so-called mechanical, principles: It’s called “life.” It’s a *principle* of life. The third principle, is cognition, a quality of ability to change the universe, which exists only in the mind of the human being. So, the human being is a living creature, but it’s more than a living creature: It’s a *cognitive* creature, which is the literal, physical meaning, of man and woman being made equally in the image of the Creator. This quality of *cognition*, which permeates the universe, as creative power, is expressed only in one species: mankind, which is made in that image.

So, when somebody says they can get life out of non-life, they’re practicing fakery, not science. When they say they can get intelligence out of biological processes, as such, they’re practicing fakery. . . . What is done with this embryonic T-



U.S. special forces in Afghanistan. “The Afghanistan war is a hoax! There are real elements to it; there are real causes for it. but it has nothing to do with Sept. 11.”

cell operation, is a brainwashing operation, which is intended to degrade the conception of man. And, it’s a criminal thing: There’s no reason to do it. None whatsoever. Because you don’t have to get T-cells from embryonic T-cells: You get the best T-cells, the most appropriate for any person, are in that person themselves; if you can extract them, and culture it.

Those are the essential problems.

The Perpetrators Of The Sept. 11 Attacks

Q: Who do you think really was behind the attack on the World Trade Center and the Pentagon?

LaRouche: Often, as in hunting an animal, in many investigations, you never know the personal name of the animal. But, you know what kind of an animal it is. From the very nature of what was done, even our limited knowledge of exactly what was done, on the 11th of September—and most of this information was available to us *immediately*, if you have the technical knowledge to recognize it. It was done under the command structure, which is the highest level of military planning, using methods which are so-called “special warfare methods”; and using, and turning off and turning on, certain security measures, which should have been functioning, or should not have been functioning, at that time.

That could not have been done, by anybody from outside the United States. It had to be done from inside the command structure. Therefore, we know, it was done *inside the com-*

mand structure at the highest level, including people who are active in the military security command! That’s how coups are usually done, isn’t it? In most countries. That’s how it was done in Germany, in 1933—twice, in January and February. That’s how *a coup is made*.

So, we don’t know who it was, but we know what they did; we know what the motive was; we know what the objectives are. The motive was, first of all, Brzezinski’s “Clash of Civilizations,” to start a general clash of civilizations war, in Eurasia, provoking an Islamic war against civilization. That does not mean unity of Islam against Europe: It means, causing as much hell, and fighting, among normally Islamic groups, as possible; playing upon differences, and national differences, and religious differences—in the Islamic world, as well as outside; and, creating a situation in which *no* development, and no cooperation in Eurasia is possible. That’s what Brzezinski said. Read his book, the *Chessboard*. Read the other books, read the history of this thing. Exactly what they did.

Also, the peculiarity of this was, it was done in the context of the biggest financial crash *in all modern history*. Now ongoing. In which the *system itself* is about to go! Get the picture: The Anglo-American system, rentier-financier system, which has been struggling to control the world; which thought it had assumed *total* power over the world, with the collapse of the Soviet system; within about ten years after the collapse of the

Soviet system, *finds itself is doomed!*

Now, what happens to an oligarchical power, which senses that it is *doomed*? And it *is* doomed. It says, "Either we will rule this world, or we will destroy it." How does that express itself?

Well, you have an alternative: You have in Eurasia, which is more clearly expressed in Russia's relationship to other nations in Eurasia now. You have a tendency toward economic cooperation, and cooperation for security, that is, for stability and security. You have a very strong impulse from Germany, in particular, for trade with Russia and China. As a matter of fact, these are the only two areas of the world, with which Germany's exports are increasing! In every other part of the world, Germany's exports are collapsing. Now, France and Italy also require this opportunity. Because the only opportunity for the survival of the nations of Western Europe, is to expand production, to meet the needs of what people in Asia need. And, people in Asia need the means by which to transform the poorly productive areas, and the poorly productive populations, into *more productive* areas and more productive populations. For example: China needs thousands of new urban centers, in order to absorb its population and upgrade it. These centers must have technology, to do that. They must have means of increasing their agricultural potential, to do this. We, in Europe, can supply much of what they need. We shall make long-term agreements, which will be beneficial to us, to do that. We, together with them, can build a transportation system, across Eurasia, from the Atlantic to the Pacific, so that it is cheaper, and more profitable, to ship goods by land transport, than by sea. We can do that.

We can open up sections of Eurasia, which are not yet developable, economically. We can change the water characteristics of Eurasia. We can tap resources, which we can't use, because they're inaccessible for lack of infrastructure: Mineral resources, the largest concentration of mineral resources in the Earth, are in Central and Northern Asia. Next largest is Africa; next largest is South America, which may be a rival.

So, in this, we have a great opportunity, to do this. And the enemy knows it. Moreover, we see the expression: Despite the vacillation of the Chancellor here on many issues, the response to the idea of Germany's exports to Russia and China, of course, is foremost in their thinking. Why? Naturally! The same thing is going to occur in the French mind, the Italian mind—it already does.

So, what's the danger to the Anglo-American? The Anglo-American says, "Hey! We're not needed any more! We can be partners, but we're not going to rule the world any more. Because *these people*, with the collapse of our system, are capable of getting together, and finding a fallback alternative of survival in the case of the general collapse." Brzezinski, and people like that, say, "No! We will *destroy* the world, before we let that happen!"

Now, there have been discussions of this kind of thing, as in July of the year 2000, in the New York Council on Foreign

Relations. There have been many discussions to this effect, in terms of the various think-tank operations, policy committees, papers published. And, there's been the Brzezinski phenomenon, with his *Grand Chessboard*.

So, you have, on the one hand, an action occurred; it's directed against a certain effect; you don't know the names of each of the guys who did it (we have our list of suspects, but we don't know—yet), but we know what the animal was who did it. Secondly, we know what the motive is. The motive, thirdly, coincided with something very specific: It coincided with the policy of the question of Middle East peace—the Oslo Accords. And, this was the case where President Clinton made a big mistake: He did not make a big mistake on picking up on the idea of Middle East peace. But, he made a mistake in being fooled and intimidated by Barak. Because, Arafat agreed to everything that a Palestinian leader can agree to in principle, in order to get peace, at Camp David. Everything possible, he conceded. But, then, Barak came in, with one more additional demand, on al-Haram al-Sharif, which no Islamic leader can possibly trade off. It can't be done. And it shouldn't be done! Shouldn't even be considered. This is the issue of war! Of religious war.

So, what's happened is, you have a religious war, being run by the Israeli military command, using Sharon as its political puppet. It's not Sharon—it's *these guys*. They could kill Sharon tomorrow, if they thought that would enhance their process. They'd do it themselves, just the way they killed this guy Ze'evi. Same thing. Their purpose is, to get a general Middle East war, targetting Iraq, targetting Syria, and spreading throughout the entire region: It includes Sudan; it includes Egypt; eventually, Somalia. It's their general policy.

So, it occurred at the point that a crisis is occurring; somebody moves with a so-called "pro-Israeli" operation, to make a coup against the President of the United States, in order to *unleash* the Clash of Civilizations conflict. To *prevent* Eurasia from getting together, and to seize the moment of opportunity when they think they can do it, at the moment of crisis. That's what we're up against. And, the fortunate thing is that, somehow, something happened in history, on the way to the coup: That President Putin of Russia intervened in just the way to stall this thing, without solving it.

My problem is, how do I get the United States government out of this mess, out of this Afghanistan mess, and go to what it should go to?

Physically Efficient Principles

Q: Do you see any positive aspects coming out of Bush's war against terrorism? And, on Vernadsky: Is there evidence of cognitive beings living elsewhere in the universe, other than on Earth?

LaRouche: Let me take [the question] on Vernadsky first. No, very simply, it is that experiments were done by Pasteur, and others who followed him, Curie and so forth, which influenced Vernadsky, who, from the standpoint of geology, what he called biogeochemistry, did an examination of the

way in which the Earth has been formed by life. That is, for example, our atmosphere and oceans were created by living processes, as by-products of living processes. They're not otherwise found in nature.

Wherever we find these kind of phenomena in the universe, we would know life had existed there, say, as on Mars. That's the way the Mars question is posed: Can you find natural products, or natural effects, of the presence of living processes, such as signs of water, deposits of water, or other things, on a planet? If you have that, you know that life either exists there, or did exist there.

So, he generalized this thing on the study from the standpoint of biogeochemistry, of the history of the products of living activity, in changing the composition of our planet as a whole. Changing its chemical composition, for example. For example, if you want to find out where certain kinds of mineral deposits are located, you would go to Vernadsky's school, to know how living processes had caused certain kinds of concentrations of raw materials to be located in one place, rather than another, such as gases, and things like that.

Now, the same thing was done by Vernadsky with respect to what he called the noosphere, saying that man's action on the biosphere, transforms the biosphere to a higher degree of development, just as the action of life on the Earth transforms the Earth to a higher level of development.

The same thing can be approached Classically, from the standpoint of Plato, on through the work of Leibniz in particular, and my own work, which is where I got into this thing. We can prove, by the same standards of scientific experimental proof, that the cognitive processes by which human beings are able to generate, and share, discoveries of universal principle, by which mankind increases its power over nature, that these principles are generated by a *physically efficient principle*; just as life is a *physically efficient principle*. That doesn't mean that you have to find a germ to find life. It means there's a principle in the universe which, under certain conditions, will cause a life-form to appear.

Now, we don't have any indication of human beings, cognitive beings, floating around in space. But under certain conditions on Earth, a specific form of life was transformed into a cognitive form, by a cognitive principle. These principles are universal physical principles. In other words, the idea that physical principles are those we think of in terms of a Cartesian manifold, is a fallacy. People like Max Planck were right, and Mach was wrong: that there are physical principles, which must be judged to be physical principles by the fact that they have a *physically efficient effect*, by their action on the universe. And cognition is one such thing.

So, these do not exist outside the Earth, in a sense. They *permeate* the universe. You might say, "In the beginning . . ." it was all there. And under certain conditions, this force of cognition, which is always an efficient principle in the universe, takes the form of transforming a particular type of living process, man, into a cognitive being, as in the image of the Creator. And that's the point. Not outside the Earth.

Bush's 'Epiphany'

In this matter of the present crisis: It's true that all great discoveries tend to come from adversity. It's only when a great crisis confronts us, that we're willing to consider giving up our ways. It's like you tend to get out of the house when you discover it's burning. It's sort of, one of the incentives to move forward sometimes in history, of that sort. Get off the ship, when it's sinking — that sort of thing. So that's a part of the process.

So, yes, in this process, there will be some of that effect, and it will be useful. For example: I don't think that any of the leading political parties in Europe today, have much life expectancy, including those of Germany. We have a situation in the United States, in which I have a certain influence in the Democratic Party, and the present leadership of the party, generally, around Gore, is doing everything possible to try to prevent me from exerting influence in the party.

Well, if I don't exert more influence in the party, the Democratic Party is going to disappear. The Republican Party is in the process of disintegrating — not as obviously so, but it will disintegrate. So, you have a situation in which there are disintegrations of political parties in many parts of the world. And it's logical. They don't function. They're dead.

So, the creation of new parties is not a catastrophe, as long as you get the right results. And, therefore, that's the problem. We are faced with that challenge, the question of what happens in the crisis.

Bush? Bush is what I described him as. Earlier this year, and earlier, what I had said he was going to do, what he was going to be as President, and he has been exactly what I said he was going to be, up to Sept. 11.

On Sept. 11, he underwent an *epiphany*, not a likely thing for a person of his professed religious persuasion. He underwent a certain degree of epiphany, when the voice of Putin came over the radio, or the radio communication, to his plane, while he was travelling to Nebraska, he had an epiphany: That his friend Putin, the President of Russia, was going to save his government, and save the United States.

You see this often, when a person is in crisis, even the most improbable person. You see this, for example, in the case of Mozart's *The Abduction*. Where Mozart changes the end of the *Abduction* from the original script. You see this in Mozart's later opera, *La Clemenza de Tito*, where the transformation of the script by Mozart makes the same point: That, sometimes under crisis, a person of the most improbable moral likelihood, under conditions of crisis, may be inspired to play the best role of which they're capable, which may be useful.

The problem the President of the United States faces, the present incumbent President, is, he has no chance of surviving successfully, as President, with his former policies. He's got to find new policies to survive. It's like the man who's been thrown under water, protesting, "Don't throw me in the water, I can't swim." You say, "Well, you're in the water, you'd better start."

Pope Invites World's Religious Leaders To Meet On The Crisis

by Claudio Celani

On Sunday, Nov. 18, Pope John Paul II announced two major initiatives to relaunch dialogue and cooperation among world religions, aimed at countering the push for a “clash of civilizations.” During the *Angelus* prayer, the Pope called on all Catholics to join in a day of fasting and prayer on Dec. 14, in a gesture of solidarity with Muslims, who celebrate the end of Ramadan on that day. Also, the Pope announced that he has called on all world religious leaders to join in a meeting in Assisi, Italy, on Jan. 24, with a special invitation to Muslim leaders to attend.

“The international scene continues to be disturbed by worrying tensions,” said the Pope. “We cannot forget the intense sufferings that have afflicted and still afflict so many of our brothers and sisters in the world,” he added, referring not only to the “thousands of innocent victims in the grave attacks of last Sept. 11,” but also to the victims of the retaliation against Afghanistan: “innumerable people forced to abandon their homes to face the unknown and, sometimes, a cruel death; women, the elderly, and children exposed to the risk of dying of cold and hunger.” “In a situation made dramatic by the always present threat of terrorism, we feel the need to cry out to God,” he said. “The more insurmountable the difficulties and obscure the prospects, so much the more insistent must our prayer be, to implore God for the gift of mutual understanding, harmony, and peace.”

Overture Toward Muslims

The Pope recalled that fasting is part of the Jewish, Muslim, and Christian traditions, and proposed the Dec. 16 day of fasting to coincide with the last day of the Muslim month of penance and fasting, Ramadan. He called on Catholics to use the opportunity to “pray with fervor to God so that he will grant the world a stable peace, based on justice, and make it

possible to find adequate solutions to the many conflicts that trouble the world.” Similarly to the Muslim practice during Ramadan, the Pope proposed that “what is saved by fasting be placed at the disposal of the poor, especially those who at present suffer the consequences of terrorism and war.”

The Pope went on to “invite the representatives of the religions of the world to come to Assisi on Jan. 24, 2002, to pray for the surmounting of opposition to and the promotion of authentic peace. In particular, we wish to have Christians and Muslims come together, to proclaim before the world that religion must never be a reason for conflict, hatred, and violence. Whoever really accepts the word of the good and merciful God, cannot but exclude from his heart every form of rancor and enmity. At this historic moment, humanity needs to see gestures of peace and to hear words of hope. It is urgent that a common invocation be raised from earth to heaven, to implore the Almighty, in whose hands is the destiny of the world, for the great gift of peace, the necessary condition for any serious endeavor at the service of humanity's real progress.”

No Just War In The World Today

With his words, the Pope has made clear that the Catholic Church is not only against any form of terrorism, but also against any form of retaliation. Indirectly, the Pope had already condemned the military intervention in Afghanistan, by mentioning the “unnecessary suffering” of the Afghani population.

The Pope's cautiousness, according to some observers, was dictated by concern not to contradict publicly the U.S. Conference of Catholic Bishops (USCCB), whose Nov. 12-15 conference issued a Pastoral Message recognizing “the legitimate use of force.” The characterization in the document

of the U.S. Bishops, issued on Nov. 14 (whose acceptance was not without controversy), is based on a mistaken view of what the nature of the Sept. 11 events really was, and accepted the official propaganda line that it had been “an act of foreign aggression,” i.e., an act of war. Facing an act of war, the Catholic doctrine of “just war” is invoked to justify a military response.

But behind such a doctrinal justification by the U.S. Bishops, hides a manipulative intent, which uses the same ideological approach as the supporters of the “clash of civilizations” ideologues, such as Zbigniew Brzezinski and Samuel Huntington. Such supporters argue that the nation-state is finished, and future conflicts will occur among cultures.

A typical representative of this tendency, which is very influential among Anglo-American Catholic neo-conservative circles, is theologian George Weigel, the former chairman of the Washington Ethics and Public Policy Center and a syndicated columnist. “What happened on Sept. 11 was an act of aggression, indeed an act of war,” wrote Weigel in his column, “and what we are engaged in is a war.” However, faced with the problem that the Catholic doctrine of “just war” necessitates the presence of a state as an aggressor, Weigel proposes that “the just war tradition needs to be ‘stretched,’ or developed,” to deal with a new reality in which “non-state ‘actors’—like terrorist organizations—are crucial units-of-count in the world. States are not all there is.”

The idea of “stretching” the law is garbage, as well as the idea that “states are not all there is.” There exists nothing else other than the nation-state to protect the individual. Asserting that the nation-state is finished, is an *intention* to finish it, as current wars in reality aim to do. Indeed, as Schiller Institute Chairwoman Helga Zepp-LaRouche stated at a recent conference in Mainz, Germany, “none of the wars currently fought in the world can be characterized as a just war.”

The current view is similar inside the Vatican and in the majority of the Catholic Church around the world, especially those sectors which are engaged in a dialogue with other religions. For instance, the Asian Bishops Conference (FABC) issued a manifesto called “Hate Does Not Terminate Hate,” signed by FABC Secretary General Archbishop Oswald Gomis. “We invoke God,” says the manifesto, “in order that the wisdom of the Holy Spirit lead us to choices worthy of our Faith, Hope, and Love. In the spirit of the Sermon on the Mount, we say ‘no’ to any answer of revenge in the logic of ‘an eye for an eye, a tooth for a tooth.’” Mahatma Gandhi, say the Asian Bishops, “warned that the logic of ‘an eye for an eye’ blinds the world. Hate is not terminated by hate, but by compassion and by love.”

There is no just war now being fought in the world. As former Italian Prime Minister Giulio Andreotti, editor of the Catholic monthly *Thirty Days* and who is very close to the highest Vatican circles, said immediately after the Sept. 11 attacks, “The attack against the Twin Towers is terrorism, not war.” In an interview with the online daily *Il Nuovo* on

Sept. 14, Andreotti said: “If you legitimize terrorism as a belligerent subject, you give it a status by which it is legitimate to shoot the enemy. It is a major aspect, not to be underestimated.” In an interview with the Italian daily *Corriere della Sera* on Sept. 13, Andreotti said: “I wonder who helped the terrorists in the United States. They must have had a remarkable support operation in place. These are people who have flown an airplane, who have calculated the time to be right there on television; they are not improvised tourists. Terrorism does not grow only on this side of the [Atlantic] Ocean. Americans have already had Oklahoma City, let us not forget.”

Andreotti warned against “unmotivated, disproportionate reactions,” which could unleash a dynamic “which could lead us I know not where. And maybe this is exactly what the organizers of such disruptive initiatives want to achieve.” Andreotti rejected the invocation of Article 5 of the NATO treaty, which calls for an allied response to foreign aggression against member-states, and called instead for an “international police response.”

Lyndon LaRouche’s analysis, which improves upon Andreotti’s views, and characterizes the Sept. 11 events as part of an ongoing coup attempt against U.S. institutions (see *Conference Report*, in this issue), has in the meantime circulated widely in Vatican circles, where it has received careful scrutiny. In Rome, at a seminar at the Italian Institute for Asia (*EIR*, Nov. 9), LaRouche stressed that in order to oppose the clash of civilizations policy, which is based on setting all religions against each other, a real ecumenical dialogue is necessary. This must be based on the search for the common basis for a true definition of man as being in the image of the Creator. But, LaRouche warned against the idea of a “pantheon” of world religions, or syncretism—that is, a dialogue based on simply tolerating each other’s “opinion,” rather than seeking the Truth.

This argument in favor of syncretism is instrumentally used by the Pope’s adversaries inside the Church (who often are the same ones who call for a “just war”), who allege that John Paul II, with his ecumenism, is polluting the Catholic faith. To avoid this accusation, in a similar event in Assisi in 1986, the Pope gave the instruction: “not to pray together, but to be together to pray.”

The Pope’s initiative for Jan. 24, 2002 was positively received by Muslim and Jewish leaders. The Italian representative of the World Muslim League, Mario Scialoja, characterized the announcement as “wonderful.” “We always appreciate the Pope’s openings towards Islam,” Scialoja said. “We are very happy that [on Dec. 16] Christians will also be alongside us. It is a gesture which will allow many who do not know our religion well, to learn the character of purification and penitence which accompanies this sacred month.” And the chairman of the Jewish Communities in Italy, Amos Luzzatto, said that the Pope’s invitation to a day of prayer for peace “cannot be answered negatively.”

Egypt's Mubarak On Common Heritage Of Man

Egyptian President Hosni Mubarak addressed the Formentor Forum in Spain, on Nov. 2, making proposals for a Middle East peace, and for a dialogue of civilizations. Speaking on the tenth anniversary of the Madrid peace conference, in the context of the European-Mediterranean dialogue, Mubarak made clear that peace could be achieved, if the Mitchell Commission Report recommendations were implemented. He then spoke, in this excerpt, on the common commitment of the great religions to the intellectual and scientific advancement of human kind, and on the positive role of Islamic-Arab culture in European civilization. Subheads have been added.

Islamic Culture And European Civilization

Undoubtedly, the rich historic background of each and every one of us reveals a mutual belief in the unity of values and cultures among people, and refutes claims of inter-civilization conflict or clash. Such concepts emanate from erratic perceptions and a false sense by others of the superiority of this or that civilization. Together with ungrounded theories and concepts of the overriding superiority of a specific race over others, [such concepts] are obsolete and outdated.

We should not allow them to make distinctions between one human being and another. Nor should we let them take us back to the Dark Ages, where human beings were torn between a strong urge to achieve progress, on one hand, and attempts by some to yield to backward theories that have no basis in science, religion, or rational thinking, on the other. These concepts, rather, stem from calls based on ignorance and rejection of the other simply on grounds of difference in belief or means of achieving progress.

It may be quite opportune these days to recall to memory those bright eras of flourishing civilizations where man could soar to higher levels of intellectual and scientific advancement.

Man had then realized that human civilization was one and the same, no matter how different its sources and components were. Man also grasped the historical fact, which proved for us all that whatever advances and progress man scored in a specific region, would add up to human heritage that is composed of interwoven and cumulative layers, eventually making up this firm-grounded structure of culture and civilization.

Our understanding of such relations between civilizations stems from the basic principles of Islam, that considers belief in former Divine Messages as a prerequisite for sound faith

in Islam. . . . The Holy Qur'an also confirms that religion can never serve as grounds for clash by saying, "There is no compulsion in religion. The right direction is henceforth distinct from error." This also shows that relationships among civilizations and nations are one of dialogue rather than one of conflict, as shown by the following verses, "O mankind Lo! We have created you male and female, and have made you nations and tribes that ye may know one another." And, "Argue ye not [with the People of the Scripture] except in the better ways." Thus, from a proper Islamic perspective, Muslims' belief in the universality of Islam does not imply the exclusive singularity of Islamic civilization in the world nor its supremacy over other civilizations.

It rather means interaction with these civilizations and emphasis that plurality of civilizations and diversity of cultures are the normal state of affairs.

This Islamic concept of universality is based on the fact that plurality, diversity, and variance are the rule and the law and that interaction with other civilizations is the proper median position between isolation and subordination.

The experience of history confirms this vision that we much cherish, in identifying relations between civilizations. The Arab Islamic civilization rose not to supersede, but rather to complement and advance oriental heritage.

Islam And Greek Philosophical Thought

In this context, Islam was influenced by the Greek philosophical thought. The center of gravity for civilization had started to turn toward Europe during the Middle Ages only after the Greek heritage had moved there through exactly Arab intermediation.

Probably, the most important factor that had made such influence possible was that Arab Islamic civilization did not only preserve Greek heritage, but also, through blending Greek philosophical thought with principles of Islamic religion, did give Greek heritage such forms that made it easily acceptable to Christian Europe.

This resulted in the reactivation of European philosophy on grounds of advanced Greek thought, making cultural and intellectual advancement possible. The influence of Arab Islamic civilization was not exclusively confined to this philosophical aspect, but rather extended to other branches of Western civilization—in mathematics, physics, and medicine.

This made the age of European Renaissance reflect, in turn, Arab Islamic influences already recorded and documented by many scholars of civilization and historians.

It is a source of our great pleasure in this context that Muslims had not been solely the upholders of advancement in our Arab Islamic civilization; as Christians and Jews, who had lived under the umbrella of such civilization, made significant contributions to it.

This asserts the sublime essence of Arab Islamic civilization, far away from the concept of inter-civilization or inter-



President Hosni Mubarak of Egypt spoke to a Madrid conference marking eight years of the Mideast “peace process,” and called for deeper understanding of the ecumenical roots of the great monotheistic religions.

religion clash. Therefore, the current European civilization, from an historical perspective, was not solely an outcrop of European innovation alone, but also a complementary addition to oriental cultural and civilization heritage running down for thousands of years.

In the same logic, ongoing pursuit by Arabs and Muslims to bridge the huge gap that keeps them apart from scientific and technological achievements of current European civilization, should deeply grasp elements of progress entailed in European civilization, as well as the spirit of creativity and innovation, the ability to harness nature in the interest of man, and the substantial contributions in many spheres to humanity at large.

Thus, the cycles of civilizations’ continuum are completed and the right significance of relationships between civilizations over ages is entrenched. This would undoubtedly create an air of optimism among us all as regards both Arab-European relations, in general, and future prospects of Euro-Mediterranean partnership, in particular. The Mediterranean countries have always been at the heart of creative cultural interactions witnessed in East-West relations.

Hence, it is no exaggeration to say that inter-civilization dialogue has been a common practice by Mediterranean countries throughout their different historic epochs. . . .

‘LaRouche Is *The* Star In The Arab Countries’

by Hussein Al-Nadeem

This pungent phrase from an Arab diplomat in Europe summed up the extraordinary discussion and debate among intellectual and political circles in the Middle East, increasingly reflected in the region’s press, over the ideas of Lyndon LaRouche about the present crisis. Since Sept. 11 in particular, U.S. Presidential pre-candidate Lyndon LaRouche has emerged in the eyes of leading Arab and Muslim commentators, analysts, and the mass media as “America’s voice of reason.” However, as the crisis has gotten deeper and the horrifying military retaliation was being prepared, other features have been recognized in LaRouche: courage and truthfulness, two features which Arabs see as missing even in leading Arab and Muslim politicians, not to speak of Americans and Europeans.

This has even prompted some Arab journalists, among the many following LaRouche’s activity, to express concern for his personal security, due to what Qatar-based Al-Jazeera Satellite news channel called “his daring statements, which undoubtedly are annoying people in powerful positions in the United States.”

Widespread And Growing Coverage

The views of LaRouche, regarding the significance of the Sept. 11 events, as well as broader strategic and economic perspectives, have been increasingly covered in leading media in the Arab world. Internet searches now show dozens of articles, reports, and discussion groups’ debates on LaRouche’s ideas, in many Arab countries, since the Iranian Persian daily *Keyhan* and Syrian television on Sept. 16 reported that “the famous American economist and former Presidential candidate had pointed to the domestic security and intelligence agencies of the [American] state” as responsible for the Sept. 11 attacks.

On Nov. 4, the Egyptian national TV Channel 2 and the international Egyptian Satellite Channel, both state owned, broadcast an interview with LaRouche on the “Red Shadow” program, hosted by the chairwoman of the Egyptian television Sanaa Mansour, a *grande dame* of Egyptian journalism. She presented LaRouche as “the American politician who foresaw the terror attacks in the United States,” and a Democratic Presidential pre-candidate in the next elections. He was asked about his forecasts of the terrorist attacks, and his explanation of them. Regarding prospects for the war in Afghanistan, and capturing Osama bin Laden, LaRouche said, this

عالم الاقتصاد الأمريكي ليندون لا روش لـ 'الشرق' الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر

خبرنا: أستاذ الاقتصاد والسياسة العامة في جامعة كولومبيا، ليندون لا روش، الذي وصف نفسه بأنه "مؤيد للعقلانية الاقتصادية"، قال في مقابلة مع شبكة الجزيرة التلفزيونية، إن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها. وقال لا روش، وهو من كبار خبراء الاقتصاد في العالم، إن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها. وقال لا روش، وهو من كبار خبراء الاقتصاد في العالم، إن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها.

أجرى الحوار: جاسم الفديري
 يشهد تقرير ليندون لا روش، الصادر في 25 أيلول/سبتمبر 2008، في مجلة "إندبندنت" (E. Independent)، ما لا يقل عن 100 مليون قارئ في جميع أنحاء العالم. وقد كان من المفيد أن يكون هذا التقرير قد نُشر في وقت سابق من الشهر، لأن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها. وقال لا روش، وهو من كبار خبراء الاقتصاد في العالم، إن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها.



ليندون لا روش

هجمات 11 سبتمبر مصالحة التقاربية من الداخل ضد الحكم الأمريكي
 في مقابلة مع شبكة الجزيرة التلفزيونية، قال ليندون لا روش، وهو من كبار خبراء الاقتصاد في العالم، إن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها. وقال لا روش، وهو من كبار خبراء الاقتصاد في العالم، إن الأزمة الاقتصادية الحالية بدأت قبل 11 سبتمبر، وأن الولايات المتحدة لم تكن مستعدة لها.

Al-Jazeera Satellite television news has more than once reported the widespread discussion in the Arab world since Sept. 11, of the ideas and analyses of Lyndon LaRouche on the crisis; as in the United Arab Emirates paper Al-Bayan, which published an interview with LaRouche on Nov. 23 (above).

was "a piece of folly from the beginning." It was actually a response, by the United States government, to a provocation from inside the United States, by people, obviously, in launching war against Israel's Arab neighbors. And by those who, like Zbigniew Brzezinski, are committed to what is called a clash of civilizations, as a geopolitical operation in Asia."

On Nov. 7, the well-known Egyptian historian, Dr. Abdul-adhim Ramadan, echoed LaRouche's views in an article published in *Al Gumhoriya*. The greatest tragedy for the American administration today, he wrote, "is that nobody in the world believes its allegations that bin Laden is the culprit behind the Sept. 11 attacks, for the simple reason that the crime, from the standpoint of planning and preparation, was on a level which is beyond the capabilities of a terrorist like bin Laden." He continued: "The crime, as it was conducted, looks more like a well-prepared war plan, planned by military professionals with a high degree of knowledge, competence and experience." Furthermore, he stressed that "by pointing to bin Laden from the onset, the United States administration has covered up the real perpetrators of the crime forever."

On Nov. 8, the Al-Jazeera Satellite Channel website, which claims 41 million visits per day, ran a review of

LaRouche's ideas, based on a report in the Kuwaiti weekly magazine *Al-Mujtamaa*. It cited "major American politician Lyndon LaRouche," who said at the end of July, that due to the worldwide economic crisis, "there are forces inside the United States and Britain (including Brzezinski) that want to trigger a world war to prevent the new, current shifts in Asia." In the book that would be a "war between Islam and the West," LaRouche was cited as saying, "We have to stop such a war before it breaks out. Therefore, we have to stop Sharon in Israel first. And we have to secure peace in the Middle East."

The magazine continued with LaRouche's post-Sept. 11 comments, saying the attacks had been "set up, created in a period of overwhelming financial and monetary crisis in many countries. This operation was not conducted by any force from outside the United States. . . . It is possible that individuals from other countries were used in this. But those who conducted this operation are forces from inside the United States. Their aim is to create a coup in the administration, and to drive the United States into war. These forces are prepared to run unopposed to reach their objectives."

Courage Of An American Opposition Leader

According to Al-Jazeera, *Al-Mujtamaa* warned: "All that one fears is that this political personality could be targetted with assassination, because he possesses such a level of daring which, without any doubt, is annoying many forces in the United States of America." This aspect of "courage" was emphasized in the Saudi daily *Al-Riyadh* by columnist Nora Al-Saad, who dedicated two articles to LaRouche's views on the crisis, on Sept. 25 and Oct. 4. She contrasted LaRouche's courage, although an American, to the "cowardice" of Arab writers and politicians who took an apologetic, defensive stance after the attacks. "These are the statements of the defeatists among our writers, while, on the other hand, we find American economist Lyndon LaRouche who stresses in his article, 'Shoot The Neighbor's Cat,' that history has shown that wars fought for 'vengeance' and 'retaliation' are the most stupid types of wars."

Al-Saad used LaRouche's stance to challenge Arabs to rise to the level of the crisis and realize that "we are heading into a catastrophe and should act accordingly."

Similar expressions of respect and admiration appeared in articles and commentaries by prominent political and military analysts in national dailies and television broadcasts in Qatar, the United Arab Emirates, Egypt, Syria, Iran, Saudi Arabia, and other places. LaRouche's campaign statements, translated into Arabic, have been circulating widely on the Internet, especially among political "discussion groups" on the web.

The hope in the Arab and Muslim countries is that the American people and leadership "would listen" to this courageous American voice of reason to avoid the "clash of civilizations" with reasonable and humane alternatives.

LaRouche To Arab Press On Sept. 11 Aftermath

Lyndon LaRouche on Nov. 16 sent these replies to questions submitted to him by the daily Al-Bayan, from the United Arab Emirates. The questions have been abbreviated here, to simply note the topics asked about. The interview appeared in Al-Bayan on Nov. 23.

Q: *On the economic effects of Sept. 11.*

LaRouche: The presently onrushing general collapse of the world's present monetary-financial system, had already entered its terminal phase by Sept. 10, the day before the planes crashed into New York's World Trade Center and the Washington Pentagon. The currently ongoing monetary-financial collapse is far worse than a mere depression, such as that of 1929-1933; it is a systemic collapse of the world system set into motion by President Nixon's actions of August 1971. That system could never be resuscitated from the present collapse. Our goal should be to eliminate the present system, so that we may resuscitate the world's economy.

Q: *Political and social ramifications of this world recession?*

LaRouche: Without replacing the present monetary-financial system, the effects of this crisis upon so-called "Third World" nations would be a disaster beyond the imagination of most of those governments today.

Q: *Impact of an "international alliance against terrorism"?*

LaRouche: The reply to this question must be situated within a corrected view of what actually happened in the U.S.A. on Sept. 11. Those attacks could have been organized by nothing less than an intended coup d'état deployed from within very high levels of the U.S. internal military-security apparatus. Only from that standpoint, can one understand why the word "terrorism" was not introduced until after 20:00 hours, Eastern Daylight Time, on Sept. 11.

One must also take into account the personal exchanges between President George Bush and Russia's President Vladimir Putin during the morning (U.S.A.) hours of Sept. 11. One would wish to compare my stated view of those events with what French voices such as *Reseau Voltaire*, *Le Figaro*, and *Le Monde*, among others, have published bearing on the actual authors of an attempted coup d'état against the U.S. government of President George W. Bush.

As many influential circles in the Arab world will recall, from about the time Zbigniew Brzezinski assumed his per-

sonal role as controller of the creation of the candidacy and Presidency of Jimmy Carter, certain militant Arab and other forces were recruited to conduct a surrogate war against the Soviet Union in Afghanistan. This was only a leading aspect of a general spread of the use of privately financed mercenary-style armies in Central and South America, in Africa, and in the Middle East.

As leading Arab spokesmen have made clear, these quasi-mercenary wars were organized covertly by chiefly British, Israeli, and U.S. agencies. By covertly, I mean that the relevant governments and related international financial circles conducted these homicidal adventures under the cloak of denying that they, or their governments, had anything to do with these matters. I, for one, personally, knew differently, then, as now.

The crux of the matter is, therefore, this. When governments establish powerful military capabilities which those governments are at pains to deny to be their own, the mechanisms by which denial is maintained give the flag-rank officers running such irregular operations the opportunity to conduct coups d'état against the nations which had harbored operations of the type conducted by Brzezinski et al. That happened to the U.S. government itself, on Sept. 11, 2001.

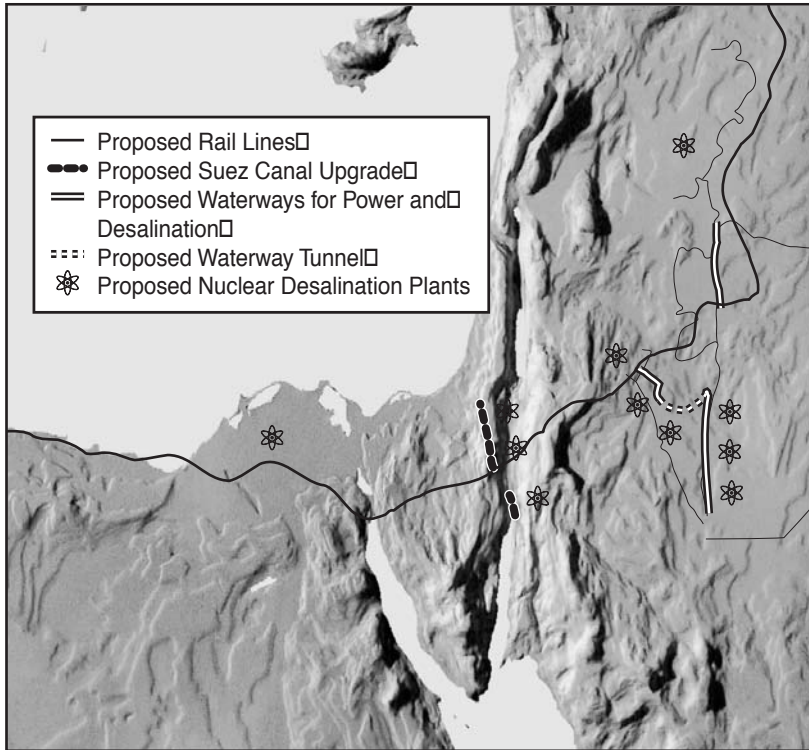
There are many undisclosed aspects of this operation, but certain things are clear. Notably, the manner of the intervention of Russia's President Putin, in his telephone conversations of Sept. 11 with President Bush, changed the course of history that day. We have heard President Bush refer to the general importance of these conversations, repeatedly, since that time.

Somewhere, during the evening of Sept. 11, there was a new decision made, to respond to the effect of the morning's attacks by declaring a war on "terrorism," and, as I warned against this on a radio interview earlier that day, picking long-standing Anglo-American asset Osama bin Laden as the scapegoat for the case. The significance of targetting both bin Laden and the Taliban, is twofold. First, they are in a certain sense "free targets," created by the Anglo-American interests. Second, they are used in an effort to prevent the plotters behind the attempted coup d'état, from pushing the U.S. into support of the general Middle East "Clash of Civilizations" war, which the coup plotters and also Zbigniew Brzezinski were determined to launch, that in alliance with the present military dictatorship controlling Israel.

To understand some crucial features of this situation, the following points must be remembered. With the 1989-1991 fall of the Soviet system, the Anglo-American financier-political interests believed that the opportunity existed to tear down and eliminate the relics of the modern sovereign form of nation-state, thereby establishing a new world-wide Roman Empire along the same general lines as Venice's position as an imperial maritime power during the period it directed the Crusades, and the religious warfare of 1511-1648 Europe. This has been called "globalization."

FIGURE 10

LaRouche's 'Oasis Plan' For Development Of Middle East Crossroads



Since 1995, and, more emphatically, since the [Russian] GKO crisis of 1998, it has been apparent to all leading circles that the present world monetary-financial system is doomed. They realized, no later than the Washington monetary conference of October 1998, that only a short time remained before the system would collapse. During that recent interval, there have been numerous high-level meetings discussing ways in which to keep power under conditions of an inevitable, general, monetary-financial collapse. A leading part of this kind of discussion, as by Zbigniew Brzezinski, has been to build up a confrontation between the Anglo-Americans, against China and Russia, and to create chaos in Central Asia through operations along the lines of petroleum schemes and “Clash of Civilizations” adventures.

Someone, at very high levels, within the U.S. command structure, unleashed an attempted coup d'état against the Bush government on Sept. 11. Had that crisis led to a nuclear-alert escalation between the U.S.A. and Russia, the coup plotters would have succeeded, almost without doubt. President Putin's Sept. 11 telephone conversations with President Bush, changed the situation in a radical, beneficial way.

Otherwise, nothing else has been solved. The coup d'état

has been defeated, at least temporarily, but the nightmarerolls on. The press coverage in France from *Reseau Voltaire*, *Le Figaro*, and *Le Monde*, is notable. I do not certify every detail published on this matter there; but the publication of that information, for wide-spread public discussion, has been useful.

Q: *The impact on Arab countries.*

LaRouche: The issues just addressed can not be intelligently assessed, except from the standpoint of the worsening crisis caused by the Israeli military command's use of Prime Minister Sharon as its political cover for subjecting the Palestinians to the kind of treatment which Hitler imposed upon the Jews of the Warsaw Ghetto.

Arab culture, and the Arab world is based in the Middle East. Without Middle East peace, the necessary forms of economic development can not proceed with success. This was understood by those in London who shaped British Middle East policy since the period of the Napoleonic wars.

With large-scale, high-technology forms of desalination, and with other essential basic economic infrastructure, such as energy and mass transportation of freight and people, a successful development of the Middle East can occur in two general ways. First, internal development, in and of itself; second,

the potential role of the Middle East as the link of Africa to Asia, and a crucial part of Europe's economic connections to Central and South Asia.

Thus, until we enforce the Middle East peace which the U.S. and other backers of the currently reigning Israeli military faction are determined to prevent, the danger of a “Clash of Civilizations” war engulfing a billion Muslims in one way or another, is more or less inevitable. With peace, the transportation and related links through the Middle East, as from Africa and Europe, into Central and South Asia, become the major, even the predominant factor in a true economic renaissance throughout the region.

Sometimes, to fight for the good, and against the evil, are the same thing, as in this case.

Q: *World depression?*

LaRouche: The present monetary-financial collapse is far worse, in every respect, than the economic depression of 1929-1933. It is not a cyclical depression; it is a systemic collapse. Without putting the present international monetary-financial system through a most drastic form of bankruptcy reorganization, the attempt to continue that system with mod-

est reforms, will plunge the entire planet into an early new dark age which will last for perhaps two or more generations. The 1945-1963 model of a fixed-exchange-rate monetary-financial system, should immediately replace the 1971-2001 floating-exchange-rate, “globalized” system; but, this time, all regions of the world must be principal partners of the new system modelled on the best experience of the 1945-1963 Bretton Woods system.

Q: *The alternatives?*

LaRouche: There are two distinct, but ultimately interdependent means for bringing about a rescue of the world’s nations from the present combination of a general monetary-financial collapse and the effects of the recent coup d’état attempt.

The easier part of the solution, for me, is the economic solution. Since I am an economist of a certain degree of relevant knowledge and experience, designing a system which offers a successful alternative to the presently onrushing catastrophe, is within my intellectual means. The more difficult challenge is of the form: where shall we find combinations of political power, which might represent both the willingness and the commitment, to impose the needed new system?

I would emphasize two sets of facts, as bearing on the possibility of the needed political side of the solution. First, I point to the rising tide of impulses for economic collaboration within most of Eurasia, since the time of the 1998 GKO crisis. Second, I emphasize that the U.S.A., the world’s leading military-political power, has no hope of surviving unless it changes its present ways, into the directions of economic, monetary, and financial reform I have indicated.

We have seen, beginning with Russia’s Prime Minister Primakov, and resumed and extended by President Putin, cooperation in long-term economic development and mutual security, of Russia with the nations of East, Southeast, South, and Central Asia. These negotiations are coupled with an increasing reliance, by western Europe, on long-term markets for technology in Asia. These developments, while not yet fully secured policies, are major steps in the needed direction of things.

Were the U.S.A. to become a partner of such a Eurasian-cooperation system, the needed basis in economic interest for a peacefully developing world, is established. With included features such as Middle East peace enforced by a concert of such powers, the role of Egypt as the natural, historically and geographically determined pivot of the development of Africa as a whole, comes into play, just as U.S.A. cooperation facilitates the benefits available to Central and South America.

I am therefore optimistic, but not blindly so.

Together, with others, you and I may each play a significant role in bringing a just new world political-economic order out of the nightmare which grips the world today.

Schröder Survives, But Germany’s Crisis Remains

by Rainer Apel

On Nov. 16, German Chancellor Gerhard Schröder won a no-confidence vote in the parliament, the Bundestag, by a two-vote majority: 336 votes, which is barely above the required “Chancellor’s majority” of 334 votes, in a legislature of 666. Schröder had linked the confidence vote with the Bundestag endorsement for sending 3,900 German troops into the “war against terrorism” in Afghanistan, the Middle East, and/or Northeast Africa. Schröder blackmailed dissident members of his ruling coalition with the threat: If you vote against the package and the government fails, you will be blamed personally. Through this tactic, Schröder managed to arm-twist some of the approximately 23-30 Social Democratic (SPD) and Green party dissidents, into voting for him.

But Schröder’s hair-thin victory does not mean that his “red-green” coalition government will stay in power until September 2002, when the next national elections are scheduled. Even if no threat were posed to the government from the Bundestag, there still are enough frictions within the government that could make the coalition collapse. The surprise resignation (or dismissal?) of Schröder’s chief foreign policy adviser Michael Steiner on Nov. 20, underlined the extent of these frictions. The scene in Berlin is not so different from that in Washington, D.C., with faction fights and power struggles at the highest echelons of the administration.

Frictions will increase, as soon as German troops get into real combat situations. German soldiers face the prospect of an ugly, bloody, and protracted war — and not only in Afghanistan. Whatever the rhetoric by politicians and propaganda in the media, in the population there is a deep-rooted aversion to having German troops participating in the “war against terrorism,” and this is illustrated in recent opinion polls that show 70% of Germans opposed to such military missions. Competent, professional criticism of such missions by senior German military figures, which in the recent days has been buried under the government and media propaganda, will gain more widespread attention, as soon as the first German body-bags return home.

The ‘D-Word’

There are other factors that make the survival of Schröder’s government doubtful: the deepening economic depression and the government’s economic incompetence, with the certainty that unemployment will surpass 4 million early next year. The Chancellor may not be aware of the full scope of



Getting through a no-confidence vote for no good reason, German Chancellor Gerhard Schröder (center) with his Green party partner and Foreign Minister Joschka Fischer (left) and the head of the Social Democratic Party caucus in the Bundestag, Peter Stuck.

the crisis, but he knows that if unemployment rises above the 4 million mark, the population will see that as “the Schröder depression.” The Chancellor himself for the first time used the “d-word” in an interview on the Nov. 18, prime-time news program of the ARD first national television channel. There, he acknowledged that there are profound problems in the economy of the United States and Japan that will affect the German economy severely, in the coming weeks. Then, Schröder said that not only the European Union, but also the Group of Seven or the G-8 “should be activated, the finance ministers should give some thought to how something can be mobilized on a world economic level.” All economies are globally interdependent, including Germany’s, Schröder said, and therefore, “a signal should be sent to consumers that the states of the world community have no interest in letting a weakening of the conjuncture turn into a depression or even only a recession.”

Foreign Minister Joschka Fischer, during the Nov. 16 Bundestag debate on the no-confidence vote, also unexpectedly spoke about the high unemployment in Germany, locating that in the context of a “world economic crisis”—a phrase he used twice. This fact was noted by observers, since Fischer speaks very rarely on economic matters. One reason that Schröder and Fischer began to speak about the world economic crisis, was a political calculation: The German government had pressured dissidents to vote in its support, with the argument that even if they opposed its military policy, they would still simply have to vote for the government, because the economic situation required that the “red-green reform

coalition” stay in office. When Schröder delivered the keynote address to his Social Democratic Party’s national convention in Nuremberg, on Nov. 19, he used the same argument.

No Solution Offered

This argumentation, however, puts Schröder and Fischer in a bind: Either they come up with something that promises to reduce unemployment, or at least stops it from increasing, or within a few weeks, the government will be faced with fierce opposition from the labor unions. The metal workers, Germany’s largest labor union, with more than 3.5 million card-carrying members, is also opposed to the Afghanistan adventure. Continuing government budget cuts and fiscal austerity programs, the increased expenditures for the military deployments, and the failure of the government to do something about the unemployment, form one coherent picture for labor: This government is spending billions on bombs, but nothing on jobs, labor critics of Schröder complain. Some are already posing

the appropriate question: Why is the government acting against terrorists, but not against financial speculators? During the debate at the SPD convention in Nuremberg, arguments of this kind were voiced, coupled with calls to stop the budget-balancing tricks and instead to launch incentives for industry to create new jobs.

At Nuremberg, Schröder, his Finance Minister, Hans Eichel, and other SPD leaders told the delegates, that Berlin would not alter its budget policies, nor allow more government borrowing to create incentives. Rather, the government would continue to work toward a balanced budget by 2006, they said. And if the “war on terrorism” requires more funds, those would be taken from other budgets, they implied.

But this sounds like a military commander who refuses to retreat from an untenable position, even though he has not a single bullet left to be used for its defense. And like that commander, the German Chancellor and his Finance Minister may wake up one morning and find that some of the troops have deserted overnight. In a situation in which the usual tricks won’t work any longer, the Chancellor may find that his arsenals to keep the discipline of his Bundestag majority, are empty. After all, the Chancellor cannot use the instrument of the no-confidence vote every other week, in order to survive. Defense Minister Rudolf Scharping was the first to feel the political backlash: At the SPD convention, he was re-elected into the national party executive with only 58.8% of the delegates’ votes—the lowest result ever, in such a convention vote. Apparently, more than 40% of the delegates disliked his endorsement of the war on terrorism.

‘Marching Off Into An Adventure?’

Germany’s General Karst spoke with Angelika Bereuter-Raimondi and Michael Liebig, which interview appeared in the LaRouche movement’s German newspaper Neue Solidarität, in early November.

If you visit Brig. Gen. Heinz Karst (ret.) at his home on the Bodensee, you must expect that the conversation will be interrupted, since the telephone is always ringing. Many people inside and outside the German army, the Bundeswehr, want his assessment, want to speak about problems, and seek his advice. And that goes especially for the current situation, in which the German government coalition of the Social Democrats (SPD) and Greens wants to immediately send troops from the hollowed-out Bundeswehr into war situations in West Asia or the Middle East.

General Karst belongs to the circle of the “Fathers of the Bundeswehr,” who, along with their own war experience, built up the military forces of the German Republic. Although he formally retired long ago, he has never really “retired”: For more than three decades he has been writing books and essays, giving lectures, participating in roundtable discussions, and being active in a variety of institutions. Karst’s concern is the Bundeswehr, but he approaches it from a broader strategic view—not merely military. Conversing with him, you quickly notice that, in the period between his captivity and his joining the Bundeswehr, the history of literature was his *métier*. But, he is a soldier, and knows that the protection of the vital interests of the German Republic, as well as its obligations to the NATO alliance, can mean going to war.

Therefore, it is even more noteworthy, that in the current situation, this tough, old General declared that he is “against German soldiers being sent into an adventure in Afghanistan or in the Middle East. Therefore I must set myself against Chancellor [Gerhard] Schröder, should he expect there to be unconditional followers for German troops to stand at ‘readiness’ for Afghanistan.” Ultimately, there is the official oath of German soldiers, in which they solemnly vow to valiantly protect the law and the freedom of the German people, he says: “Whether, in chasing down bin Laden in Afghanistan or in overthrowing the Taliban regime, one is ‘valiantly defending the law and freedom of the German people,’ is a question which the government has still not answered. Does

Chancellor Schröder know what it can mean, if he talks about ‘unlimited solidarity’? Has he considered what it can mean if it really becomes a long war?”

The Beginning Of The Causal Chain

In addition, there is a second question of fundamental significance, which “not only I have posed, but which is placed before others in and out of Germany: Is bin Laden, who is obviously sick with kidney disease, really the chief person responsible for the attacks of Sept. 11? I am not convinced of it,” said General Karst. “It might be that bin Laden was involved, but that he would have been the central figure for planning and carrying out such a complicated, huge action, is not clear to me. Therefore the observations of [Egyptian President Hosni] Mubarak, who was an experienced Air Force officer and war pilot, interest me. He said that it would be impossible for an inexperienced aviation student, such as for example, the Egyptian [Mohammed] Atta, to have done this.”

If it comes down to war or peace, Karst said, then the basis for such a literally life-or-death decision, must be clear. There should be no shoving aside of “such questions, unwelcome as they may be.” Lyndon LaRouche, “whose political work I have followed for almost 20 years, advocates two theories about Sept. 11: First, there was internal American cooperation for the attacks. Second, the attacks occurred in a moment when a severe financial and economic collapse is obvious, and not only in America. Are there people in America, who stay in the background, but who possibly have an interest in bringing about an emergency regime—in view of a situation which can be compared with the worldwide economic crisis of the 1930s?”

There are terrorists who make their political message known with terrorist acts, said General Karst. “Only, where was the political ‘message’ from the gruesome Sept. 11? That has me perplexed. But an effect was produced: America finds itself, since Sept. 11, in a state of war—abroad, but really also at home. One must think about the attack in Oklahoma City. There also there was no ‘message.’ The former soldier McVeigh was executed, and never talked about his backers or accomplices.”

Historical Lessons Of War

General Karst said that he views the course of the American war in Afghanistan with astonishment. “The Russians have already shown, that they could not break the resistance of the Afghans—despite having a huge army, which they deployed there, and which, militarily speaking, did not fight badly. Now volunteers from Pakistan want to fight against the Americans. In the Islamic world, the view is spreading that the Americans cannot make it in Afghanistan. At the same time anti-Americanism is rising and growing to the benefit of Islam.”

Should either Iraq or Sudan be attacked by the Ameri-

cans — “and that is what is implied,” General Karst allowed — then it would be dangerous. “I have not read Huntington’s book [*Clash Of Civilizations*], but I know about his thesis on the ‘clash of civilizations.’ Then there could occur a worldwide fight against Christendom. Just think about what happened last Sunday in Pakistan — the massacre in the Catholic church.”

Should a Bundeswehr deployment on the side of the United States be demanded, in the face of this situation, it would be “irresponsible,” for the German government to give

“The foundations for a deployment into Afghanistan or the Middle East are unclear, the goals dubious. The consequences are unimaginable.”

in. Not only because “the causal chain, which led to this demand, is so dubious” — the real responsibilities for Sept. 11. “It is irresponsible for this demand to have been accepted at a point when the Bundeswehr is engaged in rebuilding. In other, sharper language: The Bundeswehr finds itself in the worst crisis of its history. In a situation, where it is being rebuilt and reduced, parts are being drawn into a war for which we are not prepared. The majority of the ‘Red-Green’ politicians have truly little awareness of military matters,” said General Karst.

Therefore, said General Karst, no one should be surprised if there is “widespread unrest” in the Bundeswehr. Bundeswehr members are currently taking part in events, lectures and roundtables on the strategic situation in unknown numbers. But higher-ranking officers, who refer to the obvious problems, “have been advised by the politicians from the ’68 generation, that the soldiers are supposed to leave the thinking to them — the politicians — if you please. Do they remember, what the people who today sit in positions of government, used to say a short time ago, about ‘slavish obedience’ of the Wehrmacht officers” before and during World War II?

It is no secret that the Bundeswehr would at this point only be capable of deployment in part, General Karst confirmed. “The army has only five divisions. Special forces, paratroopers, mountain troops are ready to deploy. We have some good Air Force squadrons, especially the ERC-Tornados. Our small Navy has little significance for the Americans. Altogether, the Bundeswehr at this point is functioning ‘by the skin of its teeth.’ ” They would need billions to again become a modern standing army. Bundeswehr Inspector General Horst Kujat has correctly made that point.

The higher-ranking officers know that you cannot easily deploy even the best parts of the Bundeswehr into Afghani-

stan or the Middle East. The commander of the Special Forces, Brigadier General Guenzel, has pointed that out, before he was then “corrected.” “And we have 7,000 troops in the Balkans — Macedonia, Bosnia-Herzegovina, Kosovo — and they are good people. That means that the units stationed here at home have been cleaned out. Whereas we could handle one theater of war with 10,000 men, we couldn’t handle a second one at this point.”

“It is thus the case, if the Bundeswehr goes first into a war deployment — in Afghanistan or somewhere — and if it is only involved to a small extent,” General Karst stressed, “that is then, as is well known, rarely the end of it. Then there come new demands. It is the old experience. Therefore you must say: Don’t start! Chancellor Schröder has eagerly acceded to the American demands. But he then added to it: ‘We don’t want to get into an adventure.’ But the question now is, what is the difference between an adventure and deploying Fuchs tanks or Special Forces units into Afghanistan or the Middle East? Where does the border between an adventure and a politically necessary and militarily compelling deployment lie?”

Dubious Invocation Of Article 5

Article 5 of the NATO treaty was invoked, “although without unequivocal evidence of an attack ‘from outside’ being presented. You know, Article 5 says, if one of the 19 nations has been attacked from the outside, then the others must come to its aid. The amount of aid is voluntary. And I can suppose that the majority of the German soldiers — except some mercenaries who are in every army — don’t really want to be deployed to Afghanistan or the Middle East. Not out of shirking, but because, in a reasonable evaluation, there is the impression that you are being thrown into an adventure.”

Then General Karst emphasized: “The foundations for a deployment into Afghanistan or the Middle East are unclear, the goals dubious. The consequences are unimaginable. Think about the starting point of the First World War: The assassination of Archduke Franz Ferdinand and his wife in Sarajevo — an act of terrorism! Then came the German ‘*Nibelungentreue*’ — unlimited solidarity — with the Austrian allies. Where did that bring us and the world?”

“This is a dramatic and tangled-up situation, but we must, in my view, bring about somewhat of a clarification,” the General said. “Are there American supporters who stand behind the attacks of Sept. 11? What should we then think about the secret services, which obviously paid not the slightest attention to what was brewing before Sept. 11? Or, were they prohibited somehow from following definite tracks? There are unclarified questions. Second, the connection with the worldwide economic crisis. We are compelled to put these things clearly on the table — and not be ‘made available’ on dubious grounds, with unclear goals, and with inadequate assumptions for an incomprehensible situation.”

‘War Of Civilizations’ Lobby Targets Egypt, Saudi Arabia For Overthrow

by Michele Steinberg

On **Oct. 9**, immediately after President George W. Bush announced support for a “state of Palestine,” the lead editorial of the *Washington Post* blasted the “autocratic regime” of Egyptian President Hosni Mubarak, calling it “politically exhausted and morally bankrupt.” The *Post* said it is time for U.S. aid of \$2 billion a year to be cut off, because “Egypt is the leading example” of countries that are the “largest single cause of Islamic extremism and terrorism.”

On **Oct. 17**, in a similar vein, the *New York Post* called Saudi Arabia a “pseudo-ally . . . in bed with Osama bin Laden.” The Saudis should be “dealt with” as soon as the Afghanistan war succeeds, the paper said.

On **Oct. 27**, another *New York Post* article lied that Saudi Crown Prince Abdallah finances the Taliban and Osama bin Laden.

On **Oct. 30**, the *Wall Street Journal*’s lead editorial explained what it had in store for Saudi Arabia: to “seize the oil fields” after the expected collapse of the Saudi royal family. It is time to face the fact that a “more radical regime” could come to power in Saudi Arabia which would “force a decision [by the U.S.] on whether to take over the Saudi oil fields, which would put an end to OPEC.”

On **Nov. 2**, Richard Perle, asset of the British Empire’s Hollinger Corp. media empire and a right-wing war-monger who heads the Pentagon’s Defense Policy Board, was on Washington’s WTOP news radio, accusing the Saudi royal family of spending “billions of dollars on mosques and schools around the world that preach hatred” of the United States.

On **Nov. 8**, the London *Economist* accused the “repressive, secretive, and undemocratic” regime of Saudi Arabia of supporting the Taliban, and the “extended royal family itself” of financing the “charities that finance terrorist groups, including al-Qaeda.” The *Economist* declared King Fahd and Crown Prince Abdullah to be reliving “the last days of the Shah in Iran.”

On **Nov. 19**, the *Weekly Standard* said that Saudi Arabia is no true friend of the United States, and “in the event of a [radical] upheaval in Saudi Arabia, we [the United States] will take control, protect, and run the Kingdom’s oil fields.”

These quotes are just a selection of dozens of a similar kind appearing in the last six weeks. Add to this list London’s prestigious *Financial Times*, the British Broadcasting Corp.,

and the government-funded U.S. Public Broadcasting System (PBS).

What is behind this campaign of attacks — akin to a declaration of war against enemy countries — when, in fact, Egypt and Saudi Arabia are the two leading U.S. military allies in the Arab world?

Anglo-American Black Propaganda

The slander campaign against Egypt and Saudi Arabia began *long before* Sept. 11, and serves the purpose of spreading chaos in the Middle East, and destroying the potential for the region to join the Eurasian Land-Bridge development that is being promoted by Russian President Vladimir Putin. In March 2001, speaking before the conference of the American-Israeli Public Affairs Committee (AIPAC), Rep. Tom Lantos (D-Calif.) was already calling for the United States to cut off aid to Egypt. The Sept. 11 attacks merely provided a pretext for the conspirators against Middle East development to attack Egypt and Saudi Arabia.

The attacks come from the highest levels of an alliance of rogue elements in the United States and Britain. But to really understand this campaign, it must first be understood that blaming Osama bin Laden as the mastermind of the Sept. 11 attacks, is a hoax, and the explanation of the current war in Afghanistan as following from that blame is therefore a fraud.

The Sept. 11 events must be recognized as an *internal* attempted coup d’état, says Lyndon LaRouche, Democratic Presidential pre-candidate for 2004. He made this point and situated its importance in detail again on Nov. 17, in answering questions following his strategic presentation to a meeting in Mainz, Germany (see *Conference Report* in this issue). LaRouche focussed attention on the struggle going on between two policies toward dealing with the irregular warfare threat which struck the United States on Sept. 11, and had struck Russia and other nations repeatedly earlier. One policy is being pursued as a result of increasingly close collaboration between Presidents Bush and Putin; the other policy, opposing it, is coming from the circles also attacking Egypt and Saudi Arabia.

The Enemy Within

As *EIR* has documented, two powerful and interconnected networks of treason are operating within the United States to

hijack Bush Administration policy and turn it toward the global war that Carter National Security Adviser Zbigniew Brzezinski wants. The agenda of this “enemy within” is to spread the U.S. bombings to Iraq, Iran, Sudan, Syria, Somalia, and other nations in what they call a “Fourth World War.” This group, functioning as a “Nazi International,” includes the Paul Wolfowitz cabal inside the Defense Department, State Department, and White House advisory posts; and the Israeli Lobby super-funders known as the “Mega” group, headed by organized crime-linked billionaire Edgar Bronfman of Canada.

As part of this policy coup, the Brzezinski/Mega alliance has singled out Egypt and Saudi Arabia, not because these countries are *harboring* terrorism, rather because they are key to *stopping* terrorism.

And there is no question that Mubarak is being especially targeted because he exposed the fact that London harbors terrorism. On Sept. 22, Mubarak told the French daily *Le Figaro*:

“I warned [former British Prime Minister] John Major, but he did not listen. I repeated the same thing to the BBC. . . . I sent a message to [Prime Minister] Tony Blair. . . . France took notice. But certain European capitals are becoming veritable terrorist production plants. Governments which have agreed to give them shelter should not cry when they become targets.”

On Sept. 28, when British Foreign Minister Jack Straw made his visit to Cairo to build the “anti-terror coalition,” Mubarak put the British on the line. A fumbling Straw told reporters, “I understand Mr. Mubarak’s concern that convicted terrorists from Egypt went to reside in the United Kingdom.” Straw claimed that Egypt had “never asked for the extradition” of terrorists, but Mubarak adviser Usama al-Baz made clear that Britain had not acted to “stop terrorist activities on its territories.”

On Oct. 11, Blair got even worse treatment in Cairo, when a television reporter asked him, “You have become an active member in a coalition fighting international terror. Isn’t this inconsistent with the fact that the United Kingdom has been granting asylum and facilities to terrorist organizations and to elements who have been convicted of terrorist activities in their home countries? How would you explain that?” Subsequently, inside Britain, Blair and his Mideast trips became a laughingstock.

Mubarak has also raised fundamental questions that parallel LaRouche’s analysis. Speaking to *Al-Ahram Weekly* on Oct. 25, Mubarak questioned the identity of the Sept. 11 “19 hijackers,” stressing that “the pilots were professionals,” not amateurs who attended a few sessions at a private flight school. He also told *Washington Post* heiress Lally Weymouth, a close ally of Israeli Prime Minister Ariel Sharon, that Osama bin Laden, Sheikh Abdel Rahman, and Egyptian terrorist Ayman Zawahiri, were “mujahideen recruited by the U.S. in Afghanistan.”

Trans-Atlantic Network

EIR has been able to identify some of the key institutions in this multi-layered operation against Egypt and Saudi Arabia. The tactic is the “Big Lie” of Hitler’s Propaganda Minister, Joseph Goebbels: widespread slanders claim that military support is being denied to the United States, that the Saudis are refusing to turn over intelligence about the al-Qaeda network, and that Saudi “charities” finance the Taliban and Osama bin Laden; but, it is common knowledge that it was the American intelligence services who told the Saudis to fund the Taliban, because the Taliban were, until very recently, used by the United States as an asset.

At the front end of the operation, the media slurs all emanate from a small circle of funders and media owners. These include the *Washington Post*, where owner Lally Weymouth provides positive propaganda for Sharon. Another is the Hollinger Corp., owned by Canadian Conrad Black, who runs the London *Daily Telegraph* and the *Jerusalem Post* as his flagship publications. Hollinger’s International Advisory Board, which includes Brzezinski, Sir Henry Kissinger, Baroness Margaret Thatcher, and Richard Perle, coordinates policy shifts across several governments. Not to be eclipsed by Black, is Sir Rupert Murdoch, owner of the *Times* of London, the right-wing Zionist *New York Post*, and the *Weekly Standard*. The financier oligarchy is heavily represented through the *Wall Street Journal*, the *Financial Times*, and the *Economist*.

The second level involves think-tanks in Washington, London, and Israel that are suddenly churning out intelligence reports linking Egypt and Saudi Arabia to terrorism. Leading this effort in the United States is the American Enterprise Institute (AEI); the Washington Institute on Near East Policy (WINEP), which was largely funded by Bronfman’s Mega group; and Murdoch’s *Weekly Standard*. The AEI overlaps with institutions that are directly run by Israeli military intelligence, such as the Jewish Institute for National Security Affairs (JINSA), which specializes in penetrating U.S. intelligence agencies. The key funders at this level include Sir Rupert Murdoch, and Richard Mellon Scaife, the right-wing scion of a top, Eastern Establishment family in the United States.

Thirdly, elected representatives in the United States and Great Britain try to weaken Egypt and Saudi Arabia. The British specialty is building up radical dissident networks that can be used for coups, street riots, and assassinations. A key operative is Lord Eric Avebury, head of the Parliament’s Human Rights Committee, who secretly builds up anti-Saudi dissident networks, linked to bin Laden. In the United States, both neo-conservative fascists inside the Republican Party, and Democrats like Lantos, are involved.

However, as LaRouche said in Germany, the Brzezinski gameplan can be defeated, and coordinated initiatives for a peace based on a principled dialogue of civilizations, can be the key to defeating the advocates of a new dark age.

British Svengali Behind Clash Of Civilizations

by Scott Thompson and Jeffrey Steinberg

On Nov. 19, octogenarian British Orientalist spook Bernard Lewis wrote an elaborate apologia for Osama bin Laden, a fervent pitch for the inevitability of the “Clash of Civilizations,” in the pages of *New Yorker* magazine. Under the headline “The Revolt of Islam,” Lewis lied that the emergence of “Islamic terrorism” in the recent decades, is completely consistent with mainstream Islam, which is committed to the



subjugation of the infidels to Islamic law. He went through 14 pages of a fractured fairy-tale history of Islam, quoting bin Laden’s Oct. 7, 2001 videotape, where the Saudi expatriate spoke of Islam’s “humiliation and disgrace . . . for more than 80 years”—a reference to the crushing of the Ottoman Empire by Britain and France in 1918. Lewis invented a tradition of jihad, “bequeathed to Muslims by the Prophet”:

“In principle,” Lewis explained, “the world was divided into two houses: the House of Islam, in which a Muslim government ruled and Muslim law prevailed, and the House of War, the rest of the world, still inhabited and, more important, ruled by infidels. Between the two, there was to be a perpetual state of war until the entire world either embraced Islam or submitted to the rule of the Muslim state.” Among all the different “infidels” ruling the House of War, Lewis asserted, Christianity was singled out as “their primary rival in the struggle for world domination.” Lewis cited slogans painted on the walls of Jerusalem’s Dome of the Rock from the Seventh Century, assailing Christianity.

Lewis then claimed that the evolution of modern Islamic terrorism, specifically the al-Qaeda terrorism, had a long, proud history within Islam, dating to the Assassins cult of the 11th-13th Centuries. (Lewis wrote a 1967 book, *The Assassins*, extolling the virtues of this secret society.) He also identified Saudi Arabia and Egypt as two regimes legitimately singled out by the Islamic jihadists, for their corruption by

“modernism.”

He concluded, ominously: “For Osama bin Laden, 2001 marks the resumption of the war for the religious dominance of the world, that began in the Seventh Century. . . . If bin Laden can persuade the world of Islam to accept his views and his leadership, then a long and bitter struggle lies ahead, and not only for America. Sooner or later, al-Qaeda and related groups will clash with the other neighbors of Islam—Russia, China, India—who may prove less squeamish than the Americans in using their power against Muslims and their sanctities. If bin Laden is correct in his calculations and succeeds in his war, then a dark future awaits the world, especially the part of it that embraces Islam.”

Bernard Lewis Plan, Take II

Since the attacks on the World Trade Center and the Pentagon, Lewis has, not surprisingly, resurfaced in numerous locations. After all, the 85-year old British Arab Bureau mandarin has been London’s point-man in the United States since 1974, when he was posted to H.G. Wells’ outpost at Princeton University’s Center for Advanced Studies, to secure American compliance with British geopolitical manipulations in the Middle East, the Caucasus, the Caspian Basin, and Central Asia.

To put it bluntly: British intelligence senior operator Lewis is the guiding hand behind the ongoing U.S. neo-conservative drive for a new “Thirty Years War” in Eurasia. This drive is at the heart of the ongoing coup d’état attempt against the George W. Bush Administration, which began with the Sept. 11 irregular warfare attacks on New York City and Washington.

Lewis’ arrival at Princeton, after serving on the faculty of the University of London’s Middle East and Africa faculty (the repository of the original India House files, long officially referred to as the Colonial Department), coincided with then-Secretary of State Henry A. Kissinger’s fomenting of the civil war in Lebanon. That persists to the present day, and served as a laboratory for the later “Islamic revolution” in Iran.

Lewis is no mere British quackademic. After obtaining his doctorate in the history of Islam from the University of London School of Oriental and African Studies, he joined the university faculty in 1938. From 1940-45, Lewis was, in his own understated words, “otherwise engaged,” as a wartime British Military Intelligence officer, later seconded to the British Foreign Office. To this day, Lewis remains mum about his wartime “engagements.”

Since arriving at Princeton, Lewis has been demonstrably responsible for every piece of strategic folly and insanity into which the United States has been suckered in Asia Minor. The Wellsian “method to his madness” has been the persistent push to eliminate the nation-state system, and launch murderous wars stretching across the Eurasian region.

- During the Carter Administration, Lewis was the archi-

tect of madman Zbigniew Brzezinski's "Arc of Crisis" policy of fomenting Muslim Brotherhood fundamentalist insurrections all along the southern tier of the Soviet Union. The planned fostering of radical Islamist war provocations was known, at the time, as "the Bernard Lewis Plan." Among the fruits of this Lewis-Brzezinski collusion: the February 1979 Ayatollah Khomeini "Islamic Revolution" in Iran, which overthrew the Shah, and sent the once-proud center of the Islamic Renaissance back into a 20-year dark age; and the 1979-1988 Afghanistan War, provoked by Brzezinski's July 1979 launching of covert support for Afghan mujahideen "Contras" inside Afghanistan—six months *prior* to the Soviet Red Army's Christmas Eve invasion.

As early as 1960, in a book-length study he prepared for the Royal Institute for International Affairs, under the title *The Emergence of Modern Turkey*, Lewis polemicized against the modernizing, nation-building legacy of Turkey's Mustafa Kemal Ataturk. He argued instead for the revival of an Ottoman Empire that could be used as a British geopolitical battering ram against Russia and against the Arab states of the Persian Gulf—in alliance with Israel.

- It was Bernard Lewis who launched the hoax of the "Clash of Civilizations"—in a September 1990 *Atlantic Monthly* article on "The Roots of Muslim Rage," which appeared three years *before* Brzezinski clone Samuel Huntington's publication of his *Foreign Affairs* diatribe, "The Clash Of Civilizations." Huntington's article, and his subsequent book-length treatment of the same subject, were caricatures of Lewis' more sophisticated British Orientalist historical fraud, which painted Islam as engaged in a 14-century-long war against Christianity. Huntington acknowledged that Lewis' 1990 piece coined the term "Clash of Civilizations."

- In 1992, in the aftermath of the Persian Gulf War, Lewis celebrated in the pages of the New York Council on Foreign Relations' *Foreign Affairs* that the era of the nation-state in the Middle East had come to an inglorious end, and the entire region should expect to go through a prolonged period of "Lebanonization"—i.e., degeneration into fratricidal, parochialist violence and chaos.

"The eclipse of pan-Arabism," he wrote, "has left Islamic fundamentalism as the most attractive alternative to all those who feel that there has to be something better, truer, and more hopeful than the inept tyrannies of their rulers and the bankrupt ideologies foisted on them from outside." The Islamists represent "a network outside the control of the state. . . . The more oppressive the regime, the greater the help it gives to fundamentalists by eliminating competing oppositionists."

He concluded the *Foreign Affairs* piece by forecasting the "Lebanonization" of the entire region, save Israel: "Most of the states of the Middle East . . . are of recent and artificial construction and are vulnerable to such a process. If the central power is sufficiently weakened, there is no real civil soci-

ety to hold the polity together, no real sense of common national identity or overriding allegiance to the nation-state. The state then disintegrates—as happened in Lebanon—into a chaos of squabbling, feuding, fighting sects, tribes, regions and parties."

- In 1998, it was Lewis who catapulted Osama bin Laden into prominence with a November/December *Foreign Affairs* article, legitimizing the Saudi black sheep as a serious proponent of mainstream, militant Islam. Lewis' piece, "License To Kill: Osama bin Laden's Declaration Of Jihad," showered praise on bin Laden, pronouncing his "Declaration of Jihad Versus Jews and Crusaders" "a magnificent piece of eloquent, at times even poetic Arabic prose . . . which reveals a version of history that most Westerners will find unfamiliar."

Caught In The Act

Osama bin Laden released his 1998 jihad call on Feb. 23, 1998, six months before the truck bombing attacks against the U.S. embassies in Tanzania and Kenya. The very next day, Bernard Lewis' signature appeared on a widely circulated Open Letter To President Bill Clinton, released by a previously unheard-of entity called the Committee for Peace and Security in the Gulf, demanding that the U.S. government throw its full support behind a military campaign to overthrow Saddam Hussein. The Open Letter called for carpet bombing Iraq, and for the United States to aggressively give financial and military support for the Iraqi National Congress, yet another corrupt and inept "Contra" pseudo-gang, created by U.S. and British intelligence elements, and based in London.

In addition to Bernard Lewis, the Open Letter was endorsed by former U.S. Rep. Steven Solarz (D-N.Y.), notorious Anglo-Israeli propagandist and spy Richard Perle, convicted Iran-Contra criminal Elliott Abrams, Jonathan Pollard fellow-traveller Steven Bryen, Frank Gaffney, *New Republic* publisher and Al Gore mentor Martin Peretz, Paul Wolfowitz, Washington Institute for Near East Policy (WINEP) research director David Wurmser, and Dov Zakheim.

Lewis' public alliance at that time with the leading lights of the "Mega" apparatus—now waging all-out war against the Bush Administration's efforts to box in Israeli madman Ariel Sharon—is noteworthy, but not surprising. Lewis is lionized inside Israel, and by the Israeli Lobby in America as a geopolitical giant. On Feb. 19, 1996, Lewis was feted in Jerusalem, where he delivered the ninth annual B'nai B'rith World Center "Jerusalem Address" on "The Middle East Towards the Year 2000." His son, Michael Lewis, is the director of the American-Israeli Public Affairs Committee's super-secret "opposition research section." This is one of the most important wellsprings of propaganda and disinformation, presently saturating the U.S. Congress and American media with war-cries for precisely the Clash of Civilizations Bernard Lewis has been promoting for decades.

Thumbs Down To Humanity

The federal election was decided by a vox populi mob, but LaRouche's associates tripled their vote.

The scene is a coliseum. The bleachers are overflowing with frenzied spectators, who are absorbed in the ongoing struggle in the arena below. The arena is flooded, and an overloaded, barely seaworthy boat is on the verge of sinking, as desperate men, women, and children cry for help. A toga-clad Prime Minister John Howard, flanked by a similarly clad, corpulent opposition leader Kim Beazley, extend their arms—thumbs down to the mostly Iraqi and Afghani refugees! The crowd roars its approval.

Thus ended a five-week federal election campaign in Australia on Nov. 10, with Liberal Party leader John Howard being re-elected for a third term. Howard had achieved an amazing electoral turnaround: Six months earlier, in his own words, his government was “gone for all money.” His Liberal Party/National Party Coalition had lost power in the states of Queensland and Western Australia, and was even losing elections to the Opposition Australian Labor Party (ALP) in strong Liberal Party areas.

Howard turned it all around with a blatant appeal to popular opinion, the *vox populi*, on the issue of “boat people”—desperate refugees trying to illegally land in Australia.

Without warning, in late August, the Howard Government ordered that a Norwegian vessel, the MV Tampa—which had been asked by *Australian authorities* to rescue a capsized boatload of refugees near Christmas Island—be stopped from offloading the refugees onto Australian territory. The message from Australia was “they are not our problem,” and a stand-off ensued, involving the Norwegian gov-

ernment, which wasn't solved until New Zealand stepped in, along with the tiny, impoverished Pacific island nation of Nauru, to take the refugees themselves. Howard's political line was, “We decide who comes to Australia,” and he turned it into an issue of national sovereignty.

Opinion polls recorded 80% support for his stance, from an increasingly unemployed, worried electorate. Cowed by these polls, the ALP Opposition fell into line with Howard's stance, and gave their support for draconian new “border protection” laws to enforce it. The terrorist crisis on Sep. 11 boosted Howard still further, by casting further suspicion on the mostly Iraqi and Afghani boat people.

Under the new laws, all subsequent boatloads of refugees were intercepted by the Australian Navy, and offloaded on to Nauru, which has a population density of 590 persons per square kilometer—compared to 2 for Australia!

This set the stage for the entire election campaign, and Howard shamelessly played it up, most notoriously when he lied that refugees on one boat threw their children into the water in order to force the Navy to pick them up. Snarled Howard, “We don't want those kind of people in Australia.” This lie was later proven to be such, but that had no political impact, and Howard was re-elected. Reflecting the international scorn for Australia's inhumane position, he immediately tried to distance himself from his election tactics, while the ALP claimed that they had to support Howard, or face electoral doom themselves.

The bright spot in the election, which was otherwise a mandate to continue with both major parties' savage commitment to globalization, was the results for Lyndon LaRouche's Australian associates, the Citizens Electoral Council. Campaigning under the slogan “Let's build out of the depression! Support LaRouche's New Bretton Woods,” the CEC tripled its nation-wide vote over the 1998 election, winning over 23,000 votes for 49 candidates, according to near-final tallies. In many electoral districts, CEC candidates attracted 1-2% of the total, and in two districts got 2.4% and 3.2% respectively. These are significant vote totals under Australia's complex “preferential” voting system, where the votes of the minor-placing candidates are numbered in descending order of preference and then divided between the two leading candidates according to that numbering; the CEC's vote enabled it to determine the outcome of some close contests through its “preferences.”

The only other party to significantly increase its vote was the Greens (to over 4%), in large part for its principled opposition to the government's handling of the boat people issue, and with the help of a lot of media coverage not bestowed on the CEC. The pathetic ALP attracted its lowest vote since the 1930s, and the vote for the populist Pauline Hanson's One Nation party, which has redefined Australian politics since it emerged in 1996, collapsed in half, down from 9%. One Nation was stymied by Howard's campaigning on an anti-immigration platform, which was unfortunately one of the issues popularized by Hanson. She has more useful issues, such as opposition to globalization, but this was the one which the media promoted most. Hanson said of Howard's anti-immigration stance: “I feel like I'm his adviser.”

LaRouche On Public Health Key Issue At Briefing In Congress

by Dennis Speed

Dr. Abdul Alim Muhammad, minister of health of the Nation of Islam and director of the Abundant Life Clinic in Washington, D.C., was a featured speaker at a Congressional briefing on “Public Hospitals In Crisis: Is The Safety Net Unraveling?” The briefing, held Nov. 14, 2001, was convened by Congressmen John Conyers (D-Mich.) and Dennis Kucinich (D-Ohio), on Capital Hill. It was noteworthy for two developments. First, was the public acknowledgment by Democratic Rep. Maxine Waters of California, at an early point in the session, that Lyndon LaRouche had been right in his movement’s principled fight over public health and the general welfare, in which D.C. General Hospital was made a national and international issue. Second, Dr. Muhammad’s testimony threw the light of truth on a nationally publicized fraud—the TV photos of capital-area postal workers, at the height of the anthrax crisis, sent to D.C. General Hospital “for testing.”

Beginning in 1996, Dr. Muhammad participated in a series of FDR-PAC public forums, initiated by LaRouche, which were aimed at intervening to shape policy for the Democratic Party and the nation as a whole. The first of these policy forums was held in Washington on Nov. 9, 1996, in the immediate aftermath of an election which saw widespread defeats for Democratic Congressional candidates. Their defeats followed the capitulation earlier that year, to the Conservative Revolution “budget-balancing hysteria,” coming from both the Gingrich wing of the Republican Party and the Al “Born to Lose” Gore wing of the Democratic Party. This first policy forum featured the nation’s current crisis in health care and was entitled, “Roll Back ‘Managed Care’ —Return To Hill-Burton Hospital Building And Universal Care.” Had the policy prescriptions, laid out by LaRouche, Dr. Muhammad, and others at that forum and further meetings, been heeded, the nation would not have found itself so woefully unprepared to deal with the events of Sept. 11 and the subsequent anthrax incidents.

Representative Waters recognized the fact that “LaRouche was right,” both with his leadership of the fight to save and now to restore D.C. General Hospital, and more broadly on the national health-care crisis. She apologized publicly: “We have had a group of people coming to this Congress, trying to focus us on D.C. General Hospital. And, we basically, told them, ‘It’s not our district. It’s not a national issue.’ And a lot of people shied away from that because the LaRouche organization was at the forefront, of trying to help us to understand what was going on. We should all apologize. And I do now. I apologize because, you were right. It *is* a national issue. *And we could have understood this.*”

LaRouche and his associates have repeatedly issued policy outlines for dealing with the economic and security crisis, including his recent document on “Building A National Defense Against Germ Warfare” (*EIR*, Nov. 9). It is now time for Sen. Tom Daschle (D-S.D.) and others to correct their error on the very same principle of health care, and get about the business of having an actual economic recovery program.

LaRouche Task Force Doctor Briefs Congress

Dr. Abdul Alim Muhammad testified on Nov. 14 to the Congressional briefing, “Public Hospitals In Crisis,” chaired by Reps. John Conyers (D-Mich.) and Dennis Kucinich (D-Ohio). His testimony is slightly excerpted, with subheads added.

Thank you very much, Mr. Chairman, all of the other members of this committee. I want to thank you for this hearing,

which is, I believe, the third one in a series of hearings, in the last 12 months, on the issue of the public-health crisis, both throughout the nation, but specifically here, at ground zero, in Washington, D.C.

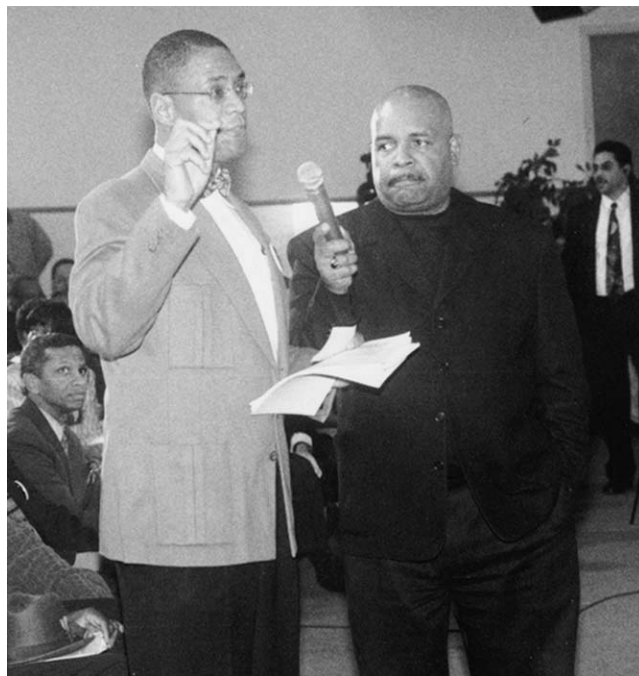
I represent several organizations. I'm a part of the LaRouche Task Force on Health; I'm the Minister of Health and Human Services for the Nation of Islam; but, specifically, here in the District, I operate a small clinic, about eight blocks from here, called the Abundant Life Clinic, and I used to depend quite heavily on the [services] of D.C. General Hospital; now, I don't know what to do in certain cases. I also have become somewhat of a reluctant spokesperson for the Citizens Coalition for the New D.C. General Hospital. The Coalition testified at previous hearings, and at that time, it was called the Citizens Coalition to *Save* D.C. General Hospital, but since the last hearings, D.C. General Hospital has been closed, as we all know. . . .

About a year ago, I picked up a current textbook on public health, and in the introduction, the author pointed out that the American health-care system is not actually a system; it doesn't qualify as a system. I also take exception to the use of the term "safety net," because "safety net," to my mind, is equivalent to talking about a band-aid, when, in fact, major surgery might be required. And so, to say that the band-aid is unravelling, the safety net is unravelling, is to miss the point entirely: that what we have in this country, is a *non*-system of health care, that does not serve the needs of the country. This, obviously, if neglected long enough, leads to a crisis.

But, here again, the maximum point of crisis in public health—and when you meet that maximum crisis point in public health, it becomes a problem of national security. The events of Sept. 11 have drawn that in very sharp focus. As a member of the Citizens Coalition for the New D.C. General Hospital, I could very easily say, "We told you so." We testified a few months ago [at a Congressional briefing], that there would be tremendously negative consequences from closing D.C. General Hospital.

A Shell Of A Hospital

Recently, I guess about three weeks ago, I was out of town, in Chicago, and I happened to turn on CNN, and there was the Mayor of Washington, D.C., and his Health Commissioner standing in front of D.C. General Hospital, with about 2,000 postal workers from the Brentwood Post Office; and the people who were in the room with me, said, "Oh, there's your hospital, on television." And, I had a very difficult time explaining to them, that what they were seeing on CNN, was not actual proof, or actual fact: "That is not a hospital," I tried to explain; "that *used to be* a hospital; it is an empty shell that has been gutted." And why, in good conscience, the Mayor and the Health Commissioner for the District of Columbia would invite thousands of postal workers—who have been possibly exposed to the deadly anthrax—why they would be invited to the closed-down, empty hospital, is just beyond me. I don't think that is a good-faith action. I think that is a cynical,



Dr. Abdul Alim Muhammad told Congress that what the District of Columbia needs, is a full-service, fully funded public general hospital, "which would be a symbol for the rest of the country, that we are now ready for a serious consideration of the public-health needs of the country as a whole."

fraudulent action, where a hospital is being used as a backdrop for a television news sound-bite.

One of the very first employees of D.C. General Hospital, Dr. Seymour—who was fired, given a pink slip, last December—he was the chief of microbiology, he was the head of a fairly large microbiology laboratory at D.C. General Hospital [see interview, *EIR*, Nov. 16]. If the hospital had not been closed, and if Dr. Seymour had not been fired, he would probably be a household name throughout the country. Because when the postal workers were lined up in front of an empty shell that used to be a hospital, and the American public was being lied to, that they were being somehow treated, that they were screened for anthrax, all of which is just a lot of lies—you cannot screen, you cannot test, where there is no laboratory—Dr. Seymour would have been able to handle that situation, because D.C. General Hospital happens to be one of the very best bioterrorism response centers in the country. . . .

President Bush has let us know that he intends to fight a war against terrorism, even if it takes 10 years, or 20 years, that he's going to win this war against terrorism. Well, we need to have the same level of resolve where public health is concerned.

We will continue to fight, until we have a true public-health system in this country, to which each and every citizen, each and every resident of the country, has complete access. Luck is no substitute for a public-health policy. Why do I use the word "luck"? Because on 9-11, a jet airliner was driven

into the Pentagon, and it was lucky, if you get my meaning, that most of the casualties were dead at the scene, and so therefore, the inadequate hospital system in the District of Columbia was saved from having to deal with a lot of wounded and injured casualties. . . .

Not to mention the luck, so far, in the recent anthrax attacks through the postal system, lucky in the sense that, whoever is behind this kind of activity doesn't have a better way of deploying anthrax spores into the general population. Because if they were a little bit more skillful in what they're doing, then, we would have a public-health emergency that could not be met under current circumstances.

The Hill-Burton Model

Now, history is best qualified to reward our research. This is not the first time that this country has been in the midst of an ongoing economic collapse, even though people skirt the issues. I looked at Alan Greenspan last week, as he lowered the interest rate for the tenth time in this year, and I thought, as a physician, well, you know, if I got a diagnosis, and I gave a treatment, and one or two doses were supposed to be sufficient, and I had the tenth dose, and it still wasn't working, I'd think my diagnosis is questionable, and the treatment is questionable. But here, you've got the tenth lowering of the interest rate, so this tells you where we are. We're in the midst of a depression; even though people have trouble with the word "recession," it's actually a depression. LaRouche was right about that, along with many other things. And we are also in a state of war. Well, we go back 50 or 60 years, during the administration of Franklin Delano Roosevelt—this was exactly the same situation. The country was at war, and had an economic depression at the same time, and there were terrible, horrific health statistics all over the country, due to the lack of a health-care system.

And so, I think that we can use history as a guide, to understand that what Roosevelt, and those who were then in the Congress, did in those days, is what needs to be done again today. I feel like singing that old song, "Give me that old-time religion. It was good enough for my mother. It was good enough for my father. . . ." I feel like singing that, and, in this case, the religion is called the Hill-Burton legislation, that saw to it that there were adequate hospitals all over the country—even in rural counties, in urban areas—there was no question of money; it was a matter of protecting the public welfare. It was not an issue of trying to make a profit off of poor people; the only way you can make a profit off of poor people, is, you cheat them.

And so, the Hill-Burton idea needs to be resurrected, and we need to have the political leadership, in Congress and elsewhere, to put it across. . . .

Another President had a bad idea—in 1969, Richard Nixon—that we now commonly refer to as the "HMO Act": It was a bad idea in 1969; it's a bad idea in 2001; it's a bad idea, in my opinion, whose time has come and has gone. We need to face up to the fact that it's a dismal failure; it has

caused disaster to the country. It has destroyed the public-health system that we had. And so we need to abolish the HMO Act; we need to make health-maintenance organizations illegal; and they need to be investigated because they obviously are guilty of perpetrating fraud against the Federal government, against the American public; they're obviously engaged in criminal, or quasi-criminal activities, and that needs to be investigated.

What we need in the District of Columbia, to be specific, is a full-service, fully funded, public general hospital, that is in the budget, that is able to meet the health-care needs of the city, and which would be a symbol for the rest of the country, that we are now ready for a serious consideration of the public-health needs of the country as a whole. . . .

The Hill-Burton Act

The Hill-Burton Act became law on Aug. 13, 1946, as Public Law 725. The official title is, "Hospital Survey and Construction Act," and the document is nine pages in length. The chief sponsor was Sen. Lister Hill (D-Ala.). The act was an amendment to the Public Health Service Act, which authorized grants to the states for surveying their hospitals and public-health centers and for planning construction of additional facilities, and it authorized grants to assist in such construction. The law was extended in several subsequent acts of Congress.

The following are excerpts from 42 U.S.C. 291 et seq., which are, at present, incorporated into current U.S. law by the Hill-Burton Act.

291. Declaration of Purpose

The purpose of this title is

(a) to assist the several States in the carrying out of their programs for the construction and modernization of such public or other nonprofit community hospitals and other medical facilities as may be necessary, in conjunction with existing facilities, to furnish adequate hospital, clinic, or similar services to all their people;

(b) to stimulate the development of new or improved types of physical facilities for medical, diagnostic, preventive, treatment, or rehabilitative services; and

(c) to promote research, experiments, and demonstrations relating to the effective development and utilization of hospital, clinic, or similar services, facilities, and resources, and to promote the coordination of such research, experiments, and demonstrations and the useful application of their results.

291c. General Regulations

The Surgeon General, with the approval of the Federal Hospital Council and the Secretary of Health, Education, and Welfare, shall by general regulations prescribe

(a) Priority of projects. The general manner in which the

State agency shall determine the priority of projects based on the relative need of different areas lacking adequate facilities of various types for which assistance is available under this part, giving special consideration

(1) in case of projects for the construction of hospitals, to facilities serving areas with relatively small financial resources and, at the option of the State, rural communities;

(2) in the case of projects for the construction of rehabilitation facilities, to facilities operated in connection with a university teaching hospital which will provide an integrated program of medical, psychological, social, and vocational evaluation and services under competent supervision;

(3) in the case of projects for modernization of facilities, to facilities serving densely populated areas;

(4) in the case of projects for construction or modernization of outpatient facilities, to any outpatient facility that will be located in, and provide services for residents of, an area determined by the Secretary to be a rural or urban poverty area;

(5) to projects for facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

(6) to facilities which will provide training in health or allied health professions; and

(7) to facilities which will provide, to a significant extent, for the treatment of alcoholism;

(b) Standards of construction and equipment. General standards of construction and equipment for facilities of different classes and in different types of location, for which assistance is available under this part.

(c) Criteria for determining needs. Criteria for determining needs for general hospital and long-term care beds, and needs for hospitals and other facilities for which aid under this part is available, and for developing plans for the distribution of such beds and facilities;

(d) Modernization. Criteria for determining the extent to which existing facilities, for which aid under this part is available, are in need of modernization; and

(e) State plan requirements. That the State plan shall provide for adequate hospitals, and other facilities for which aid under this part is available, for all persons residing in the State, and adequate hospitals (and such other facilities) to furnish needed services for persons unable to pay therefor. Such regulations may also require that before approval of an application for a project is recommended by a State agency to the Surgeon General for approval under this part, assurance shall be received by the State from the applicant that (1) the facility or portion thereof to be constructed or modernized will be made available to all persons residing in the territorial area of the applicant; and (2) there will be made available in the facility, or portion thereof, to be constructed or modernized, a reasonable volume of services to persons unable to pay therefor, but an exception shall be made if such requirement is not feasible from a financial viewpoint.

Open Letter To The AFL-CIO

by Lyndon H. LaRouche, Jr.

November 18, 2001

The vendetta against me from certain elements of the AFL-CIO bureaucracy, radiates chiefly from a network of former Communist Party U.S.A. General Secretary Jay Lovestone, Lovestone's long-standing patron, David Dubinsky of the ILGWU, Lovestone CIA crony and nut-case James Jesus Angleton, Lovestone's crony Leo Cherne, the International Communist Right Opposition, and, the latter's offshoot, the International Rescue Committee (which, since no later than 1933, was simultaneously an operation of Bukharin, Brandler, Thalheimer, Radek, et al. inside the Soviet intelligence apparatus, and the U.S. State Department—the latter via such channels as the daughter of the U.S. Ambassador to Berlin (and through a hole in a tree in a famous Berlin park).

One of the most significant cronies of Lovestone to the AFL-CIO, apart from Dubinsky himself, was the notorious Angleton who was ultimately fired, on grounds of insanity, from the CIA by Bill Colby. Angleton was notorious otherwise for his father, former head of National Cash Register's Italy division, and a decorated admirer of dictator Benito Mussolini, and among those closely associated with the notorious, lunatic American poet, Ezra Pound, who adopted insanity as the option for avoiding a treason trial and sentencing. Angleton was part of the anti-Roosevelt London staff of the OSS, who was shipped from London to Rome, after the war had been won and Mussolini dead, to serve under Allen Dulles' takeover of the Rome office of U.S. intelligence, a servant of Allen Dulles, either actually or implicitly, until the end of his life.

Until late during the 1930s, Lovestone bragged of being a Soviet intelligence asset of Josef Stalin, but officially turned against Stalin after the execution of Lovestone's Soviet crony Bukharin. Later, Lovestone and his associates entered virtually en masse into the U.S. foreign-intelligence operations, and became a key element of the U.S. intelligence operations under cover of both the AFL and CIO.

The attacks on me personally, from AFL-CIO circles, especially the foreign operations sections, have always had that special lunatic quality peculiar to the aberrant mental state of Lovestone, Angleton, and Cherne.

The answer to such charges from AFL-CIO reports should therefore be: every large organization has its nuts; those who attack LaRouche in the AFL-CIO are the AFL-CIO's nuts, usually in the Lovestone-Dubinsky, Angleton, Cherne tradition. Those nuts ought to admit to other AFL-CIO officials, the nature of their real, non-labor loyalties, and a lot of foolish, self-defeating behavior from within the AFL-CIO would come to an end, at long last.

Nuts And Yahoos: The World According To Bibi

by Harley Schlanger

In a crowded synagogue in Houston on Nov. 4, former Israeli Prime Minister Benjamin “Bibi” Netanyahu presented an appeal for support for a “war of good versus evil.” In the aftermath of the events of Sept. 11, he said, we are engaged in something more than a battle against terrorism. “There is a battle under way for our common civilization.” We face “implacable foes. Our societies are hated by the perpetrators of an unmatched fanaticism. . . . We must eradicate this evil.”

Though Netanyahu appeared calm and under control — he is, after all, known for his “media savvy,” having practically served as co-host of ABC’s “Nightline” when he was Israel’s Ambassador to the United Nations in the early 1980s — his intention was to whip the audience into a frenzied desire to plunge into a war of civilizations.

Netanyahu’s argument is familiar, combining the geopolitical ravings of former U.S. National Security Adviser, Zbigniew Brzezinski, with the near-apocalyptic vision of Harvard Prof. Samuel P. Huntington. The “Clash of Civilizations” thesis was introduced by Huntington in the Summer 1993 issue of *Foreign Affairs* magazine, in which he argued that the 21st Century will be shaped by wars between “civilizations,” which primarily are defined by religious differences. The most serious problem facing the West is that of confronting “anti-Western” civilizations, says the influential Huntington, such as “Islamic civilization,” and “Confucian/Chinese civilization.”

Thus, for Huntington, security for the West depends on being prepared to engage in wars of religion, such as those which raged in Europe from 1511 to 1648.

Islam As Enemy Image

Though Netanyahu is careful to adhere to a politically correct line, saying that these “implacable foes” do not “necessarily represent the views” of all Muslims, it was obvious by his remarks that he is in full agreement with Huntington’s thesis, that Islamic civilization cannot coexist peacefully with “Western” civilization. Netanyahu said the goal of the terrorists is to reverse the last 1,000 years of history, to reverse the ascent of the West and the decline of Islam. This reversal, he claims, requires not only destruction of Israel, but of “Western democracy,” with Israel merely serving as an outpost of this “cancer,” as Muslims allegedly perceive it, in the region. Eventually, said Netanyahu, these terrorists will destroy the

United States.

Today, Israel is the front line in this battle, he continued, then sarcastically expressing his true sentiments towards Israel’s neighbors: “We hope one day for a messianic end of days, when a more democratic polity will prevail among the Arabs. Until then, we must sharpen our teeth and claws, if necessary.”

To win this war, Netanyahu said, those states which support and protect terrorist organizations must be targeted. In addition to Taliban-controlled Afghanistan, he identified Iran, Iraq, Syria, Sudan and Arafat’s Palestinian Authority (PA) as targets — the very same list presented by Richard Perle, head of Defense Secretary Donald Rumsfeld’s Defense Policy Board, and other “Mega” operatives who are pressuring President Bush to expand the war (see *EIR*, Nov. 16, 2001, “The ‘Mega’-Maniacs Steering Sharon’s Mideast War Drive”).

In the face of the threat from these “forces of irrationalism,” the West must demonstrate the will to fight, according to Bibi. If we “press the collective snooze button,” we will soon face Islamic nations armed with weapons of mass destruction. “We have little time. Within a few years, Iraq and Iran will be able to produce nuclear weapons.” To “eradicate” this threat, it is necessary for the alliance of the United States, Britain, and Israel to bring “those other Western democracies” into the fight immediately.

It is rogue networks in these three states — the United States, Britain, and Israel — which Lyndon LaRouche has identified as the actual authors of the terrorist acts of Sept. 11, in order to provoke a retaliatory response which would trigger a general religious war.

Netanyahu concluded by saying he is “deeply troubled” by the West’s desire that Israel restrain itself from acting against Arafat and the Palestinians. Israel is facing the same “irrationalism” from the Palestinians, he insisted several times, that the people of the United States were confronted with on Sept. 11. Israel must be free to attack these forces, as the United States has done in Afghanistan.

Bibi The Hypocrite

The speech in Houston is virtually identical to one delivered by Netanyahu in the U.S. Congress on Sept. 20, 2001, which was included as the foreword in the re-release of his 1995 book, *Fighting Terrorism*. He attempted to take full advantage of the shock from the events of Sept. 11, asking the stunned Congressmen to identify with his cause: “Each one of us today understands we are all targets, that our cities are vulnerable, and that our values are hated.”

There is one network behind all terrorism, he said in that speech, and that includes Hezbollah, Hamas, and Islamic Jihad. To this list, he added the Palestinian Authority, which, under the direction of Arafat, was established to serve as Israel’s partner in peace under the Oslo Accords. Both current Prime Minister Ariel Sharon and Netanyahu have insisted that the Oslo process is over, that it has failed, and that it, and Arafat, must go.



More rabid than Ariel Sharon, former Israeli Prime Minister Benjamin "Bibi" Netanyahu (left) was recently in the United States, using the Sept. 11 attacks to demand war against the whole Arab world.

Instead of Israel negotiating with the PA, as demanded repeatedly by President Bush, and reiterated by Secretary of State Colin Powell in his speech in Louisville, Kentucky on Nov. 19, Netanyahu told the Congress, "We must dismantle the entire terrorist network," including the PA.

"If we begin to distinguish between acts of terror, justifying some and repudiating others based on sympathy with this or that cause, we will lose the moral clarity that is so essential for victory," he said.

One wonders if Netanyahu would have applied this same standard to the Jabotinsky-ite terrorists of the Irgun, who on July 22, 1946, blew up the King David Hotel in Jerusalem, killing 91 people, on behalf of the creation of a "Jewish state." Using his logic, the British at that time would have been justified not only in "eradicating" the Irgun, but also in destroying the mainstream Zionist movement under David Ben-Gurion, which opposed the Irgun, and its use of terrorism. Ben-Gurion had nothing but contempt for Vladimir Jabotinsky, whom he called "Vlad Hitler," for the latter's admiration of the Nazis!

There are, in fact, certain parallels between the Irgun and al-Qaeda. The Irgun used terrorism to drive the British from the "holy soil" of colonial Palestine, as al-Qaeda claims to be deploying terror to force the United States to evacuate troops from "holy" Saudi Arabia. Both required illegal flows of funds to function. And both were condemned by the world at large, and by the majority of those whose interests they claimed to represent.

Further, Netanyahu's present party, the Likud, was created by the terrorist followers of Jabotinsky in the Irgun, who were responsible for the King David Hotel bombing, the assassination of UN envoy Count Bernadotte in September 1948, and other violent acts.

This alliance between the Jabotinsky-ite Likud and terrorism lives on today: In Netanyahu's cozy relations with the extremist settlers' movement, which engages in vigilante violence against Palestinians in Israel; in his incitement of hatred against Prime Minister Yitzhak Rabin, which his widow Leah Rabin said was instrumental in creating the climate which led to Rabin's Nov. 4, 1995 assassination by a Jewish extremist; and in his close relationship with the messianic Christian and Jewish extremists, who are committed to building the "Third Temple of Solomon" on the "Temple Mount," where one of Islam's holiest sites, the Dome of the Rock, is presently located.

Irrational Sponsors In America

The co-sponsor of Netanyahu's speech in Houston was Pastor John Hagee and his Cornerstone Church of San Antonio, Texas. Hagee holds an annual "Night to Honor Israel" to promote his pet project, which is to eliminate the Palestinian presence in Jerusalem, to fulfill his interpretation of Biblical prophecy.

In his most recent book on this topic, *The Battle for Jerusalem*, Hagee leaves no doubt that he is a fervent adherent of the Clash of Civilizations thesis. There is a fundamental "theological" conflict between Judaism and Islam, he writes. "Islam's ideology insists that Islam triumph over everything else. . . . Understand this: No matter what the Arabs say about peace, their religion demands that they defeat Christians and Jews."

Hagee is also clear that he shares the desire of Jewish fundamentalists, such as the kooky Gershon Salomon of the Temple Mount Faithful, that the so-called Third Temple of Solomon be constructed on the Temple Mount, once the Islamic holy sites occupying that land are destroyed.

And what of the chaotic bloodshed, of Jews and Muslims, that would be triggered by such an act? Hagee, like his friend Bibi, appears unconcerned about such an outcome. The Temple Mount "is the place where the Messiah will rule His kingdom from a third temple." And what will become of the Jews? They will have the opportunity to atone for their previous error, by embracing Jesus as their Messiah.

With friends like this, Bibi is in no position to call his enemies "irrational."

Stop 'Edison' Takeover Of Philadelphia Schools

by Marianna Wertz

A broad-based coalition in Philadelphia is organizing feverishly to stop the planned Dec. 1 state takeover and privatization of the city's entire school district, the largest such project ever proposed in the nation. Former Pennsylvania Gov. Tom Ridge (R), now chief of U.S. Homeland Security, set the takeover in motion in August, when he gave Edison Schools, Inc., the nation's largest private manager of public schools, \$2.7 million to conduct a two-month review of the Philadelphia School District's educational and fiscal management, and to prepare a plan for state takeover and privatization. When Ridge left for Washington, after the Sept. 11 attacks, newly installed Gov. Mark Schweiker (R) continued the plan, making it official on Nov. 1.

The plan calls for 60 of the district's 264 schools, serving approximately 50,000 students, to be managed by education companies (i.e., Edison Schools), working in partnership with "leading community organizations," including churches and political groups—along the lines of the "faith-based initiative" which the Bush Administration is pushing nationally for privatizing social services. Edison's president for Charter Schools is former U.S. Rep. the Rev. Floyd Flake (D-N.Y.), a friend of Ridge's and a leading advocate of "faith-based initiatives."

The New York-based Edison Project has never turned a profit in its ten-year history, and is more than \$2 million in debt. Under the proposal, Edison would receive about \$40 million to run the system. Edison was founded by communications tycoon Christopher Whittle, who was forced to divest himself of parts of his communications empire in 1994, amid allegations of fraud and mismanagement. Edison's chief executive officer and executive vice president is John Chubb, author of *A Lesson In School Reform From Great Britain*. Donald Sunderland, chief information officer and executive vice president, was formerly managing director of Union Bank of Switzerland, in charge of Global Technology for Derivative Projects. (A dossier on Edison appears in *Documentation*.)

Helping to lead the fight against the privatization is Veronica Joyner, a teacher of 25 years and president and founder of Parents United for Better Schools, which is a non-profit parent advocacy corporation, with about 20,000 members citywide. She is also president and founder of The Mathematics, Civics, and Sciences Charter School of Philadelphia, Inc., with 900 students and 125 employees. She spoke with *EIR* on Nov. 9.

EIR: Is the takeover set in stone?

Joyner: No, it isn't, because our Mayor [John Street (D)] has gone on record as saying that he is opposed to the takeover. We're opposed to the takeover. The Home and School Council of the Philadelphia Public School District, which has representation in every Philadelphia public school, are totally against the takeover.

EIR: Are you mounting a protest?

Joyner: We've already had one. There were about 1,300 kids out on Wednesday [Nov. 7] protesting. We've had a press conference in front of the Board of Education which drew hundreds of parents on a day's notice. We had a press conference at City Hall yesterday [Nov. 8] that was comprised of the state representatives, the Black Caucus of the State Legislature, the School District of Philadelphia, and the City Council.

EIR: Has the school district officially been turned over to the Edison Project?

Joyner: No it has not. Edison was simply given a \$2.7 million fee to investigate the school district and identify some of the problems. Of course, they found problems and recommended themselves as a management group, which, in my opinion, is a conflict of interest.

We have filed, and Parents United for Better Schools is part of that, what's called a fair-funding suit. The formula used to calculate monies the state contributes for education is significantly lower in Philadelphia than it is in the suburban areas. So that means, that where they get about \$1,300 per student, Philadelphia gets about \$500.

Now they're saying, "Okay, we'll equalize the funding, so that children can have the same resources, and then we can have the same expectations." They're saying, "Let's throw it all to a group for less money. At least it's off of us, we don't have to deal with it." So to me, it's like having an orphan, and nobody really wants the child, so they just pass the child around to anybody that will take the child.

Here you have the city of Philadelphia, which just raised millions of dollars for two new stadiums to be built in the city. Our mayor just raised \$3 million, a million each from three different areas, for hotels. He raised a million from the city, a million from the Philadelphia Chamber of Commerce, and another million came from private donors.

EIR: And nothing for the schools.

Joyner: Nothing for the schools. What has happened, and we must look at it: The schools have become all one ethnic group. So, when you have a large population of minority students, nobody wants to invest money in that. It's easier for

us to invest money in prisons, than to try to invest money into children's education.

EIR: That's where the children go when they fail in school.

Joyner: Yes. Right into the prisons, or drugs, or crime.

EIR: When do you think this is all going to be settled?

Joyner: Several groups are exploring legal action. You have the NAACP [National Association for the Advancement of Colored People] and the unions announcing in support of the fight, and numerous community organizations stating that they will fight this with civil disobedience. They will do whatever they can.

Pedro Ramos [an attorney who heads the city's school board] said that they will not come in here easy. In other words, they're going to have a fight if Edison comes into the city.

In other schools, Edison has been able to sort of slither in. But here, people are a little bit more organized and little more knowledgeable about Edison's record.

Documentation

Will Edison Improve Student Achievement?

Veronica Joyner, President and Founder of Parents United for Better Schools, provided the following documentation regarding the failure of Edison Schools, Inc. in cities nationwide.

August 2001: Minneapolis public schools announce that they will close Edison's elementary school next year after complaints about low test scores, student behavior problems, and leadership issues (*Minneapolis Star Tribune*, Aug. 15, 2001).

July 2001: Wichita, Kansas School Board members say Edison hasn't lived up to its promises. District leaders threaten to terminate Edison's contract at two schools because of poor student performance, plummeting enrollment, and high teacher turnover (*Wichita Eagle*, July 15, 2001).

June 2001: Lansing, Michigan charter board chooses to cancel its contract with Edison. Under Edison's management, the school had a "revolving-door administration" that resulted in having two principals and three interim principals in the past five years. Students at the Edison-run school performed significantly below district averages on state assessment tests (*Lansing State-Journal*, Aug. 16, 2001).

April 2001: Pontiac, Michigan. Edison students perform

at or near the bottom on state assessments. Edison violated state laws by hiring teachers with no background checks. Improper filings by Edison could cost the district \$400,000 in Title I funds (*Detroit Free Press*, April 20, 2001).

April 2001: Miami-Dade County (Florida) Public Schools (MDCPS) evaluators find Edison students "never once exhibited an academic advantage over the students in the regular MDCPS program." The four-year study, designed in cooperation with Edison, "failed to produce any evidence that the Edison model represents a superior educational program" (Gomez and Shay, "Evaluation Of The Edison Project School Final Report," MDCPS Office of Evaluation and Research).

February 2001: Education researchers at Western Michigan University find that students in Edison schools did no better than students at comparable public schools (Miron and Applegate, "An Evaluation of Student Achievement in Edison Schools," December 2000).

Can We Afford Edison?

August 2001: Clark County, Nevada taxpayers have to pay Edison more than \$8 million in overhead in addition to \$35-38 million to operate seven schools. But Edison has to raise \$10 million in charitable contributions to pay for the higher costs they need to run Las Vegas schools (*Las Vegas Review-Journal*, Aug. 8, 2001).

July 2001: Wichita, Kansas taxpayers pay three-quarters of a million dollars more to Edison than they spend for students in regular district schools, according to school board member Jim Ward (*Wichita Eagle*, July 15, 2001).

June 2001: York, Pennsylvania taxpayers face an 11.5% rate increase, to send \$4.25 million to Edison's charter school this coming year, almost \$1 million more than it cost the district to operate the same school in 1999-2000 (*York Daily Record*, June 21, 2001).

May 2001: Edison's program costs Perry County, Indiana \$800 more per pupil than it spends on students in its other schools (*Indianapolis Star*, May 22, 2001).

April 2001: Wayne County, North Carolina Board of Education terminates its Edison contract two years early, because of excessive costs. School officials say they paid Edison \$300,000 more per year than other district schools received (*Goldsboro News-Argus*, April 11, 2001).

March 2001: Edison's Dallas, Texas schools could cost up to \$20 million more this year than expected (*Dallas Morning News*, March 20, 2001).

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Terrorism Insurance Bill Runs Into Problems

On Nov. 16, House Financial Services Committee Chairman Michael Oxley (R-Ohio) felt compelled to appear before reporters to re-affirm his commitment to the Terrorism Risk Protection Act, a bill he introduced on Nov. 1. Oxley said that the bill is "about our economy and making certain that our economy runs smoothly." He warned that if it is not passed, "there will be a severe credit crunch in the United States."

Alongside Oxley was John LaFalce (D-N.Y.), the committee's ranking Democrat, who complained that the bill is overloaded with items, such as tort reform provisions, that have nothing to do with the issue at hand.

Also creating problems for the bill was a provision that would have repealed the tax charged to insurers for the reserves they use to cover declared terrorism losses. The bill passed the Financial Services Committee by a unanimous vote on Nov. 7, but the tax provision was under the jurisdiction of the Ways and Means Committee, which promptly deleted it on Nov. 16. Oxley said that the provision was a "critically important" part of the bill, because the bill seeks to "provide the incentive for these companies to set up reserves so that they can essentially reinsure themselves." The Ways and Means Committee replaced the tax provision with language requiring the Treasury Department to conduct a study of the tax issues involved.

In the Senate, Banking Committee Chairman Paul Sarbanes (D-Md.) had introduced an identical bill, with bipartisan support, but it has bogged down because of disagreements over whether to include limits on punitive damages. Commerce, Science, and Transportation Committee Chairman Ernest F. Hollings (D-S.C.) is also

claiming jurisdiction over part of the bill, and is reportedly drafting his own version, which could complicate the picture even further.

Aviation Security Bill Is Signed By President

On Nov. 16, the House, by a vote of 410-9, and the Senate, by voice vote, sent to President George Bush, a compromise aviation security bill, which Bush signed at Ronald Reagan Washington National Airport on Nov. 19. The compromise was the result of negotiations between House and Senate conferees who were under tremendous pressure to find an agreement. That pressure came from not only the White House, but also almost daily news of security breaches at major airports around the country.

The compromise, in which both sides claimed victory, sets up a Transportation Security Administration within the Department of Transportation, which will be responsible for security of all modes of transportation. The bill provides for enhanced cockpit security, the deployment of Federal air marshals, and improved airport perimeter security. The bill also includes a provision which limits liability for losses stemming from the Sept. 11 attacks.

While there were many differences between the House and Senate versions, it was the passenger-screening issue that threatened the compromise. The agreement, apparently brokered by House Transportation and Infrastructure Committee Chairman Don Young (R-Ak.), allows for the full Federalization of passenger and baggage screening, with the exception of a pilot program for five airports. Under the pilot program, five airports will be able to hire private screening compa-

nies, but only if they meet strict conditions, including American ownership and the same employee standards as those applying to the Federal workers.

Bioterrorism Issue Remains On Front Burner

On Nov. 15, Sens. Edward Kennedy (D-Mass.) and Bill Frist (R-Tenn.) introduced a bill to provide additional money to states to shore up their public health systems against bioterrorism. Kennedy said that the money "will be available to improve hospital readiness, equip emergency personnel, enhance state planning, strengthen the ability of the public health agencies to detect and contain dangerous disease outbreaks." The bill creates a strategic pharmaceutical reserve "to ensure that we have the medicines and the vaccines stockpiled to respond to bioterrorist attacks." It also includes a provision intended to improve the safety of the nation's food supply.

Kennedy minced no words when describing the condition of the U.S. public health system. He said, "Seventeen anthrax cases stretched our health-care system to the breaking point. A larger attack could be a disaster for whole communities." He called his bill "an important down payment on preparedness, but we must make sure that our commitment to achieving full readiness is sustained in the time to come."

At the same time that Kennedy was making his announcement, Health and Human Services Secretary Tommy Thompson was testifying before the House Energy and Commerce Committee on bioterrorism preparedness. Every Democrat at the hearing made an issue of the inadequate measures the Bush Administration is taking with regard to public health. Henry Wax-

man (D-Calif.) complained that the Administration proposal under-funds the Atlanta-based Centers for Disease Control and Prevention, and relies on moving CDC and public health professionals "from job to job." He added, "This is not an issue of being unable to afford all the things we need to do to protect the public health. What we have is a conscious decision that we ought to use our money for tax cuts . . . rather than have the money available to do the kinds of things that will protect all of the American people when we have a public health emergency."

Committee Chairman Billy Tauzin (R-La.) announced, during his opening remarks, that the committee is working on draft legislation to improve bioterrorism preparedness. However, the Democrats haven't been satisfied to wait for a GOP bill, and have already produced one of their own, which provides \$3.5 billion for bioterrorism preparedness.

So-Called Stimulus Bill Stalls In Senate

On Nov. 14, Senate Majority Leader Tom Daschle (D-S.D.) brought to the Senate floor the Democrats' answer to the economic crisis. The bill includes about \$44 billion in tax breaks and assistance for the unemployed, plus a package of \$15 billion to address homeland security needs. The \$15 billion package, however, was in violation of the fiscal year 2001 budget resolution, and therefore would have required 60 votes, or three-fifths, to pass the Senate. That Daschle would only be able to muster 51 votes was a foregone conclusion, even before the Senate began debate. The homeland defense package originally included an additional \$5 billion in infrastructure spending, but Daschle stripped

that out in an attempt to placate the GOP, an action which had no effect whatsoever.

Senate Appropriations Committee Chairman Robert Byrd (D-W.V.), who, along with Majority Whip Harry Reid (D-Nev.), co-sponsored the homeland defense package, began the debate with a discussion of the Preamble of the Constitution. Byrd noted that the clause "provide for the common defense," means "to provide for the defense of our homeland." He added that the clause "promote the general welfare," doesn't mean "promote the welfare of the rich," a veiled reference to the GOP tax-cut plan, but rather, that "promote" means "to push forward, to lift up, to advocate." He made the point that this is what the GOP is blocking by their opposition to the bill.

Both sides are under pressure to do something quickly. Various pundits, and the Bush Administration, are warning that a stimulus bill must be passed soon, before it's too late. Of course, by "too late," they generally mean "before the economy rebounds." Pete Domenici (R-N.M.) has proposed a payroll tax holiday for December as the fastest way to get more money, about \$40 billion, into the pockets of consumers. On another track, Treasury Secretary Paul O'Neill said that a plan proposed by a group of centrist Democrats offers "a basis" for a deal. The plan would combine elements of both the GOP and Democratic plans, but would exclude the Byrd/Reid homeland defense provision.

Cash Deal Splits New York Delegation

Two weeks of rare unity among the New York Congressional delegation ended on Nov. 16, when New York

Republicans accepted a deal from the White House for \$1.5 billion in immediate assistance for New York City, and a promise that the rest of New York City's needs would be met later. Rep. James Walsh (D-N.Y.) admitted that the \$1.5 billion didn't even come close to fulfilling the \$20 billion commitment that the White House had made, but he called it a "significant step." "This agreement keeps us, if not within the letter of the law, within the spirit of the law. When you negotiate, you take what you can get," he said.

New York GOP lawmakers had been threatening to vote with the Democrats on the package, which stems from the second \$20 billion that the Congress had voted up in response to the Sept. 11 attacks on the World Trade Center and the Pentagon. Democrats, however, were furious. "If you can't get the money through a law," said Rep. Jose Serrano (D-N.Y.), "how are you going to get it through a promise?"

In a related action, the House Appropriations Committee rejected, by a vote of 34-31, a Democratic proposal to add \$7.2 billion in funding for counter-terrorism and domestic security measures. The committee also defeated an extra \$6.5 billion for the Pentagon and intelligence agencies proposed by John Murtha (D-Pa.). Like the money for New York, these two measures would have been added to the \$20 billion emergency spending package. The GOP voted against both measures, in line with President Bush's threat to veto any emergency spending above the \$40 billion total.

The battle is not over. The House had been scheduled to take up the defense bill on Nov. 17, but Democrats forced a postponement, hoping that Republicans would come under pressure, during the Thanksgiving holiday, to provide additional money.

Patriotism And The 'Economic Recovery'

Thanksgiving Day in the United States is always followed by discount sales; this year, however, there was not much to advertise in that way, since virtually everything from automobiles, to Apples, to large and small corporations themselves, were being offered at distress-discount prices already before the holiday.

Instead, all the major newspapers decided to sell "economic recovery" forecasts. This indicated that a certain number of "leading economists" had been whipped into line by Alan "Greenspin," the Fed Board of Governors, and similar powers, and told to stare into the economic gloom and discover a recovery coming in 2002. To those who haven't lost their medium- and long-term memory since Sept. 11, it recalled very strongly the public statements being made by Treasury Secretary Paul O'Neill at the end of May, immediately before the tax-refund checks started going out. We could "bank on it," said O'Neill then, a full-blown recovery was coming in the Summer.

And the simple explanation for the appearance of this new crop of Paul O'Neills in late November, would be that there is a lot of deliberate fraud and economic lying going on (nothing new at all levels of the "analysts" profession) to get American consumers to keep going further into debt and spending through the Christmas season. (If you'll buy such a consumer fraud as these economic forecasts, the idea goes, you'll buy everything else.)

But Secretary O'Neill's "forecasts" quickly discredited themselves; The healthy laughter they provoked tended to remind Americans that the administration had no competence to stop the economic collapse, and to draw attention to the need for competent leadership which did understand that collapse—Lyndon LaRouche. It was before the Sept. 11 attacks, not afterward, that the signs emerged of a potential paradigm shift, between White House and Congress. That shift, toward using public credit for recovery projects, and away from the mantra of deregulation and "privatization," showed itself around the shockingly bad unemployment and production reports of Sept. 7.

The new "recovery forecasts" are more dangerous than anything that came from O'Neill. Now they are cloaking themselves in the American flag. They are

even claiming that the U.S. achievements in bombing Afghanistan are the leading factor pointing to the recovery which so many "analysts" have seen in the distance all at once. It's your patriotic duty, they insist, to spend and to believe in that recovery.

Bombing is very dangerous as a spectator sport. Take your eyes off the endless television reports of it, and recall that events since Sept. 11 have not changed the reality: The United States is not in a slump, but in a financial and economic blowout with more destructive force than the 1930s Great Depression.

The truth is that on the vital question of economic recovery, Americans' national duty is *not to accept* or support any of the nonsense coming from the Congressional leadership or the White House in all their late "bipartisanship," but to oppose it; to think, discuss and act for themselves.

All of the "economic stimulus" talk in Congress is a fraud—there is nothing being voted on but war and security expenditures; talk of new economic infrastructure spending by a few Senators is being kicked aside by the incompetent posturing of both parties' leaderships. This in the face of a cascade of mass layoffs going on since July without let-up, and more than a year of continuously falling production in the country. Absolutely nothing is being done in Washington to cause the economic recovery which the "analysts" are being paid to predict.

Americans' patriotic duty on economic policy is to *resist and oppose* government policy, White House and Congress alike; to think and act for a sane alternative policy by which the nation has a chance for durable economic survival. Lyndon LaRouche's track record in forecasting this bust is uniquely vindicated by events of the last 12 months; and he has long put forward the only powerful recovery ideas. The nation not only needs to shift its thinking completely, to spending and credit for new infrastructure projects of its own. More important, it needs cooperation with those nations of Eurasia, which many are telling you should be next on the enemies list!

The suicidal economic nonsense will not stop in Washington, unless you *patriotically* oppose it. Start with the latest forecasts of "economic recovery."

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Time Warner Ch. 12
4th Wed.—1 am
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Charter Ch. 3
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- MECKLENBURG
Time Warner Ch. 18
Saturdays—12 Noon

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- FRANKLIN COUNTY
Ch. 21: Sun.—6 pm
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Ch. 32: Daily—9 pm
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Mon. & Wed.—11 am
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Sundays—about 9 pm

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Tuesdays—9 am
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Tuesdays—12 Noon
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Thursdays—2 pm

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- KING COUNTY
AT&T Ch. 29/77
Sundays—6 pm
- SPOKANE—Ch.14
Wednesdays—6 pm
Mon.-Noon; Wed-6 pm
- THURSDAYS—8:30 pm
- YAKIMA—Ch. 9
Sundays—4 pm

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Mondays—1:30 pm
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Tue-2 pm; Wed-11 am
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