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LaRouche Webcast: The Middle East Blow-Back Effect
The Rules by Which Games Are Played
'Nintendo Joe' Lieberman Saved Killer Game Makers

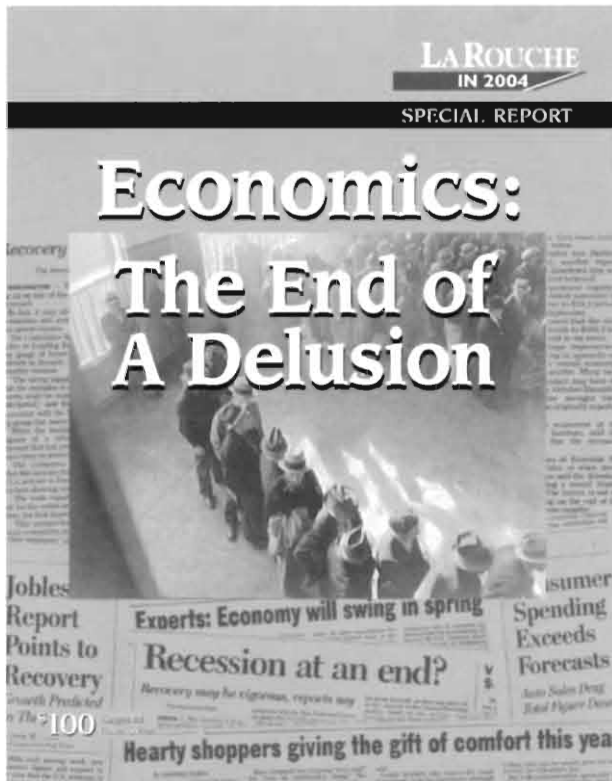
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From the Associate Editor

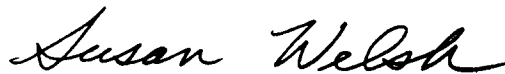
In the May 1 international webcast which forms our *Feature* this week, Lyndon H. LaRouche, Jr. gave a powerful description of the drive for perpetual war on the part of the “Clash on Civilizations” faction, and called upon people of good will everywhere to join him in defeating this insanity. Most striking, was how LaRouche linked the imperial military war drive, to the eruption of the “New Violence,” carried out by youth brainwashed by video and computer games.

Referring to the buildup for war against Iraq, LaRouche said: “The key purpose behind this operation is to use this, to get a wider war going, to get the Clash of Civilizations war that Sam Huntington, Brzezinski and company want. So what you have here is a combination. The training and recruiting of large numbers of otherwise useless youth, psychotic youth or quasi-psychotic youth, by Nintendo games designed by the U.S. military, put into general circulation through the military, with cooperation of Japan’s production of Nintendo games and so forth.

“We are now taking from our population, our youth, our adolescent and other youth, we’re turning a large portion of them into potential intended killers, who are trained killers, trained on their video games, who then simply have to go out and get trained with actual weapons and do what they’ve been trained to do on video games. Recruit them as soldiers and send them in various parts of the world, as part of a Clash of Civilizations war. Put the two things together, and you have the new Roman Legions, the new Waffen-SS, to send around the world.”

In “The Rules by Which the Game Is Played” (see *National*), LaRouche develops this thesis further, while launching a flanking attack against that Sen. Joe Lieberman who is playing a pivotal role in shielding Hollywood’s violent game industry from attack. Related articles in this issue include a call by Helga Zepp-LaRouche for a ban on violence-promoting video and computer games; documentation on the schoolyard massacre in Erfurt, Germany, with the role of video games in brainwashing Erfurt killer Robert Steinhäuser; and a dossier on “Nintendo Joe” Lieberman.

See the *Editorial* for information on LaRouche’s upcoming Memorial Day webcast.



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Helga Zepp-LaRouche, candidate for the German Bundestag, issued this statement on April 29. The outbreak of "New Violence," she writes, "is a worldwide phenomenon, one which represents as grave a threat to human civilization, as does the outbreak of a new life-threatening epidemic disease."

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Indonesia Walks A Tightrope

by Michael Billington

Indonesia's fourth government in four years, headed by President Megawati Sukarnoputri, the daughter of Indonesia's Founding Father Sukarno, came to power only last August. It was handed the formidable task of guiding the nation to safety across a tightrope spanning an abyss with two monsters below: On the one side, is the unpayable debt burden left over from the 1997-98 looting and forced devaluation carried out by global speculators and their protector, the International Monetary Fund (IMF); on the other side, is the threat that the nation-state itself could be broken into pieces, as separatist, ethnic, and religious violence continues to tear at several parts of the archipelago. These regional crises were aggravated by the poverty brought on by the economic collapse of 1998, and by Western governments and their controlled non-governmental organizations (NGOs), whose intent was to balkanize the country. Added to this is the now undeniable onset of the collapse of the dollar-based global financial system, and the push for a global war against Islam by most of the American political leadership (Indonesia is the world's largest Muslim nation). It now seems a miracle that the government has survived as long as it has.

The debt—over \$130 billion, nearly equal to the country's Gross Domestic Product—is a classic case of what *EIR* has termed “bankers' arithmetic.” The foreign portion has actually been paid off several times over when measured in the rupiah, Indonesia's currency (see “Indonesia Has Paid It's Debt!,” *EIR*, Nov. 23, 2001). But, because of its forced devaluation to less than one-fourth of its former value in the 1998 speculative feeding frenzy called the “Asian crisis,” the debt payments count for next to nothing, and the debt remains, as a cancer, eating at the real economy.

The domestic portion of the debt, about \$71 billion, came about entirely from the government intervention to save the banks and state industries in 1998, after the IMF precipitated a run on the banks, by demanding the sudden closure of several financial institutions as a condition for not cutting off international credit. (The IMF admission, after the fact, that this

was a mistake, has not alleviated the debt burden.) To make matters worse, as one of the IMF “conditionalities,” the government is now selling off the banks it saved in 1998, to foreign banks and speculators. This means that, in addition to the increasing foreign control over the nation's banking system, the debt service payments on the government bonds, which were given to these banks to keep them afloat, amounting to billions of dollars every year, will no longer stay within the country. In fact, the sale in March of a majority share of one of Indonesia's leading banks, Bank Central Asia, to U.S.-based speculator Farallon, brought the government just over \$500 million, and yet, the government must pay *every year* about \$700 million in interest on the bonds given to the bank in 1998—money that will now go to a foreign company.

A Debt Moratorium

However, Indonesia also finds itself in a new financial/economic geometry, which came to a head with the demise of Argentina as the IMF poster-boy. Before the April meeting of the Paris Club of Indonesia's lenders, the government told the West bluntly that the country could not afford to pay the debt service due this year—neither the principal nor the interest. The Paris Club then granted the country an 18-month suspension of debt service payments—over \$5 billion. The private lenders, clearly unwilling to see another Argentina explode at this time in Asia, followed suit.

Under normal circumstances, this would be called a debt moratorium, but the phrase has never been uttered in public. Standard and Poor's announced well ahead of time that it would necessarily have to lower Indonesia's sovereign credit rating to “selective default,” but all were assured that this was only a “technical” matter and the rating would be lifted as soon as possible.

Officially, it was reported that Indonesia's compliance with IMF conditions had justified the restructuring of the debt. Indonesia has, in fact, complied to a great extent with IMF demands—beginning privatization of state-owned banks and

industries, cutting subsidies on fuel and other necessities, and other structural changes. But the government has refused to rush the process, lifting subsidies very slowly, and refusing to sell certain state assets at fire-sale prices, or when faced with strong domestic opposition, from the legislature and from state-sector employees.

The privatization targets set by the IMF have not been met in the past two years, and plans to privatize two pharmaceutical companies, a port operator, and a coal-mining firm are on hold, while bids on a telecom company and a property company were deemed to be unacceptably low, according to the Office of the State Minister of State Enterprises. In the case of the pharmaceutical firm PT Indofarma, the initial plan to sell 51% in the company was reduced to a far smaller portion “to ensure the company would still produce cheap medicine for the poor,” according to a *Jakarta Post* report.

The General Welfare

This concern for the general welfare, as opposed to IMF demands, is the central issue facing this nation of 230 million people, the fourth most populous nation in the world. The government of President Megawati has taken several measures to protect the population from the ravages of the economic crisis, both those past and those to come. In agriculture, Indonesia had become self-sufficient in rice production in 1984, and remained so until the financial assault on the nation in 1997-98. Now, the government has announced plans to regain self-sufficiency by 2010, through a combination of increased yields and the reclamation of 100,000 hectares of paddy field per year. New tariffs on rice (and sugar) have been proposed by Agriculture Minister Bungaran Saragih, so as not to be “vulnerable to the wild fluctuations in the international food market.”

Indonesia is also taking steps to protect its steel industry. Sutrisno, chairman of the state-owned steel company PT Krakatau, has announced that several options are under consideration to protect this critical industry, including tariffs and quotas. He pointed to the recently imposed steel tariffs in “other nations” (without naming the United States), indicating that a much-needed shift away from free trade dogma is under way.

President Megawati has also travelled extensively throughout the region, contributing the good will of Indonesia (as in her personal role in facilitating the re-initiation of discussions between North and South Korea), and calling on her neighbors to recognize the urgency, and the long-term benefits for the security and development of the region, in promoting regional investments into Indonesia’s infrastructure and industry.

But such good intentions will achieve little if the overwhelming debt burden is not eliminated. A UN Economic and Social Commission for Asia and the Pacific (ESCAP) report released on April 26 warned that Indonesia’s growth will fall short of other developing countries in the region because of the “massive debts that cripple the state budget’s ability to



Preparing a rice field for planting in Bali, Indonesia, which had become self-sufficient in rice production in 1984 and remained so until the financial assault on the nation in 1997-98, has announced plans to regain self-sufficiency by 2010.

stimulate growth,” according to the *Jakarta Post*. Indonesian economist Prabowo, presenting the ESCAP report, said that with 40% of the federal budget going to debt service (even with the moratorium on the foreign debt), the government spends less on development than on servicing the debt, such that the country cannot build up the necessary steam to drive the economy forward. It is estimated that Indonesia needs growth of 7% just to absorb the new entrants into the labor market, but projections are for less than 4% growth for the year. Of course, these UN projections are meaningless except for purposes of comparison, since their forecast is premised on an “upturn in global demand led by a rebounding U.S. economy [which will] drive the region’s growth.”

The problem lies in the fact that the IMF can, at any moment, pull the plug on Indonesia’s debt structure, as it did in Argentina. Unless the country, in league with other nations around the world, moves to create a new monetary system that will facilitate the write-off of the mostly illegitimate debt, and generate new credits for development, the essential control of the national economy by the bankrupt IMF-centered

financial institutions will remain a Sword of Damocles hanging over the nation.

Territorial Integrity

President Megawati has warned that the survival of the nation is threatened by violent separatist movements, primarily in Papua and in Aceh, and religious violence, primarily in the Maluku. When East Timor was reluctantly granted independence by the Indonesian legislature following the referendum of August 1999, the neo-colonial interests which had promoted independence continued their attacks on Indonesia, intent on using East Timor as yet another permanent source of instability and tension in the region, while fanning the flames of separatist sentiments elsewhere in the country. Fortunately, the new President-elect of East Timor, Xanana Gusmao, formerly the head of the Maoist Fretelin armed movement, has demonstrated great wisdom in dealing with these explosive issues. Breaking from his former comrades in the Fretelin, and from Jose Ramos-Horta, the anti-peace recipient of the Nobel Peace Prize, Gusmao denounced the demands for revenge against pro-Indonesian militia members or the Indonesia military, displaying true leadership in promoting peace and reconciliation among all parties. He refused to run as a Fretelin candidate, or for any party, and won 80% of the vote as an independent, while pledging to represent both sides of the bitter conflict that raged in East Timor over

the past years, and to make peace with Indonesia.

On May 3, Gusmao travelled to Jakarta, where he had been held in prison for seven years for his role in Fretelin. Gusmao presented President Megawati an invitation to attend the celebration of statehood scheduled for May 19. While many of his compatriots are supporting the call coming from the UN and many Western governments for retributive trials of militia and Indonesian military officers accused of crimes in East Timor, Gusmao told the press in Jakarta: "I am not saying I don't agree with justice. Justice, yes, but what is my priority? Social justice. We suffered and died for what? To try other people, or to receive benefit from independence?" This reflects the concept behind the famous Treaty of Westphalia in 1648, which not only ended a century of religious warfare across Europe, but established mutual respect among nations, without retribution for past grievances, as the necessary basis for the development of nation-states out of the feudal past.

Pointing out that the majority of the people of East Timor live on less than 50¢ per day, Gusmao added: "Independence is not [only] having a flag, having a President. It is useless if we don't make efforts to better the living standards of our people."

On the Indonesian side, despite strong public resentment against the international intrigue that brought about the loss of East Timor, the government and the military have taken up Gusmao's appeal. Army Chief Gen. Endriartono Sutarto said on May 4: "We should look to the future with East Timor as our neighbor. We should be capable of forgetting the past, and looking toward a better future."

The Crisis in Maluku

The two most difficult crisis spots remaining within Indonesia today are Maluku and Aceh (Papua is also problematic, but is generally moving ahead peacefully, despite the recent murder of an indigenous leader). Maluku, the famous Spice Islands, had been a model for relatively peaceful coexistence between the Muslim and Christian populations until the economic collapse of 1998 provoked an outburst of communal rage, leaving over 6,000 dead so far. Laskar Jihad, a militant Islamic group created in 2000 in Java, sent hundreds of its recruits to Maluku to defend the Muslim population in the violent confrontations there—which tended to make matters worse. On the other side, British Baroness Caroline Cox and others of the Lord Avebury set travelled to Maluku, sending lying reports around the world that it was purely a case of Muslims slaughtering Christians, and accusing the Indonesian government of complicity.

The government finally succeeded in establishing a peace agreement in the region in February, which seemed to be taking hold, except for the refusal of Laskar Jihad to send its members back to Java. Nonetheless, the situation was relatively calm until April 25, the anniversary of the founding of the Republic of South Maluku (RMS), a short-lived revolt by

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Malukans loyal to the colonial Dutch regime, who even fought alongside the Dutch in Indonesia's war for independence. Remnants of this group, living in exile in the Netherlands, threatened to raise their flag on April 25, and renew their rebellion. The government took strenuous measures to prevent a provocation—all foreigners were forbidden entry to the region, and the leader and 17 members of the RMS-connected group were arrested. Nonetheless, several flags were released on balloons, and the Laskar Jihad responded in profile, holding militant rallies and calling for blood. Within days, in one of the most vicious attacks of the conflict, hooded "ninja" killers raided a Christian village, leaving 14 dead, mostly women and children, in their beds.

The government has arrested Jaffar Umar Thalib, the founder and leader of the Laskar Jihad, accusing him of inciting the attack and threatening the life of President Megawati. It is also planning to put the Christian separatists on trial. The entire Provincial legislature, Christian and Muslim, has travelled to Jakarta to attempt to circumvent another explosion, and Megawati has ordered an investigation. The most promising indication that further bloodshed may be prevented is that a CNN team that arrived in Maluku was sent packing.

Aceh: Another Difficult Problem

The bloody fighting in Aceh, where more than 10,000 people have died over the past 25 years, including 400 this year, may finally be close to a solution. In February, the government met in Geneva with representatives of the Free Aceh Movement (GAM), where, for the first time, the GAM agreed to drop its demand for independence and negotiate on the basis of a special autonomy status within the Republic of Indonesia—an unnegotiable condition in the eyes of President Megawati, who will not accept the dissolution of the unified state established by her father. New talks are scheduled for May 9-10 in Geneva. For the first time, the two sides have agreed to outside participants, in the form of three "wise men." These include: Gen. Anthony Zinni from the United States, who is close to Secretary of State Colin Powell (a voice of relative sanity in the Bush Cabinet), and who was recently Powell's special envoy to the Mideast; former Foreign Minister of Thailand Surin Pitsuwan, who is not-so-fondly remembered for his efforts to break the standing agreement among Southeast Asian nations to honor each others' sovereignty; and, most ominously, Lord Avebury, whom *EIR* has documented for many years as the primary British controller of subversive operations against developing nations, with Indonesia one of his primary targets.

While the violence continues to be stoked by both sides in Aceh, the potential for a settlement has reached a crucial juncture. The greatest danger is that Anglo-American interests promoting a "Clash of Civilizations" will undermine a settlement, in pursuit of their "perpetual warfare" doctrine. If Jakarta recognizes that danger, in Aceh and elsewhere, it can be circumvented.

Lights Out for Energy Privatization in Mexico

by Rubén Cota Meza

Defeat for Mexican President Vicente Fox's electricity deregulation scheme, buried by the lesson of the Enron fiasco, has been followed by a defeat for any form of energy privatization in Mexico. On April 24, several Senate committees voted to throw out three legislative initiatives—one of them backed by Fox himself—which sought to reform Articles 27 and 28 of the Constitution and to permit the privatization of the national electricity system. The next day, the Mexican Supreme Court voted 8-3 that Fox's decree of May 2001, which would have opened the door to what has been called the "silent privatization" of electricity in Mexico, was unconstitutional, and consequently was overturned. Both decisions effectively "unplugged" the Fox government's energy privatization drive, at least for the moment.

These legislative and judicial decisions were made after months of an intense political battle—in which the LaRouche-associated Ibero-American Solidarity Movement (MSIA) in Mexico, along with *EIR*, played a critical role. This fight has been to expose the fraud of privatization and deregulation of electrical energy systems around the world, and to preserve Mexico's right to own and manage its energy system in conformity with the national interest, protected from the voracious speculation of the multinational energy pirates.

All during 2001, the MSIA and *EIR* released reports and pamphlets, and conducted forums and conferences in cities throughout Mexico, to warn of the fraudulent plans of the energy pirates, as exemplified in the Enron scandal. When Enron entered into bankruptcy last December, the political capital of the MSIA and *EIR* soared.

Constitution at Stake

With this heightened credibility inside Mexico, an American delegation put together by the LaRouche movement visited Mexico on April 15-17. In public and private meetings with legislators, political and business leaders, and others, the delegates called for "learning the lessons of the Enron debacle," and proposed putting an "end to electricity privatization" and "re-establishing regulation in the name of public interest." The delegation was headed by Nevada State Sen. Joseph Neal, and Harley Schlanger, Western States spokesman for LaRouche's 2004 electoral campaign.

Lyndon LaRouche himself participated, via telephone, and answered questions for over an hour, during an April 16

conference hosted by the MSIA and attended by 100 government officials, legislative advisers, labor leaders, businessmen, professionals, academics and students, in Mexico City (see *EIR*, April 26).

One week after this fruitful visit, Mexico's senators rejected, and ordered the permanent tabling of, the three privatization bills.

The legislative debate on this fundamental question began on April 16, at a session of the Senate attended by Senator Neal and Schlanger, who were there as invited guests. At that session, the ruling National Action Party (PAN) issued a declaration of war against the Mexican Constitution, through its mouthpiece Sen. Juan José Rodríguez Pratt, who described the Constitution as "gibberish and a juridical monster." The opponents of electricity privatization immediately responded, calling the PAN a "danger" and a "threat" to the existence of Mexico as a sovereign nation. "If they don't like the Constitution," said opposition Sen. Manuel Bartlett, "they will have to win a legislative majority, by vote, to overturn it; in the meanwhile, they'll just have to get used to it, and respect it."

That very night, Schlanger and Senator Neal reported on the Senate debate to a public audience, noting that Mexico still retained "a great patriotic, moral, and nationalist reserve," and calling on the audience to preserve Mexico's nationalist legacy, so as to help "change the United States from the inside, back to its own patriotic tradition and away from its imperial and plundering arrogance."

In the Chamber of Deputies, speaking before legislative members of the Energy Commission as well as the press, Senator Neal and Schlanger offered a detailed picture of the failure of electricity deregulation inside the United States, and broadcast their message of not yielding to the pressures and blackmail of the multinational energy pirates. "Enron, Example of Neo-Liberal Failure," was the front-page headline of the daily *Excelsior*, and "Let's Not Take the U.S. as a Model" was the title of its editorial on their comments. Radio and TV news programs gave widespread coverage to Neal's and Schlanger's warnings, and six Mexico City dailies published prominent articles on the story.

The Court Gives Fox 'an Electric Shock'

In 1992, then-President Carlos Salinas de Gortari won passage of a new Public Service Law of Electrical Energy, which allowed the participation of the private sector in energy generation. Industries could now install their own generating plants, or form an association of industries with an electricity

company which would supply them with electricity, and sell up to 20% of its "surplus" to the Federal Electricity Commission (CFE). However, in May 2001, President Fox issued a decree reforming the Public Service Law, now making it possible to sell up to "100% of surplus electricity" produced by private generators, to the CFE. With the new formula introduced by Fox, it became impossible to distinguish between "self-supply" and "surplus," and the energy pirates raced to "get on board," to get their hands on this booty.

However, Sen. Manuel Bartlett raised a constitutional issue, arguing that the President's decree overreached the powers of the Executive. His argument was presented to the Supreme Court in the name of the Congress, in July last year.

On April 25, the court ruled that Fox's decree constituted "a fraud upon the law," directly violating Article 27 of the Constitution, which protects the public monopoly on electrical energy generation for public service. The ruling determined that the Fox decree, through "a substantial change, alters the concept of what is energy surplus, and permits in fact and in law, the privatization of the public energy service."

The Pirates Won't Surrender

The Fox government announced that it would accept the Supreme Court finding, but at the same time said it would persist in its effort to change the Constitution, to "encourage private sector participation in electrical energy generation."

To achieve this objective, the government and the ruling PAN party have launched a campaign of intimidation against the population. For example, Agriculture Secretary Javier Usabiaga called on the people of his state, Guanajuato, to send letters to their congressmen calling for constitutional reform and electricity privatization because, he said, otherwise there "are going to be blackouts" in the city in three or four years, and "you won't be able to watch your soap operas."

In the forefront of this campaign is the former PRI Senator, and now PAN member, Sen. Juan José Rodríguez Pratts, a sponsor of the constitutional reform bill defeated April 24. Rodríguez Pratts said that "aware that we can no longer reform the Constitution," and that "we cannot put forward any new bills by ourselves," the PAN would now "bet on the flexibility" of the PRD party proposal, which would open loopholes to permit private investment in energy production in the modes called "co-generation" and "self-supply"; i.e., when companies supposedly produce electricity "for themselves," but are then allowed to sell the surplus.

In Mexico, the industrial sector consumes 60% of electricity produced nationally. The PRD's electricity bill proposes that that 60% not be considered a public service, and that its production be allowed to be covered by the private sector.

Despite the assault by President Fox and his PAN party, the energy pirates failed to seize control of the ship. Now, with the "flexibility" of the leftist PRD party, they are hoping to start with that 60%, on the assumption that the rest will fall into their hands sooner or later.

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Ontario's Sell-Off of Hydro One Stopped

by Eric Alexander and
Marcia Merry Baker

On May 1, what was to have been the biggest Initial Public Offering in Canadian history—the intended C\$5 billion (U.S. \$3.2 billion) sell-off by the Province of Ontario, of its electricity transmission grid Hydro One, Inc.—was postponed, amidst growing public furor against energy deregulation. However, the same day, a deregulated provincial market began for wholesale electricity trading. The conclusion? Nothing is settled.

At issue is one of the largest power systems on the continent. The battle pits growing public outrage against some of the most wily elements of the “British-American-Canadian” financial club, who have long schemed to carve up, and sell off the government-owned company, Ontario Hydro, the parent of Hydro One.

Adding potential to alter the course of Ontario events, are developments such as the Mexican Senate halting electricity deregulation in that nation, in their 42-28 vote on April 24; and the Mexican Supreme Court's April 25 ruling that power deregulation is unconstitutional.

Then there is the raunchy documentation pouring forth, on how Enron, Dynegy, El Paso, and other dereg firms, bilked California of several millions of dollars, the pioneer of power deregulation. Canada's western province of Alberta was also thwacked with California-style energy hyperinflation last year, directly as a result of deregulation.

How can Ontario dare proceed with energy deregulation in the face of these proven facts, which sufficed to convince Mexico's lawmakers? That is the political question of the hour in the Province.

Ontario Hydro Prepped for the Kill

Two years ago, the Lyndon LaRouche Presidential campaign focussed intensely on the swindle nature of energy deregulation. Over the 2000-2001 period of the California debacle, the campaign issued millions of exposé documents in California and internationally—especially in Mexico—to mobilize to stop the power scams. Collaborators in Canada are now circulating the need-to-know facts of the deregulation hoax to key policymakers in Ontario and Ottawa.

Demanding deregulation, regardless of the California and Enron record, are such Wall Street/City of London/Bay

Street (Toronto) voices as the Toronto *Globe and Mail*. “Don't Fear the Deregulation Reaper,” was their lead editorial on May 2, stating, “The bogeyman has arrived. And so far, he ain't so bad [referring to electricity trading on May 1]. . . . Ontarians still face significant questions, most notably the future ownership structure of Hydro One, the power-transmission company the Ontario government may or may not sell.”

In 1998, the Ontario legislature passed the “Electricity Competition Act of 1998,” to initiate the deregulation and privatization of Ontario Hydro—not only the largest in Canada, but also a significant supplier of power to the U.S. grid. When Ontario Hydro had been formed in 1906, it was to ensure reliable public service, by regulating it under direct government ownership. Over the decades following World War II, it grew into a world-class system, with modern nuclear plants and technologies. Then, in recent decades, a network of Wall Street/City of London operatives nested in Ontario Hydro, using it as a political power base, and also “restructuring” the company into the ground, only to then say in the 1990s: “Privatization is the only answer.”

This take-down plot was described in detail by Sydney White, in her article against the passage of the Ontario deregulation law, in *Discourse & Disclosure*, November-December 1998, entitled, “Mission Accomplished, Amidst Stealth and Deceit; Legalized Robbery of the Public's Largest Asset, Ontario Hydro.” She pointed out that over the five-year period from 1993 to 1998, some 12,000 jobs were cut from Ontario Hydro. There was “wholesale destruction of technical staff,” and such assets as the nuclear power generation were not properly maintained.

White asked, of all the downsizing, “How was this gross inefficiency accomplished, and by whom? It was accomplished by Maurice Strong when he was head of Ontario Hydro, with the aid of John C. Wilson, a member of the slash-and-burn ‘Hospital Restructuring Commission’ and of Ernst & Young” accounting firm. White documents the financial and political associations and methods of these individuals.

As of 1998, Ontario Hydro had some \$38 billions in debt; the Province of Ontario itself had similarly sizable debts. Throughout the 1990s, the public had been told, in standard Thatcherite terms, that privatization and deregulation would pay down these debts, get cheaper electricity, bring efficiency, encourage “alternative” energy, and allow competition. In Ontario, this was called by conservative Premier Mike Harris, and his then Finance Minister Ernie Eves (now Ontario's Premier), the “Common Sense Revolution.”

Privatization and Deregulation Started

By 2000, Ontario Hydro was reorganized into five separate companies, in preparation for sell-off to the “markets.” This privatization plan was worked out by an agency called

SuperBuild, created in the Ontario Finance Ministry, to focus on privatization of public assets. Consultants to SuperBuild were CIBC World Markets and Goldman Sachs. Personally involved during this entire process was Ernie Eves, who, after serving as Finance Minister, spent last year with Crédit Suisse First Boston, part of the syndicate planning to privatize Hydro One.

The idea of the super-scheme was that, as of May 1, 2002, Hydro One—the electricity transmission grid of the province—was to be sold off in shares to private investors; other parts of the destructured Ontario Hydro would follow in the future.

The ruckus against the sell-off broke out in April. Justice Arthur Gans, of the Ontario Superior Court, ruled on April 19 against the IPO, as illegal, stating that the government had no authority to go through with the privatization, because the legislature had not approved the sale of state property. The bombshell ruling came in response to a lawsuit against the privatization, filed by two unions: the Canadian Union of Public Employees, and the Communications, Energy and Paperworkers. The government pursued counter-action.

Public Hearings

Under pressure, Premier Eves was forced to agree to public meetings. On April 29, at the first public meeting on Ontario Hydro's fate, the public was barred, because the Conservatives said the room was too small! The morning of April 30, at the second meeting, the public stormed through the door, against an attempt to restrict a participation. A furious Conservative Energy Minister Chris Stockwell walked out. The opposition party leaders present, then took over and held a hearing.

Amidst all the fuss, Eves faced a by-election on May 2, to return to the legislature and retain his premiership. "Alternatives" to the sell-off were floated, and on May 1, the IPO was postponed. Stockwell said on April 30, that privatization of Hydro One would proceed, but in a different form—perhaps a "long-term lease," rather than an outright sale. Eves said that the government would also look into the idea of an "income trust," where the government would retain ownership of Hydro One, but would sell units to investors, who would receive a portion of the company's cash flow. The units could be listed on the Toronto Stock Exchange; the plan could expire in 25 years.

Eves won his seat on May 2, by running in the rock-Conservative riding (district) of Dufferin-Peel-Wellington-Grey. Even there, polls showed that constituents were 70% against privatization of Hydro One, but would "give Eves a chance" to find an alternative to sell-off.

Wall Street is less forbearing: Pro-deregulation journalist Andrew Willis, columnist of "Streetwise" for the *Globe and Mail*, warned Eves after his election, to get on with privatization.

The 'Misfortune 500' Lead U.S. 'Recovery'

by Art Ticknor and Richard Freeman

The U.S. economic recovery has become truly an extraordinary thing, filling the Springtime with such statistical finery of surprising percentage points, shimmering delusions of confidence, and spreading tendencies to improve, that Fed Chairman Alan "Greenspan" can't contain his "frabjous joy." But as one stock analyst's newsletter put it, in his own way, "The economy looks great, but business is terrible." Indeed, when one but looks at the forward-marching ranks of the army of the American recovery, they are filled, shoulder to shoulder, with massed layoffs, grim-faced collapsed stock and pension plans, grizzled bankrupts, vacant-eyed ex-steel plants, new-made junk-bonders, and silently cancelled capital spending plans. These are the ranks of the "Misfortune 500," America's corporate leaders, and the tale they tell is one of economic depression.

The Misfortune 500 are a forlorn bunch, and don't hesitate to ask for sympathy and public bailouts, even while continuing the private money-printing, debt-concealment and other accounting frauds which have exposed the 1990s boom for a thorough illusion. In early May, Worldcom, the second-largest U.S. long-distance communications company with 15,000 layoffs under its belt, became a veritable penny stock and an actual junk-bond-rated company, while its founder, Bernard Ebbers, mournfully resigned as CEO.

General Motors—15,000 layoffs over the past year—sees a future just as grim, and holds objectives just as crazy. To "help meet our goal of earning \$10 a share mid-decade," it plans to cut \$2 billion from its North American material costs, \$1.3 billion from its manufacturing, engineering, and health-care budgets, and \$1 billion from capital spending, executives told securities analysts at a meeting in Detroit on March 19. Engineering staffs will be slashed, in favor of unscientific, and deadly, "benchmarking"; less expensive generic drugs will be promoted; and the number of suppliers will be reduced.

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Some Statistical Finery

Yet at the same time, Cisco Systems, a big vendor to Worldcom which has 8,500 layoffs of its own, electrified the stock market for a day by simply leaving a \$1.9 billion expense out of its so-called pro-forma earnings report and appearing to have made money!

America's layoff leaders, according to a report from the outplacement firm of Challenger, Gray and Christmas, have eliminated 670,000 jobs in just the last four months, January-April—precisely the months of the vaunted 5.8% increase of GDP. The corporate sector's capital investment, as a whole, has fallen each of the last five quarters. Just how U.S. government statistics manage to make the illusion of recovery from this, is partly indicated in the latest unemployment report, for April.

During April, official unemployment rose by a very large 483,000, to 8.594 million workers, the Department of Labor's Bureau of Labor Statistics (BLS) reported on May 3. Both that level, and the official unemployment rate of 6.0%, are at their highest in eight years. The May 3 BLS report showed that manufacturing employment had fallen by 1.742 million payroll jobs in 22 months, and is still falling.

Yet, in reporting on the employment situation in April, every media outlet, from Bloomberg to Reuters, stressed the alleged 43,000 gain in non-farm employment in the "establishment data series for April," as if it gainsaid the big unem-

ployment jump; they failed to report the increase of 483,000 workers on unemployment. This 43,000 "jobs gain" was a fraud as sad as the Misfortune 500 themselves.

In February, the BLS had reported a jobs gain as well, of 66,000—only to revise it downward a month later, to a loss of 2,000 jobs. Its March figures, as well, had originally appeared with a jobs gain, of 58,000—but this too, is now revised down to a loss of 21,000 jobs in March. Thus, already we see a reported "gain" of 124,000 payroll jobs, revealed by later revisions to be a *loss* of 23,000 jobs: an "error" in the rose-colored direction of nearly 150,000 in just two months. Can there be much doubt that April's 43,000 "gain" is destined for revision in May? This pattern of statistical show could be kept up for quite a while under the media's affectionate gaze, were it not that the sad state of the Misfortune 500 keeps erupting to view.

During the 22 months ended in April 2002, our leading "Misfortune 500" have eliminated more than 900,000 jobs, while the economy as a whole has lost more than 2 million, including the 670,000 lost during just the last four months of blooming "recovery." **Table 1** shows some of the ranks of the Misfortune 500 as they march toward their bankruptcy. This is the real color of the U.S. economy, and an overall bankruptcy reorganization of the finance and banking system, to save what is left of the U.S. productive capacity, as Lyndon LaRouche has proposed, is the only thing that will work.

TABLE 1

Job Cuts by the 'Misfortune 500,' Since July 2000

Manufacturing		Telecom/Information Tech		Retail	
General Electric	75,000	Motorola	48,400	Montgomery Ward	28,000
Boeing	38,600	Nortel Networks	48,000	K-mart	22,000
Ford Motor Co.	35,000	Lucent	46,000	Sears	7,300
DaimlerChrysler	28,700	Solectron	20,850	Federated	6,000
Delphi Automotive	17,600	Verizon	17,000	J.C. Penney	5,565
Honeywell	16,000	JDS Uniphase	16,000		
General Motors	15,000	WorldCom	15,250	Financial	
VF Corp.	13,000	Xerox	13,600	Merrill Lynch	23,000
Dana Corp.	11,000	Qwest	11,000	American Express	14,200
Procter & Gamble	9,600	ADC Telecom	9,600	Citigroup	11,150
Mitsubishi	9,500	Compaq Computer	9,000	Aetna	11,000
Goodyear	9,400	Ericsson	9,000	Andersen	7,000
Sara Lee	8,400	Cisco Systems	8,500	Airlines	
Unilever	8,000	Agilent	8,000	UAL Corp.	20,000
Kraft	7,500	Unisys	8,000	AMR Corp.	19,200
DuPont	7,300	SBC Communications	8,000	Delta Air Lines	13,000
Lear Corp.	6,500	Gateway	7,750	Continental	11,000
Alcoa	6,500	Hewlett-Packard	7,700	US Airways	11,000
Whirlpool	6,000	Corning	7,575		
United Technologies	5,000	Philips Electronics	7,000		
3M	5,000	Eastman Kodak	6,500		
Dow Chemical	4,500	Sprint	6,000		
International Paper	4,415	Dell Computer	5,700		
Burlington	4,000	Intel	5,000		
Deere & Co.	2,225	AT&T	5,000		

Sources: CBSMarketWatch, MSNBC, *Forbes*.

Brazil's Debt: Trying To Conceal the Abyss

by Adriano Benayon

The author is a professor at the University of Brasilia, with a PhD in Economics from the University of Hamburg, Germany. Dr. Benayon has been a diplomat, and consultant to the Federal Senate of Brazil.

In election years, making up news becomes an even more intense and widespread practice than usual. Through wholesale production of illusions, the Brazilian media and its sources are trying to exorcise the ghost of Argentina, where the formerly overvalued currency dropped to the bottom. Here and there social and economic decay rushes forward, while discredited governments keep asking the International Monetary Fund (IMF) for more of the same poison that has been wearing out both economies.

Brazil's Central Bank released data according to which public expenditures on debt interest amounted to 86.4 billion reals in 2001 (\$39.3 billion at the current rate of 2.2 reals per dollar). That is 7.6% of the Gross Domestic Product. But the true numbers are far greater. Just the domestic public debt of securities in private hands reached the equivalent of \$300 billion by the end of 2001. About \$82 billion thereof are indexed to the dollar. With an interest rate that averaged over 20% per annum on a debt stock which averaged \$272 billion, interest payments in 2001 reached \$55 billion (10.6% of GDP).

Cover-Up of Real Foreign Debt

And that is only a part of the total domestic debt. The Central Bank holds the equivalent of \$80 billion of Federal Treasury securities, which means that a corresponding mass of money has been emitted by the Central Bank. That is on top of the official money supply, and many other obligations of the Federal Treasury, such as the guaranteed savings deposits and accounts, the official social security fund (Fundo de Garantia de Tempo de Serviço), and those of the so-called workers support fund (Fundo de Amparo ao Trabalhador). All these monies are used to subsidize the financial positions of the foreign and the local oligarchies at the expense of the workers, to whom the money technically belongs.

The official foreign debt was the object of extensive cosmetic cover-up in 2001. The loans of foreign-based transnational corporations (TNCs) to their local Brazilian subsidiaries are now considered as foreign direct investment (FDI)

in the official calculations. This trick "reduced" the official foreign debt, but not the de facto foreign liabilities, which include FDI. Furthermore, other omissions contribute to shrink the official foreign debt, albeit not the real one.

Thus, the official foreign debt went down from \$237 billion at the end of 2000 to \$192.4 billion at the beginning of the current year. (It was not much over \$100 billion at the end of 1994.) An actual reduction of Brazil's foreign debt during 2001 could not have occurred, since the current account deficit remained on the same level, and the incoming FDI dropped significantly.

Not even the Central Bank's numbers support the version of an improvement in the foreign accounts. These official statistics distinguish between "service" payments and "capital income." The latter encompasses interest payments and the officially acknowledged profits of transnational corporations and banks. But, the truth of the matter is that the real profits of FDI are also transferred abroad through several "service" accounts, as well as via overpriced imports and underpriced exports. Even considering "capital income" only, the deficit amounted to a record \$19.7 billion. Moreover, the combined deficit of services and capital income increased to \$27.5 billion, in spite of the economic slump and the exchange rate depreciation.

In short, the vulnerability grew, and so we have the vicious cycle of dependence on the very source of the deterioration: foreign capital, especially foreign direct investment. For that matter, it is more important to understand the source of the debt than to assess its size and growth. For example, what happens when the current account deficit is covered by a positive balance in the capital account (i.e., an inflow of loans and other financing plus FDI)?

The answer: Remittances of huge profits reaped by the TNCs from the captive domestic market and foreign trade operations, cause the current account deficit to be chronic. For just the last five years, this outflow totalled \$137.1 billion, financial resources transferred from Brazil permanently: Bid them farewell. The country will never see them again.

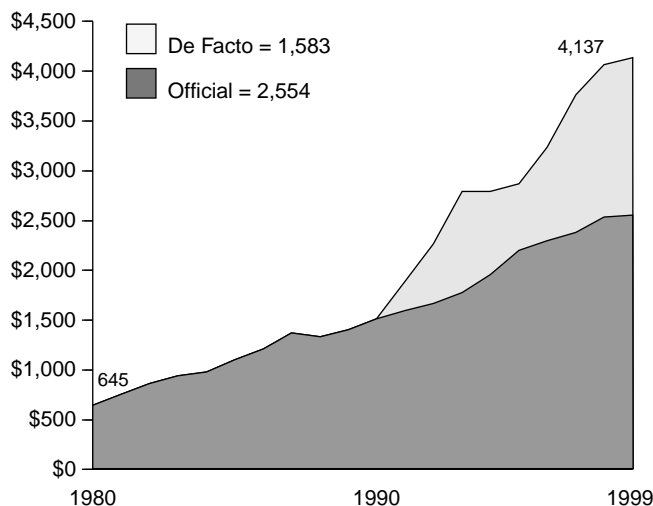
The opposite holds for the capital account. The positive balance on capital account means that: 1) in the case of loans and financing, there is a corresponding accretion of foreign debt and of the credits held by foreign banks and corporations; 2) FDI takes over from Brazilian capital in the production of goods, mineral deposits, and real estate. All of this becomes foreign property.

The Multiplier of Foreign Capital's Drain

But, the actual situation is even worse, because the effective growth of capital as transnational firms' assets occurs as a large multiple of the sums registered as FDI, and an even greater multiple of the foreign currency brought into the country. Registered FDI totals \$170 billion, which is 35% of GDP. Although the contribution of foreign direct investment to real production has not corresponded even to

World Total, 'Emerging Markets': Foreign Debt, Official vs. Real

(Billions \$)



* June 2001

Sources: World Bank; EIR.

This chart, published in an Ibero-American debt study in EIR on Feb. 8, 2002, illustrates worldwide, the kind of debt fraud dissected here for Brazil, by Dr. Benayon. Both "domestic debt" and "foreign direct investment" have become de facto foreign debt through the operations of the globalized "free trade" system and IMF control of credit and currency conditions.—Dennis Small

its registered value, it has acquired control over the economy at least four times greater than that value—i.e., something like 150% of GDP.

The historical capital/output ratio in Brazil is 2.5. In other words, on average, 2.5 units of capital yield 1 unit of production. So, for \$500 billion of GDP, the capital stock should be about \$1.25 trillion. Over 60% of that, or \$750 billion, already belongs to transnational corporations. This is 4.3 times the registered value of FDI, including reinvestment.

In order to understand why the multiplier is so great, the following should be taken into account: 1) companies based on local capital have an unsustainable situation because the neo-liberal economic model frequently forces their owners to sell them for almost nothing; 2) magnificent assets of state companies are handed over for nothing, or at negative prices, since the government grants the transnationals a vast array of subsidies, such as financing at favored rates, tax exemptions and credits. All of this is paid for by the Brazilian people, and the name of the racket is "privatization"; and 3) transnational corporations active in Brazil wipe out all local competitors, since they employ physical capital and technology at zero cost, fully amortized abroad by sales in large markets. As they gain monopoly positions, they exploit the local market at will. The bulk of the gains are transferred abroad, and there still

remains some money to reinvest. But actual investment is a pittance, compared to the impressive sums of registered investment.

Thus, for Brazil, accepting foreign capital entails, among other things, aggravating the problem that its advocates claim to solve: the trade deficit. Interest expenses grow with the foreign debt. And, more important, the deficit is caused mainly by the remittances of the transnational corporations, i.e., by foreign direct investment. To that end, they use over ten different line items of the services account, as well as transfer-pricing in imports and exports. Therefore, the greater the control of industry and trade by transnational corporations, the greater will be the current account deficit.

Debt Spiral As in Argentina

Under such conditions, besides deteriorating steadily over the long term, the economy also periodically lurches towards the abyss: for instance, when the debt approaches a level which causes doubt about the country's ability to pay the debt service, or when foreign investment diminishes or leaves for any reason. Both events cause the already high interest rates on the internal debt to increase further, which in turn leads to higher risk spreads on the foreign debt's interest. As a result, the debt stock grows faster, and debt service becomes unsustainable. Furthermore, all of that leads to devaluations, which in turn cause an increase of the foreign debt as measured in the national currency, pushing up the domestic debt, due to the appreciation of securities indexed to the dollar.

All of that strangles non-finance expenditures. Thousands of examples illustrate that, such as the story of the older public health workers in the city of Belém. Asked why they had failed to detect the presence of the mosquito *Aedes aegypti*, carrier of the dengue virus, as was their responsibility, the men pointed out that their wages did not permit them to buy eyeglasses.

When the collapse deepens, as in Argentina, governments often apply to the IMF for "help," which exacts further cuts in non-finance expenditures and tax increases. All of that causes income and production to fall. As a result, the gap between the economic means of payment and the size of debt and its service grows and grows. This is more than a vicious circle: It is a spiral, where the dimensions of the problem grow at every turn.

The above analysis demonstrates that what is happening in Argentina is not far from Brazil's doorstep. One wonders why Argentina has not yet swept aside the political and economic system that is destroying it. Instead, government officials continue to humiliate themselves and the country before the IMF, begging it to inflict more punishment upon the people, as though the latter had been the cause of the misery created by the economic model and the IMF. That misery in fact comes from idolatry: of the dollar and the illusory inflows of foreign capital.

The Middle East Blow-Back Effect

by Lyndon H. LaRouche, Jr.

The following is an edited transcript of Lyndon LaRouche's opening remarks to a Washington, D.C. seminar and international webcast on May 1, 2002, sponsored by LaRouche in 2004, his Presidential campaign committee.

My subject today is focussed on the question of the horror show, in the danger to civilization, which is expressed in the Middle East crisis. And also, to indicate the possibilities of solution for that crisis. However, the Middle East crisis is not a crisis of the Middle East; nor was it created in the Middle East; nor is it the creation of protagonists in the Middle East. This is a world crisis, which, for various strategic reasons, has exploded in the Middle East, threatens to spread out throughout that region, and threatens, under present circumstances, to bring an end, for generations to come, to civilization, worldwide, as we have known it.

Some of the things I will say today, which are not generally said publicly, coincide with the views of many of the people from around the world—not only critics in the Arab sector, but others, in Europe and elsewhere. But nonetheless, no one else says it, no one else in a position, with the voice to make it heard, says it publicly. As you know, if you've looked at your Congressman recently, in the United States, and have watched him going away, and you look at their back, in your mind's eye, you see a sign on their back: "Space for rent." This is the general situation with the parties, in politics, in the United States today.

So therefore, in the mud and slime of existing U.S. politics, in the confusion and chaos and insanity which comes out of the teleprompter which the President reads, and similar kinds of things, where is there a solution? Where is there a clear voice defining policy? Nowhere, in general. And no one from inside the United States.

One of the problems here, which I will make a bit clearer today, is very few people, even *in* the United States, know what the United States is, and what its problems are. Many people would like to defend the United States, but they don't



Lyndon LaRouche addresses the webcast on May 1. "When I speak, people listen. They may not like it, but they listen. So I use the voice I have, and the influence I have, to try to force people to face the truth about the situation."

know what they're defending, and sometimes, they pick the wrong side, when they choose a cause. My job is to make that clear to you.

The context for this, which I will address first, and then I will come to the Middle East matter itself, later—the context for this crisis today, is that the world as a whole, especially European civilization, extended globally, is experiencing presently, the worst and most dangerous crisis in the history of Europe, since the 1648 Treaty of Westphalia. No crisis, including the wars of the last century, was as severe and dangerous to civilization as what you're seeing *reflected* in the Middle East crisis, today. This is the one crisis which could destroy modern history, for generations to come.

And, as you see, we have no President of the United States. We have an elected President—not elected, probably, but inaugurated, anyway, despite all the misunderstandings, and whatnot. I think, actually, Al Gore inaugurated him, because Al Gore could have won the election in Arkansas, but he chose to ignore Arkansas, perhaps because it had something to do with Bill Clinton—and went to Florida instead, and threw the election away in Florida, where he had it won in Arkansas, if he'd not wasted his money on Florida. So, he actually gave the election to President Bush. And he is now a creature of the past, and let's hope he remains that way.

But, the problem is—it goes deeper: that since 1964, with one exception, no President of the United States, has, on a matter of grave strategic importance, expressed the actual *interests* of the United States, except for one incident by Presi-

dent Reagan, on the SDI, in the early 1980s. Since 1964, since President Johnson pushed through the Civil Rights legislation, no President of the United States, with the one exception of Reagan's support of the SDI, has spoken in a manner which is consistent with the actual, fundamental interests of the United States. For example, you had the Suez Crisis: President Eisenhower acted in the interests of the United States, and he understood them.

FDR's Post-War Vision

Now, what I've described as the problem here: At the end of the war, after Roosevelt had died, the United States turned away, in large degree, from the commitments which Roosevelt had, from the path he trod, and from the post-war world we would have had, had he lived. Roosevelt, for example, was for the abolition of colonialism, immediately, at the end of the war. The United States emerged from the end of the war, as the *only world power*, as the *only* power, built out of the wreckage that was left by Coolidge and Mellon, from the Depression. There was no other power on this planet. And Roosevelt intended to use that power, as he told Churchill, to bring about a new system in the world, one not based on the 18th-Century policies of Adam Smith and the British, one not based on colonialism; but to use the power of the United States to effect the immediate liberation of all colonies. And to use the policies of the American System, the anti-Adam Smith policies, to rebuild, and build the economies of the world, with U.S. backing. That was taken down: Under Truman,

colonialism was restored at the point of a bayonet, with the backing of the United States, and on the instruction of the British government.

However, we did have a system that worked somewhat. The post-war monetary system, which had many features of Roosevelt's policy continued in it, was a very successful policy, for about 20 years, until about the middle of the 1960s. The United States prospered, in a continued recovery, despite all the mistakes of Arthur Burns' influence on President Eisenhower, and so forth, the United States prospered economically. The conditions of life for most citizens improved. Opportunities increased.

The same was done in Europe, with U.S. cooperation, with the ideas of Jean Monnet of France, who was an admirer and collaborator of Franklin Roosevelt. The same thing happened in Japan, and to some degree, in South and Central America. But the period then, even despite Truman, and under Eisenhower, and despite his mistakes, was a period of progress for most of the world. Then, it suddenly changed. The change came after Eisenhower's death. And it became worse, and worse, and worse.

Here's what happened: Look back at the history of the United States. The United States was a creation of Europe. That, after the period of religious wars, from about 1511 to 1648 in Europe, the hope of building a modern sovereign form of nation-state in Europe had gone into the rubbish pile, into the ditch. So, on the basis of the Treaty of Westphalia, in 1648, there was an effort to begin to build up sovereign nation-states in Europe. However, the rubble left over from the religious wars, and from the feudal interests, and things of that sort, prevented this from being successful in Europe.

So, during the course of the 17th Century, and especially the 18th Century, more and more of the intellectual leadership of Europe, from many countries—France, from England, from Russia, included, from Germany—focussed on the United States, or what became the United States, as the hope of building, in North America, the kind of republic which European civilization had aspired to build on the basis of the wreckage of the Roman Empire and feudalism. These people concentrated on us, educated our people, imported their people to assist us in building this republic. And we built, what is still, to this day, in terms of its constitutional design, the only true sovereign nation-state republic on this planet, which was described by Lafayette as a “temple of liberty and beacon of hope for all mankind.” Which it was. And which it does remain, at least in the wishes, if not the reality, for many people today.

We are still a power—we don't deserve it, but we are. That is, we have the capacity, as a nation, because of our historic authority—not because of our present government, or our recent habits—but because of our historic authority, to intervene in world affairs, not as a dictator, but as a moral influence and a power, to cause things to happen for good, which otherwise could not happen.

The case in the Middle East is typical of that: If the President of the United States would find the gumption and the wisdom to intervene in the Middle East, *this horror show would stop immediately*. Not because the United States has the physical power to suppress what Sharon is doing, but because if the United States took that position, then the nations of Europe who want that result, would rally to, and cooperate with the United States, other parts of the world would rally to and cooperate with the United States, and the entire world, or most of it, would, as if one with crushing blow, *stop this murder in the Middle East now*, and bring about peace.

Our problem is: How do we bring that about, with this President, this inaugurated President? And that's what I want to lay before you today. The problem exists—I'll turn to the problem, the worst manifestation of it. Solutions exist, at least on paper, as ideas; I've worked since 1975 to try to bring about Middle East peace, and looking back on that period, over 25 years, I made no mistakes: What I said then is valid today. What others did to the same or similar effect is valid still today. What has been lacking is the will and the authority to put that into place and into work. My concern is, therefore: How do we implement the solution realistically, not how do we simply propose, once again, a solution that I and others have been proposing, rightly and justly, for over 25 years?

The 'Perpetual War' Faction

This is the problem: At the end of the war, the same forces which hated Roosevelt, Franklin Roosevelt, seized control in the United States—not totally—those of us who had returned from the war wouldn't have put up with it. We had remembered the war; we had been uplifted by Roosevelt and what he represented; many of us had rediscovered the legacy of the American Revolution in our history. We wouldn't have put up with it. But, we became fat, and lazy, and corrupt. Men returning—remember, 16 million of us were in military service during the war, at the high point. We returned after approximately five years in U.S. involvement in this war, to start families, or to build families. Married couples would decide to have children at about that time. We began to move into suburbia, as in these Levittown shacks out there, in the potato fields outside of New York City, to build up suburban life, and other kinds of life. Women, who had had their husbands in the war, said, “No, you've got to do everything to catch up for five years of lost time. We've got to make the babies now. We've got to have the schools for them now. We've got to have a house now. We've got to have this now.”

And, they had a kind of “now generation,” which became the Baby Boomer generation. They went to universities, not to get knowledge, but to get a job, a better job. And so, they became corruptible. And so they were corrupted. I saw it all. I hated it then. I hate it more today, when I see what the outcome was.

What happened in the United States was, a certain faction, whose legacy is the Confederate States of America, typified

by the Nashville Agrarians, led by a virtual member of the Confederacy, William Yandell Elliott, united with certain financial circles in Boston, in New York, and Washington, and elsewhere, to conceive of an anti-Roosevelt world, an anti-Franklin Roosevelt world. Their conception was this: If the power of the United States could be joined and controlled by the power of the United Kingdom, of Great Britain, then, we could create an English-speaking world empire, modelled somewhat on the Roman Empire, but with British-financier characteristics, as opposed to Roman characteristics. Then we could rule the world, we could put military force to work, to control nations in the way that Ancient Rome had controlled nations with its legions, and its policies, and religious wars, and ethnic wars. This policy became known, in the course of the 1950s, as the “utopian” policy. It was a policy of leading banking firms and law firms, accounting firms in New York City, and in Washington, D.C., and in Boston.

These people were conjoined with a faction inside the U.S. military, centered around the buildup of the Defense Department, around what became the RAND Corporation, became the various foundations which dominate United States policy-making today. So these foundations and financier interests and law firms and so forth, together with a certain faction in the military, set out to transform the United States and the world, on a model in the distant past, on the tradition of the Roman Empire—an English-speaking world, largely, and also modelled, in military policy, on both the Roman legions, and also, the Waffen-SS, the Nazi Waffen-SS.

The Change in Military Policy

So, the change in direction occurred then. What happened—the changes in military policy? You had the firing of MacArthur, who was the best commander the United States had in World War II. He conquered more territory, with fewer losses, both to U.S. forces, and to their Japanese opposition, over a shorter period of time, relatively speaking, than anyone else in modern history. Probably, the most successful military commander in modern history. He became the overseer, so to speak, of Japan. And he did not have to use nuclear bombs on Japan—he’d never use them. This came from London and Washington. Truman decided to drop the bomb. There was no military need for dropping those bombs. Ever. Japan had been successfully blockaded by an aerial and naval blockade. And Japan, which depends upon imports of raw materials for its existence, the United States, principally, had so effectively blockaded Japan from the air and the sea, that the military faction, which was still in opposition to the Emperor Hirohito’s determination to surrender, would have to give up soon.

So the U.S. policy, in the Summer of 1945, under MacArthur, was not to drop bombs. The policy was to sit. Not to attack a defeated nation. Standard military policy: *Never attack a defeated enemy*—you might start a new war. But Washington was not happy. The utopians were not happy. They wanted to use those bombs. They had intended to drop them

on Berlin; if Berlin had not surrendered by the end of June 1945, Berlin would have been obliterated, with one or two nuclear bombs. That was U.S. policy. But Berlin surrendered. Hitler surrendered—or, didn’t surrender, but the Germans surrendered. They couldn’t use the bombs. So, they said let’s drop them on Japan. They dropped them on Hiroshima and Nagasaki.

One of the reasons they dropped them, was to take the credit for the victory away from Douglas MacArthur, because the issue was military policy. Douglas MacArthur represented the traditional military policy of modern civilized society, the policy of the United States, the policy of Lazare Carnot of France, who was one of the great revolutionaries in making modern military policy, the policy of Gerhardt Scharnhorst of Germany. This was the military policy of the United States, especially after Lincoln’s victory. MacArthur represented that policy. President Eisenhower, with all his wavering on some political-economic issues, nonetheless, represented that same tradition and that same policy.

What happened? The firing of MacArthur, which was ordered by the financier interests of London and New York—it was a set-up—resulted in what? A no-win war in Korea, which has not been ended, in fact, to the present day. The issue about Korean policy is: The President of South Korea, with the encouragement of President Clinton, at a certain point, proposed a new policy for the Koreas, for the effective reunification, as a *process* of cooperation between North and South Korea. But the Korean War continued to the present day. And those who still put North Korea on the list of the “Axis of Evil” are actually expressing that determination to have a *perpetual war in Asia*, called Korea. They probably would like to do it in Indochina, where they did make a perpetual war, based on the precedent of Korea, after the successful assassination of President Kennedy.

What they’ve done in Iraq is a perpetual war. They went in and conducted a war against Iraq: The war has never ceased. Peace has never been declared. The war goes on. The Bush Administration went to a silly war in Afghanistan, which nobody but a brainless, militarily incompetent idiot would do. After what the Soviet experience in Afghanistan was, you’d never go in and do that again. A few tens of thousands of fighters, as long as they continue to be supplied, can pin down 200,000 or more U.S. troops in Afghanistan, *permanently*, the way the Soviets were pinned down. And it’s happening, and will continue to happen. We’re still in it. A perpetual war. We’re about to reactivate the perpetual war in Iraq, against Iraq, throughout the Middle East.

So the policy has been one of: Pick enemies, the way the Romans did, the way the Nazis did, and declare perpetual war. How do you fight perpetual war? By conventional warfare means? No. You fight wars of annihilation and intimidation. You force nations to submit to your will, the way the Romans did. These are the utopians. What they hated above all, is they hated the United States. It’s a long tradition in the United

THEN AND NOW

The Warsaw Ghetto: 1943



“What’s the difference? It has the same purpose, to get rid—it’s called the settlements policy, or the Eretz Israel policy of the Likud, which is the fascist movement in Israel. The idea was to make Warsaw Judenfrei—free of Jews. Now, it’s to make the West Bank free of Arabs, of Palestinians.”

The Palestinian West Bank: 2002



States, which very few people outside our borders have really come to understand.

Two Traditions

You have two traditions in the United States. One, which I defend, which is called the American Intellectual Tradition—something that Kissinger denounced on a number of occasions. And that is the tradition of those who founded this country and its republic. The idea of creating a modern nation-state, whose purpose was not to dominate the world, but in the advice of John Quincy Adams, as Secretary of State, to President Monroe, to create a community of principle among perfectly sovereign nation-states, which was John Quincy Adams’ recommendation to Monroe, in the case of the Americas, and was the basis for the so-called Monroe Doctrine.

The United States was not in a position, at that point, militarily, to kick the Hapsburgs and the British out of the Americas. But Monroe said, and Quincy Adams said: The United States should be determined to build up its strength, to the point that it is *able to kick the British and the Hapsburgs out of the Americas*. And to allow the people of these countries, who aspired to their own governments, their own sovereignty, to enjoy a perfect sovereignty, under the umbrella of alliance with the United States. A community of principle for common purpose, but respective sovereignty, in terms of power. That was the intention of Franklin Roosevelt for the post-war period. It’s my intention today.

Let me just explain what this is, and then get on to this.

The fundamental question which has to be asked—and it’s not asked often enough, and sometimes our churches are the worst enemy of religion on this account: The foundation of Christianity, of Judaism, and Islam, is the concept of man, as created in the image of the Creator of the universe. This defines the individual as different than any animal. That each individual has, with the cognitive powers of reason, a power of creativity, which no animal has. And therefore, each human being is born good, or at least redeemable to good; and each human being is a life which is sacred in the eyes of the Creator, because we embody the quality of the Creator. And therefore, the function of government must be, not to impose religion, but to recognize this as a principle of natural law: that government has no right to exist, except insofar as it is efficiently committed to promote the general welfare of all of the people, and their posterity. And to honor the aspirations and achievements of those who have gone before us, who created the foundation upon which we are able to do good. That’s the function of government. That’s the meaning of the Preamble of the Constitution, which is the fundamental Constitutional law of the United States—the principle of the General Welfare—to promote and defend our sovereignty, and to promote the common good, both for our people, and in our relations among states abroad. That’s our law. That’s the American Intellectual Tradition. It’s a European tradition in particular, a tradition of those who struggled to build the kind of society,

which is free from what was characteristic of Roman society, in particular.

Under Roman society, or under Mesopotamian dictatorships before, man was never free, because man was classified generally as a form of human cattle. And there were three kinds of cattle: There were the cattle that ran wild; there were the cattle that were captive cattle; and there were the wild cattle you hunted down. Now, the captive cattle, you raised like you raise cows. You cared for them; you fed them; you helped them to reproduce to the numbers you desired, but insured they did not reproduce to numbers in excess of what you desired. You'd kill them and slaughter them when they were no longer useful to you. That was economy. That's called agriculture.

And, that was the kind of society. The majority of human beings were human cattle, under the subject of rulers who behaved like beasts. Now, some of these societies made significant contributions to culture, but they made them out of societies that were ruled in a bestial fashion, as if by beasts. Like the Roman emperors, for example; or the Byzantine rulers, for example; or the feudal system, for example; or the Hapsburgs of Spain and Austria, for example, with the exception of Joseph II, who did some good things.

Promotion of the General Welfare

So, the question was, to form a society, which developed the qualities of the individual, in the image of the Creator, which freed mankind from the destiny of being captive or wild human cattle, which treated mankind as mankind. And thus, in order to promote that, it is necessary to develop among the people, their own taking of responsibility for maintaining this kind of order. You can not have this kind of order, unless the people themselves will work to maintain it. And therefore, the people themselves must *participate* in the promotion of the general welfare; the promotion of education; the promotion of scientific discovery; the promotion of longevity, and so forth and so on. The people themselves must resolve to do that. And the function of government is to be responsible to the people, as an executive function, as a governing function, to ensure that that practice is continued and promoted. That's the American Intellectual Tradition, in essence.

You see it reflected in the discussions leading into the Declaration of Independence in 1776; you see it in the discussions around the Constitution. You see it expressed most nobly by Abraham Lincoln, who understood this. And there's not a critic of Abraham Lincoln I've ever heard of, from any side, who is not wrong. He was right on everything, on every count, on every decision he made. He was not always right in terms of knowing what to do, or knowing the correct decision, but he was always right in principle.

Now, as long as Eisenhower was President, the military faction, the utopian faction, which had intended to create this new Roman Empire/Waffen-SS-like system which we have today, were not able to function. And the Suez Crisis, under

Eisenhower, was an example: Eisenhower responded to his understanding of the fundamental interests of the United States, and said: "We crush them. This is a crime against humanity; it will be stopped now." And he stopped it. He was a real President. He may have been on the golf course too much, he may have played too much golf with George Bush's grandfather—the President's grandfather, Prescott—they were on the golf course a lot together. (It was a kind of a racist golf course, too. Noted for that around Washington.) But, when it came to the question of U.S. policy, and U.S. interests, internationally, Eisenhower knew what it was to be a soldier, and a President. And he acted accordingly.

You had tendencies in that direction by President Kennedy, but he was killed. The last time we saw that, as I referred to before, by a President, consistently, was by President Johnson in 1964, where Johnson had the courage, to know that the fundamental interests of the United States, demanded that the Civil Rights Act, the two Civil Rights acts, be pushed through. And he pushed them through. Not because he liked this or liked that, or had this influence or that influence. He did it because he knew what it was to be President. When you're President, you *embody* the executive capacity of the *self-interest of the people and the nation, and the intention of its existence*. You are responsible to its past, and you are responsible to its future. And you, if you stand absolutely alone, if you're an elected President of the United States, *you must act as a President against all comers, including your own citizens*. You must stand alone as the conscience of the nation, as the defender of its fundamental interests. If they kill you, you still do it, because that's your responsibility. And no one should run for President, unless they're willing to take that responsibility. Unfortunately, many do.

Once Eisenhower was out of the way, the utopians went wild. We had, throughout the world, waves of assassination: the attempted assassination of Charles de Gaulle in 1962—done by whom? It was done by the fascists, including Jacques Soustelle, known to me from his career in Mexico and elsewhere. Evil man. With the backing of Franco, a fascist, an evil man. The backing of the Spanish Carlists, who are evil, and their sympathizers of the old Pétain regime in France, who are evil. They were determined to kill him. These were the same crowd that targetted—we don't know who shot Kennedy; it certainly was not Oswald, but we don't know who the three riflemen were. But we do know who targetted him. It was the same crowd that went after de Gaulle. We do know who killed [Enrico] Mattei—the same crowd that went after de Gaulle. We do know why Macmillan was ousted with the Profumo scandal in London—the same crowd.

So, this crowd, which we call the special-warfare interests—the Allen Dulles crowd, people like that—moved to set into place, a new kind of warfare, which they affirmed by launching the war in Indochina, in the middle of the 1960s. This crowd was constrained by the fact that, though it had a deal with the Soviet government, a so-called détente deal,

which went in various degrees: first with the British and Khrushchev, who made negotiations with London through Bertrand Russell, in the middle of the 1950s; later, with Khrushchev again, on the basis of the [Cuban] Missile Crisis, and so forth and so on. Despite these agreements, the Soviet power was real, and other nations of the world who resented U.S. arrogance, would sometimes align with, or play with the reality of Soviet power, as a way of playing against the threat of a utopian dictatorship from London and from Washington.

With the collapse of the Soviet system, over the period 1989-1991, they thought they were free. When the paperwork was signed on the agreements among Thatcher, Mitterrand, the former President George Bush, and Gorbachov, these fellows were convinced that the Anglo-American Empire would now be able to rule the world, or proceed to establish the changes which would eliminate the institution of the sovereign nation-state; which would institute global population control; which would eliminate all forms of competent education; turn the people, mentally, into human cattle, which we're seeing today; and thus, set up a military system, modelled most immediately upon the Nazi Waffen-SS, which would rule the world. And that is the essential background of the Middle East war.

Using Israel as a Tool

You have, for example, in Israel, you have a group—people will sometimes say, the Israelis run the United States, through the Zionist Lobby. That's not true. The utopians run Israel through their asset, which is the followers, chiefly, the followers of Vladimir Jabotinsky, who is not only an avowed fascist, whose movement, the Betar, was a fascist movement in the Mussolini sense, but a Jabotinsky who publicly offered to support Adolf Hitler's government, if Adolf Hitler would come to the term of dropping anti-Semitism.

So you had in Israel, coming more and more into power, especially in the late 1970s, you had the emergence of a fascist power, centered around the party called the Likud, who are fascists—and actually, there's no difference between fascist in the generic sense and Nazi. It's just a matter of colors and details. So we created this thing in the Middle East. We had created—the British and we had created in the Middle East—a situation of perpetual warfare, as a way of managing the Middle East.

This thing started in two ways: It started with the British during the period of the Napoleonic Wars, when the British were determined to intervene in the destruction of the Ottoman Empire, by finding some inside influences inside the Ottoman Empire to control the destruction. And they took the area of Palestine as one of the areas, key areas, for this intervention.

Then, toward the closing decades of the 19th Century, the time of the British Admiral, Admiral Fisher, the British had decided that they were going to have a war, a jolly war, a jolly world war, in which the British Navy would reign supreme. And to this end, they decided that what they would do, is

build the so-called Dreadnought Navy of Fisher. And with this Dreadnought Navy they would power it, not with coal, but with petroleum, with oil. And that's when they stole the oil at the head of the Gulf. And it became the personal property of the King of England, later the Queen of England, and was then called British Petroleum, at a later point. One of the biggest assets of the British monarchy.

They decided then that the entire oil-bearing region of the Middle East would now become a basis for their control of world petroleum and world energy supplies, for strategic purposes. And therefore, the object was to take and chop the people into little pieces, to play one against the other, to create parties and factions against each other, and thus control this area of the world, which is of strategic significance. It is the junction point of Eurasia and Africa. It is the junction point from the Mediterranean into the Indian Ocean. It is implicitly, and has been historically, the strategic pivot of the world. So to control politics in this region of the world, was the strategic objective of the British Empire, and became, under Wilson, and under Coolidge, became the strategic objective of what became the Anglo-American Empire, in fact. And that's the genesis.

For this purpose, they needed to create a destabilization factor in the Middle East. Now initially, as you recall, the Israeli, the Jewish settlement in the Middle East was limited, and it generally involved a certain degree of cohabitation among Jews and their neighboring Palestinians, among whom they settled. But somebody said, that's no good, so they organized a movement to create some atrocities against the Jewish settlers in Palestine, and the Jewish settlers, through some Russians who were sent to them by the head of the Secret Police of Russia, Colonel Zubatov, created what became later the Haganah, the defense organization, which was sent in there by the Russian Secret Police from Odessa, in response to the provocations which were orchestrated through British circles, anti-Jewish provocations, so the Jewish defense effort against the provocations which the British organized, became the basis for creating the seed of a permanent Arab-Jewish conflict in this part of the world.

And thus, by playing this and similar kinds of things, to play parts of the Middle East against each other, in order that the outside force, the imperial force, the Anglo-American force, would control the region. And thus control, not only, then, the petroleum interests, which were crucial, but to use the petroleum interests as a key part in controlling the world, not only the navies, but the world in general—and also to prevent other things from happening. To create a factor of permanent destabilization in the strategic pivot, the Middle East, which connects Africa, and Eurasia, which connects the Mediterranean and the Indian Ocean. That's where the problem lies.

So what we face is not—this is not an Israeli question, it is not a Palestinian question. It is not an Arab question. It's a strategic question: Are we going to be able to live on this planet? Because if what is proposed now, the "Clash of Civilizations,"

zations,” of Samuel Huntington, of Bernard Lewis, of Zbigniew Brzezinski, of Henry Kissinger, and other swine—if these things are allowed to continue, this kind of war, which they’ve got young Bush tied into right now, then I assure you, given the realities of the economic situation, given the military realities, given the political realities, you will not have civilized life on this planet for generations yet to come: a dark age for all humanity.

Are we willing, are we morally capable; do we have a President of the United States who’s morally fit to be President; who’s capable of making the decision tougher than Eisenhower made on the Suez crisis? The principle remains the same. The same principled decision we had to make against Hitler, to fight Hitler. Are we sufficiently aware of our responsibility as a nation-state, as a nation as such, are we aware of our responsibility to protect the people of this planet and ourselves, our own people, from this kind of horror, or are we not? If we are, we will stop this thing right now. Now let’s get onto it.

The World Crisis and the Triple Curve

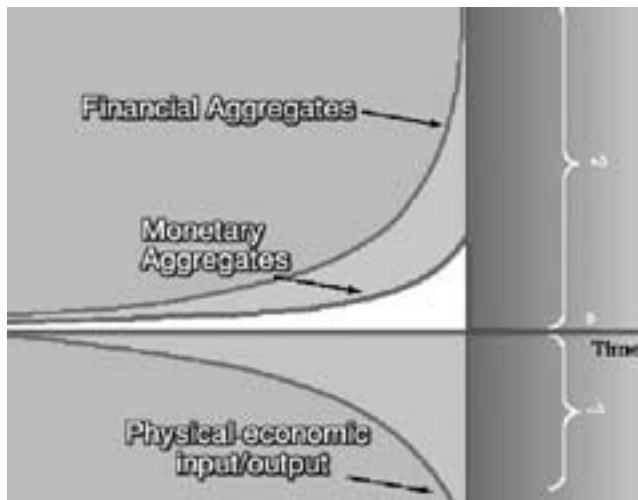
Now, let’s look at what the world crisis is.

In 1995, as an outgrowth of my participation in the Vatican conference on health care, some discussion came up of what the problems of health care were, and my attention turned to the issue of the economic-financial aspect of the collapse of health care worldwide, the danger to human life as a result. So to try to make clear—because you know, you had a great assortment of religious bodies, you had priests and others, nuns and others, who were in that conference, and they don’t know much about economics. So how do I make clear to them, what the danger is, with which we have to deal, if we’re going to have the resources needed to meet the health-care standards of humanity in this coming period?

So what I did is, I drew this Triple Curve (**Figure 1**), which was a representation, for pedagogical purposes, of what my studies showed the problems have been of the United States and the world, since about 1966. Because in 1966, the world economy changes character on the initiative of the British and the Americans, from what had been a producer society, a society based on production of wealth, based on educating populations and investing in order to increase the productive powers of labor, to a society which, like Ancient Rome, following the second Punic War, had become a *parasite* society. That is, Rome stopped producing for its own needs—Italy. Rome instead reached out and looted neighboring countries, to supply the food and other things it required for its wealth, resorted to unproductive slavery inside Italy itself, and created a class of citizens who were nothing but parasites, much like our citizens today are becoming. Which is why they vote the way they do. Bread and circuses.

You don’t think we’re corrupt? You don’t think that we, like the Romans, who were corrupt, go into large stadiums to watch bodily contact sports? We haven’t got officially gladiators yet, except on the screen. What do you see on the screen,

FIGURE 1
A Typical Collapse Function



the television screen? You see mayhem. And you see that the kind of thing coming out of Hollywood—not only Nintendo games, which I’ll get to, the kind of things which Joe Lieberman doesn’t oppose, Sen. Joe Lieberman.

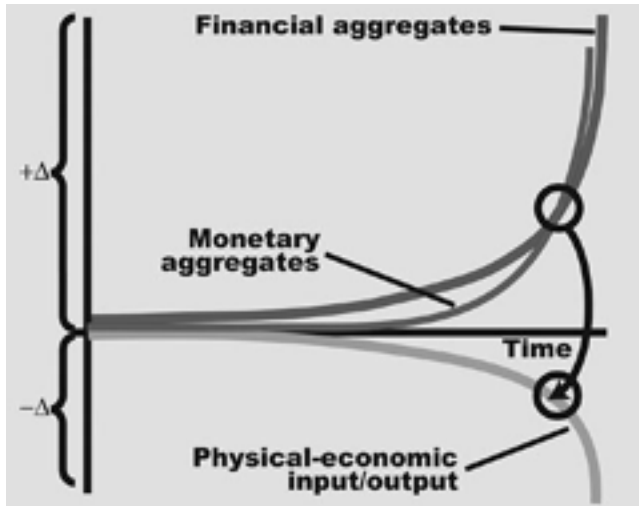
Now what happened with this change to a so-called consumer society, which is really an imitation of the degeneracy of Ancient Rome—change from a producer society to a consumer society? Well, what happened was, we began to reduce, from about 1966 on, we began to reduce the per-capita physical output of our economy. We kept the economy going, how? By pouring money into the system, from the Federal Reserve and other sources, and from foreign sources, to pump up financial assets, and to give us the buying power to buy what we didn’t produce from abroad.

We send our industries overseas to cheap-labor markets overseas. How do we buy our food, if we send the industry over there? How do we buy our goods from cheap labor markets abroad? We printed the money. How do we get the buying power to print the money to buy? Well, we use the money to build up the financial bubble—like stock values and things like that, real estate values. The biggest bubble that’s ready to pop in the United States is the real estate bubble, mortgage bubble. A big, giant bubble that’s about ready to pop. And when that goes, the U.S. system goes, financially.

So these were the three tendencies. The physical economy was being stripped down, from about 1966 on, with the 1966-67 budget. From the same period, about ’66, you had a rapid increase in monetary aggregates, which were initially explained as the need to finance the Vietnam War. You had, as a part of that, a shift of stock-market values into an appreciation of stock values. Then, in 1971, it became worse, when Nixon shut down the economy. He shut down the monetary

FIGURE 2

Revised Triple Curve



system which had worked very well for us in the immediate 20 years following World War II, and we went to a floating-exchange-rate system which wrecked everything, and this process accelerated. Then we went, recently, in the year 2000, to a second step (Figure 2).

Weimar Germany's Hyperinflation

Now what happened there, what happened to the United States, in particular, in the year 2000, was the same thing that happened in principle, in Weimar Germany in June-July of 1923. Now, Weimar Germany, post-war Germany, was being looted under the Versailles agreements. Assets were being stripped out of Germany to feed the French and the British. And the British and French owed us a great deal of money, to the United States, were paying the United States. So the system was, the United States was the creditor of the world; the British and the French were living by looting the Germans. So the German economy was being stripped, asset-stripped.

So, what the German government did, was to print money, reichsmarks, to generate a flow of cash, which was then used to pay off the British and the French, from 1921 on. There was no significant inflation, in Germany until late Spring and Summer of 1923. At that point, what happened was, that the amount of money that had to be printed to roll over existing financial assets, was greater than the amount of financial assets rolled over. The result of that was, under conditions in Germany at that time, a hyperinflation which wiped out the existence of the Reichsmark in that form by October-November of that year.

What happened to us in the Summer of 2000, was essentially something similar. The amount of monetary aggregate which Alan Greenspan—and what he's able to extract from

abroad—is able to generate, to keep the stock market and other markets from collapsing, is greater than the amount of financial assets they're supporting. That's why you see the kind of stock-market behavior you're seeing in the U.S. stock markets. The stock market collapsed; they had to accept maintaining the financial values of the stock market at a lower level, so the value of market indices dropped, as a reflection of the inability of the U.S. system to continue to pump money into the system at that rate—but they're still doing it.

Where they pumped the money, was into something which many of you know about. The phenomenon of cashing out. The way the economy is being sustained, apparently, today, is that mortgages are being artificially pumped up, through Fannie Mae and Freddie Mac and so forth—with the Federal Reserve System. The bankers who take mortgages are able to bundle these mortgages and dump them on Fannie Mae and Freddie Mac, for example. The bankers thus have the cash turned loose, they turn around and with the payments they receive, on their deposit of these bundled mortgages with banks, the banks now issue more credit. Then the real estate operators in that area—as in the Northern Virginia area, around the Washington Beltway, for example—the real estate dealers will get together with the bankers, and they'll pull an operation. They will then front an operation which boosts the indicated sale price of real estate.

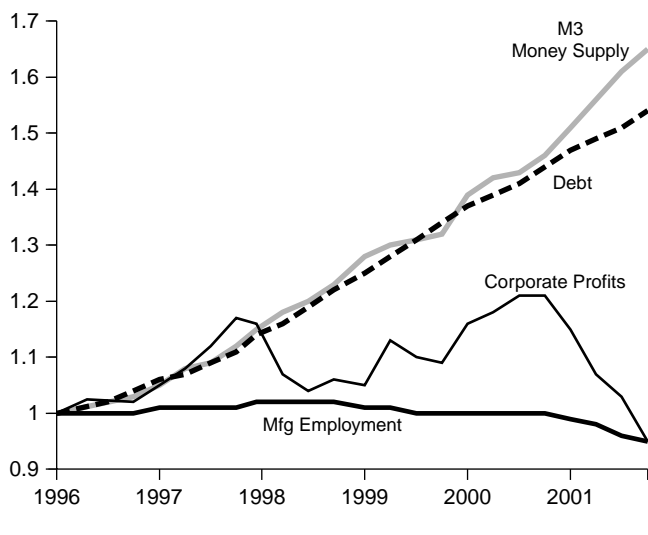
Now the people who are already mortgaged, as the mortgagees, they now go to the bank and they cash out. They write the mortgage up, to reflect the new value which the realtors establish for these properties. They then take the case, and they spend that for food, clothing, and whatnot—and for their credit card debt. And that is what this economy is based on.

If you look outside Washington, D.C., the Beltway in particular, what you will see is exactly this phenomenon. You see shacks, which are Hollywood set-style tarpaper shacks, built with a few sticks, some shrink-wrap, some plastic exterior, and some gold fixtures inside the place; these things are going for up to \$500,000 to \$1 million, apiece. They're nothing but shacks, sitting on top of a hillside, or on a plot. They're disgusting, their rear ends are sticking out on the highway, they're mooning you—they're junk, and people are living in them, and the person who's now, who's mortgaged, the person is now an instrument for creating the *illusion* of a flow of payments into the banks for the mortgages, and this *illusion* is now the basic value of the understructure of financial values in the United States. And it's about to pop. So, that's what happened then.

All right, now, the third one (Figure 3): These figures are '96 to 2001 figures, and these are figures that correspond essentially to what I'm talking about. The manufacturing employment collapse, which is a reflection of this; you have corporate profits fluctuating, you have the debt growth—look at the rate of growth of debt, and *look at the rate of increase here of money supply, relative to growth of debt*. So what you have, is an economy which is not producing wealth, is producing *debt*. Debt is being used as wealth, and the way it's

FIGURE 3

The U.S. Economy's Collapse Function Since 1996



Source: EIRNS.

In 2000, the “crossover” forecast by LaRouche in Figure 2 began to occur, as the curve of monetary aggregates began to exceed the financial-aggregates curve (debt) which it was previously sustaining.

being done is by pumping money, including money from Japan, from the Japanese yen and so forth. And that’s how the economy is functioning.

Increasing the Kill Ratio

All right. Now this is one characteristic of the system. There’s another characteristic. In Germany, recently, in the city of Erfurt, which is in the eastern part of Germany, there was a killing which involved 19 victims, two students and 17 teachers, in a school, from a fellow who came in with a pump gun and pistol, and killed these people. Like Columbine—one guy. Like Columbine.

Now, the Germans did a better job, a more honest job, than we’ve done in the United States, because Hollywood and Joe Lieberman will not tell you the full truth about what’s going on inside the United States. Because Hollywood makes a lot of money out of people dying through things like Columbine. And Joe is very close to Hollywood. That’s where his money comes from.

It’s a problem, a part of the same thing: Years ago, back in the Korean War period, people like those who admired Sam Huntington up at Harvard, *The Soldier and the State*, complained about the kill ratio in World War II and in the Korean War. That the American soldiers were not firing their guns often enough, and they weren’t killing enough people. And therefore, they decided to develop a program, a psychological program, to condition U.S. forces to kill more people,

more rapidly, without thinking about it.

As an outgrowth of this, particularly in the course of the Vietnam business, the Indochina War, that was intermediate, the United States began to experiment more extensively with increasing the kill potential, not only of soldiers, and policemen, but also ordinary teenagers. So what you have, you have in the Nintendo games, for example, and related types of games, these games are intended to condition young people to become stone, mass killers.

Now in the case of Germany, they investigated this case, and other cases, and the police reports in the recent two weeks, have covered a lot of this: how he was trained; where he was trained; how it worked; how it was set up. And the fact that in Germany, which has about one-third the population of the United States, there are listed by these agencies, 170,000 young people who are potential killers of the same type.

Guess how many we have in the United States?

Now, look at it. What are we looking at? We’re looking at Nintendo games; we’re looking at Hollywood-produced entertainment, which has the same essential content. We’re having the sexual entertainment of Hollywood, essentially the same content. We know this is going on. We have police departments that are being trained on that basis. We have these wild shootings by policemen, who’ve been trained to respond in this way—one of the great problems in urban areas. We have kids: a young kid picks up a pistol, never used one before in his life, turned into a stone killer. A marksman. Never fired a pistol before in his life. Picked one up and became a stone killer, one of these types.

Is this a national security risk? Is this a concern? Should we be aware of this? Should we be aware of what Hollywood represents, of what it’s doing to us? Should we also be aware of something else: How many Americans know this is going on? How many American parents know their teenage and younger children are addicts of Pokémon or Nintendo games or similar games, which produce the same effect? What’s their attitude about it? What’s their attitude about Harry Potter? This British production, which induces people to believe that they can solve problems by exerting arbitrary, magical powers to bring about the destruction of people who offend them.

What about the Tolkien cult, the “Lord of the Rings” cult, which is a milder form, but the same thing? How many parents know this? You have people talking about pornography on television. Well, that’s something. But what about this? *Mass killing*, and training your child to be, to kill you? You get two kids sitting out there in the room saying, “Let’s go in and burn Mommy and Daddy tonight.” This is the kind of culture we’re creating. And thus, this kind of culture then reflects itself in what? It reflects itself in our military policy overseas, which is insane.

The Warsaw Ghetto and Palestine

Now, let’s look at what happened in the Middle East. Let’s start with Warsaw, Warsaw 1943. Let’s see what Sharon is

FIGURE 4

The Stroop Report: The cover sheet boasts ‘The Warsaw Jewish quarter is no more.’



SS Major Gen. Jürgen Stroop (center) oversees the obliteration of the Warsaw Ghetto, May 16, 1943.

actually doing, look at what we’re up against. This is the title page of a report which is produced by a Nazi general of police, Jürgen Stroop (Figure 4). Jürgen Stroop was assigned by the Nazis, by Himmler, to go into Warsaw and clean up something which in 1943, the Germans, Nazis, wanted to clean up. Remember, the Nazis had taken those Jews they hadn’t killed otherwise, in Poland, and they herded a great number of them as cheap labor, into Warsaw, into the Warsaw Ghetto. As a matter of fact, the Jews in the Warsaw Ghetto were often chiefly occupied in producing things for the German military. In the Warsaw Ghetto, some people in the Warsaw Ghetto, decided to resist. And with a few carbines and pistols and ingenuity, they staged an effective resistance. At that point, the Nazis said: “How do we clean this thing out?”

And Stroop came up with a policy for eradicating the Warsaw Ghetto, the Jewish Warsaw Ghetto, and killing all the inmates immediately, or sending them off to camps where they died soon after.

Then he sent a message to Hitler, “The Warsaw Ghetto is no more.” And he published this report.

This is the Stroop report. This is what the Stroop report represents. Again, same thing. Warsaw. 1943. Jewish victims about to be killed. Sent off to concentration camps to die. 1943; Stroop report. Nazi. So forth and so on.

Now let’s look at Palestine today. Think of the Stroop report. Palestine today. What’s the difference? *What’s the difference?* It has the same purpose, is to get rid—it’s called

the settlements policy, or the Eretz Israel policy of the Likud, which is the fascist movement in Israel. The idea was to make Warsaw *Judenfrei*—free of Jews. Now, it’s to make the West Bank free of Arabs, of Palestinians.

So a few people resist, among the Palestinians. The tanks march in. The killing goes on. There’s no difference. Moreover, as *Ha’aretz* reported, the way in which this operation was designed, which was done under Sharon’s direction, designed by the Israeli Defense Forces command, was modelled on a study of the Stroop report. To study the problem which the Nazis faced in dealing with the Warsaw Ghetto, and to say: We have the same kind of problem here, in Israel today. We’re gonna clean ‘em out. The same kind of process.

And when the President of the United States refers to Sharon as a man of peace, I’m sure that Sharon feels insulted.

But the point is: Why, then, does the United States support this? It’s not because there’s a Zionist Lobby. As a matter of fact, you have some of the worst anti-Semites in the United States, are the so-called pro-Armageddon Christian fundamentalists. They’re anti-Semitic. Anyone who comes from the southern part of the United States knows that. These guys were, these are the real anti-Semites in the United States. These are the real Nazis. They think like fascists, anyway. You think these guys like Jews? *No!* They don’t care about Jews. They don’t care about that. What they care about is their policy. They’re saying, look, if you can get the Rapture next week, I don’t have to pay my rent next

month! I mean, it's that bad.

So, we have created a society of madmen in these so-called "thunder cults," these thunder religious cults inside the United States. They're crazy. Psychotic, in effect. Not in the real world. They have become a significant political force behind people like Pat Robertson in Virginia, for example. They're dangerous. This is the constituency, the constituency of *hate*, the Ku Klux Klan constituency. They have to have somebody to *hate*, somebody to *kill*. And they say, "Them Arabs—look like black people to me." They do, don't they?

Look, I'm an old man. I've been around this country for a long time. I know what goes on in this country. I was training troops in the Army back during World War II. I know what we were sweeping in from southern parts of the United States. I know what they said. I had to deal with them. We've got that—that rot is deep in our country. And it's come forth. And it's used as a weapon. The purpose is to do what they're doing. You think these Nintendo games are some accident that crept up on us because of Hollywood? Yeah, Hollywood is doing it, doing that kind of thing—. No, this was done by the U.S. *military*. It was done intentionally, to do what? To create among our youth, stone killers who can be recruited to be sent in various parts of the world, and do there, exactly what the Israelis are doing there.

No, it is not the Israelis who control the Zionist Lobby, who control the United States. It is an Anglo-American faction of this type, which has an instrument inside Israel, called the right-wing Likud, typified by Netanyahu, who's more dangerous than Sharon is. These guys are the killers who are doing the work of the Anglo-American Roman Legion mentality in the Middle East.

What do these guys want? Well, Israel can not continue this operation. It will lose, if it continues this operation, for military reasons, which are well understood in some circles in Israel. Matter of fact, Rabin, the former Prime Minister, understood this very clearly. Israel cannot continue to do the kind of thing that Sharon represents, and Netanyahu represents, and survive. How then can Israel survive? Well, they really don't care. There's a Masada complex among some of these nuts. They'd rather go over the cliff, than be defeated.

Iraq and the Clash of Civilizations

But the key thing is Iraq. The key purpose behind this operation is to use this, to get a wider war going, to get the Clash of Civilizations war that Sam Huntington, Brzezinski and company want. So what you have here is a combination. The training and recruiting of large numbers of otherwise useless youth, psychotic youth or quasi-psychotic youth, by Nintendo games designed by the U.S. military, put into general circulation through the military, with cooperation of Japan's production of Nintendo games and so forth.

We are now taking from our population, our youth, our adolescent and other youth, we're turning a large portion of them into potential intended killers, who are trained killers, trained on their videogames, who then simply have to go out

and get trained with actual weapons and do what they've been trained to do on videogames. Recruit them as soldiers and send them in various parts of the world, as part of a Clash of Civilizations war. Put the two things together, and you have the new Roman Legions, the new Waffen-SS, to send around the world.

So what we're suffering, our corruption, is a result of our policy, which many people in our country in high places know, but they haven't got the guts to say. And therefore, we come to the position that I have to say it, because there's nobody else. In almost any significant circle in Europe or the United States, you drop my name in a meeting and you're going to have a freakout. The place is going to go wild. Just say the name LaRouche; the whole place will go wild. So actually, that my impact inside the United States and also in Europe, and other places is rather large, especially so in the United States. So when I speak, people listen. They may not like it, but they listen. So I use the voice I have, and the influence I have, to try to force people to face the truth about the situation.

Now, how is peace possible? Implicitly, it should be obvious. We have the power in the United States—and Europe is prepared to join the United States in such an effort, I can assure you; most of Europe—Italy, most of Germany, so forth—are willing to support the United States in such an effort: to say that we are going to bring an economic basis for durability of peace in the Middle East. That we're going to do what was proposed earlier—two states, equally sovereign, side by side, living together in peace.

Why? Because, first of all, you've got to provide the water so that they can all have something to drink, something to live, and there isn't enough water. Some of the big impetus for war in the Middle East comes from a shortage of water in the aquifers. We're capable of generating large-scale, efficient desalination programs which can produce water economically, for drinking and other human purposes. We can overcome the water crisis of the Middle East. The Middle East is, because of its position, as a point of traffic of Africa, through Eurasia, a crucial point of transport from the Mediterranean into the Indian Ocean; is an ideal place for the development of industries which are on the line of transportation. You can take the Sinai, you could take whole parts of the Middle East, and you could develop them as areas of industrial and related development. Very relevant, to the relationship not only to Africa, in general, but the relationship of Europe as a producer of high-technology goods, into areas of Asia which desperately need infusions of high-technology goods.

So there is no basis, in either the interests of the people involved, or in the interests of Europe, or the United States, or Asia, to have this war go on. The purpose of justified war was to produce peace, was to bring about a state in which the person you fought against, would accept you, to live with you in peace because they saw the reason to do so. Because you gave them a reason to do so.

The purpose of war is not to kill; not justified war. The

purpose is to bring about peace in the quickest possible way, for the most people. You want to bring about peace? We have the power to bring about peace in the Middle East, because we have not only the capability ourselves, but we have friends in Europe and elsewhere who would enthusiastically join with us in any program of reconstruction of the entire Middle East region.

Now, we don't have much as a President of the United States, but the man is President, and therefore, why don't we work on the problem of trying to create around him an environment where it is communicated to him, that the United States does have an interest—he may not fully understand it, but make it clear to him what that interest is—the way it was clear, in a sense, to Eisenhower, the way it was clear to Johnson, in terms of the civil rights legislation. That something has to be done, because it's in the interests of the United States. Tell him not to be afraid of the so-called Zionist Lobby in the United States. We'll take care of that for him. Do the job, and give him some good advisers, so that you say to him—how do you motivate a guy like George Bush? There's only one way to reach a fellow with his limitations, and that is to say: "You've got a job here, it's an important job."

He says, "Yes, it is an important job."

"Well, do you want to be a success?"

"Yes."

"Do you want to be remembered in future generations as having been a great President?"

"Yes."

"Okay, you agree to that, we'll make you one".

And that's what we have to do.

Thank you.

Dialogue With LaRouche

You Must Be Willing To Tell the Truth!

The following discussion took place between Lyndon LaRouche and the international webcast audience. The discussion was moderated by LaRouche's Presidential campaign spokeswoman, Debra Freeman, who read those questions that were submitted by e-mail.

Sharon's 'Peace' Conference

Dr. Mohammed Al-Sayid Selim, Cairo, Egypt: In Egypt, we have been following, with a great deal of interest, his comments on the deteriorating situation in the Middle East. And his voice has been, as a matter of fact, one of the few voices in the West that have been able to point out the

basis of the conflict. And he was able to diagnose the Nazi tendencies of the government of Sharon in Israel.

Now, I want to ask a question, concerning the suggestion by Mr. Sharon, supported by Colin Powell, to hold a conference for peace in the Middle East, after the massacre that he has committed in the Palestinian occupied territories. This proposal is being widely suggested in the Middle East, and, as I said, it is being supported by the American administration. Also, I was surprised that the Japanese Foreign Minister came in support of this project. This project is widely perceived in Egypt, as an attempt to give Sharon an opportunity to get the political gains of the massacre that he has committed.

What are your views on this proposal, Mr. LaRouche?

LaRouche: Well, if Sharon were anything but Sharon—or maybe Netanyahu—he would have had the decency not to even suggest it. Because, if you wanted a Middle East agreement, if you took away one of the unreasonable demands, which was imposed upon President Clinton, which Clinton mistakenly accepted, by Barak—that the holy sites in the Middle East be tampered with—then, I think that Arafat agreed to about everything that the Israeli government wanted, at that point. Of course, the Israeli government, at that point, was not sincere. And, I think the reason that the question of Holy Mountain came into the discussion at that point it did, was to *prevent* it from being reached. And, the pressure was on the President to make the mistake, of falsely blaming, publicly, Arafat for the failure of the agreement. The problem with the failure, was that of Barak, whose extenuating circumstances were that probably, he was afraid that the people who had killed Rabin, would kill him, too, from the Likud. And, you have to remember that the murderers of Rabin, the Prime Minister of Israel, were never really prosecuted. The people who arranged the possibility for the assassination to occur, were never prosecuted. They were the Likud!

So, the fascists killed the Prime Minister of Israel, and the policies of Israel were then under the control of the fascists, the Nazis. So, what is new? This is simply that, Sharon is under great pressure, from the United States, to give the United States some language, to convince the world that Sharon is something that Sharon would *hate* to be called: "a man of peace." I can't imagine Sharon desiring to be a man of peace: It's like telling Adolf Hitler, "You're a man of peace." There's no difference! What's the difference between Hitler and Sharon? They're really, in the scale of history, of all the different varieties of criminals that come into a court: One is this and one is that, but they commit the same crime, and they should be tried for the same crime. He's a Nazi like Hitler, and he behaves like Hitler. Maybe not as smart, but he behaves like Hitler, otherwise. And, that should be said.

If you want peace, there's only one basis for peace. The other mistake in Camp David—and we should go back to Camp David, because Camp David represented a point in time, at which the agenda was on the table; the opportunity was on the table, to actually bring about an agreement, at least among the parties represented. Maybe not with the Likud, as

represented back in Israel, but the parties represented. The issue of economic development, including water development, *should* have been on the primary public agenda in those negotiations. Because, how can you have peace without water? Look at the operations of Israel against Syria, against the Golan Heights, against Lebanon: What were the causes of that war? *Water!* To steal the water, from the aquifers! Because there's not enough water in the present system in the Middle East, to sustain even the existing population. So, without desalination, *there is no peace!* Without economic development, there is no peace!

If you can't give the Palestinians, who have been brutalized, *for decades*, a sense of economic development, of opportunity for their children, *what do the deaths of their children mean?* Can you say to the Palestinian, "We'll give you something, in honor of your children, who were killed? To make their lives meaningful? That some outcome came from this, which makes their sacrifice worthwhile?" That's the condition of peace.

Sharon is incapable of offering anything, that any respectable human being, called a Palestinian, could decently accept; or any other human being in the same situation. It's up to the United States, not to say, "We want Sharon to make a gesture, to make Bush's stinking policy look good." We want to make Bush's continued present policy look *bad; very bad*. Bad enough, so that he wants to change it. That's the only chance.

Siege of the Church of the Nativity

Freeman: I have a statement here, from a prominent **Roman Catholic official**, which also asks Mr. LaRouche for a comment. The person writes:

"We continue to be in a terrible time in the Middle East. This can be exemplified by the Calvary of Bethlehem—the siege of the Church of the Nativity. We are in constant touch with Archbishop Pietro Sambi, the papal nuncio in Israel, who is also Apostolic Delegate to Jerusalem and Palestine. The Pope is informed constantly and is most concerned. He called into the church, as you know, to express his solidarity with them and thank them for their 'Christian witness.' On Sunday the Pope asked those who came to St. Peter's Square for a 'chorus of uninterrupted prayer' for peace in the Holy Land. He seeks to affirm, he said, 'the initiatives of dis-tension and dialogue in the Land of Christ and in every other place on the planet marked by violence and pain.' Today, the Pope dispatched Cardinal Roger Etchegaray to Jerusalem to try to effect a change in the situation, employing all the weight of the moral authority and international credibility of the Catholic Church for peace. The situation is very cloudy. John Paul II prays that there will be cooperation with his Papal Envoy to end the siege and 24-hour-a-day curfew. The people in the cities and surrounding refugee camps are desperate. They can not stand it much longer. They are sick and starving. The elderly are dying. The collective punishment is unacceptable.

"The place where the Baby Jesus was born is a horrible example of this. Life there, at the Church of the Nativity, has

been called by the Franciscans trapped inside, a slow death. The vocation of their order is to keep this place holy. but the Basilica has been under siege since April 2, when Palestinians took sanctuary in this holy place—as churches for centuries have been the places of sanctuary. Twenty-seven Palestinians were allowed to leave the church yesterday, but the friars do not see this as progress, since about 40 Franciscan and Greek and Armenian Orthodox friars, monks, and sisters, and about 200 Palestinians are still inside the church, with hardly any food or water or electricity or medical supplies. And they stay with dead bodies of those who have been shot by the Israelis, still inside. Special forces units of the Israeli YAMAM have been used against this holy place. The General Curia of the Friars Minor today 'expresses its bitter disbelief at the incapacity of the civilized world to induce the parties to accept and carry out a greatly longed-for pacific solution.' Their words are borne out by the experience of Khaled Girashi, a Palestinian civilian, who was released, only to be beaten by Israeli troops as they questioned him last night. He lost 33 pounds during the standoff at the church, because the supplies of food supplies are so very low.

"The Church of the Nativity is one Calvary. Ramallah, Jenin, and other places of sorrow are under siege. We pray for cooperation between the Palestinians and Israelis, of course, who must concentrate all efforts to find a peaceful solution—but the Israelis are the ones who must withdraw and end their siege.

"The few Christians who inhabit the holy land are wondering where are the other 2 billion Christians in the world, thinking? What are they doing?"

Mr. LaRouche, would you please comment on this.

LaRouche: First of all, when you look at the Nativity Church, what you're looking at—think in terms of another place: al-Haram al-Sharif, the Holy Mountain. Remember that when Sharon started his last campaign for Prime Minister, he unleashed an attempted assault on one of the holy places of Islam, on the top of this mountain in Jerusalem. That this issue, of this particular location, was the crucial breaking point in the attempt to get a Camp David agreement, where Barak, under pressure of this crowd—the Likud crowd—remember, he used to work for Sharon, Barak did, in the Israeli military—that, that was a breaking point. This issue of this particular holy site, al-Haram al-Sharif, *this* is what is on the mind of the butchers, who are going at the Church of the Nativity. Because, remember that one of the conditions for Middle East peace, for avoiding a Clash of Civilizations war, for avoiding a Thirty Years' War scenario, is that the holy sites—those of Islam, various confessions of Christianity, and Judaism—are sacred: They are sanctuaries. That nobody can tamper with them.

The condition of religious peace *is a policy of sanctuary*, which means that, in whatever agreement is reached, the sites of the holy places *must be assured*, of being able to function and be intact. And, whatever governments exist, *they must respect that law*. Without that, there is no peace. Anyone who



The Dome of the Rock, a Muslim holy site on Jerusalem's al-Haram al-Sharif (left), and the Church of the Nativity in Bethlehem. "If you deny the issue of policy of sanctuary, if you make holy, religious sites battlegrounds of religious warfare, you are going to have global, religious warfare. And, you won't have much left standing, in any part of the world, if you start that kind of a war."

attacks this, the Church of the Nativity, in this way—which is not really an issue; it's not a military issue; not a police issue—means *that they want religious war*.

Now, the thing to put the pressure on, that's obvious to everybody in the area. It's obvious to people in Rome. What's wrong with the American Catholic Church? Why has the American Catholic Church allowed itself to be shut up, under intimidation of an orchestrated scandal against Cardinal Law in Boston, who would normally be the person speaking out on this issue, on behalf of the American Catholics? Why are the American Protestant churches not speaking out on this thing? Because they're afraid of some of their Protestants of the Bush variety? Of the Attorney General of the United States, perhaps, and his particular religious persuasion? Why is no one speaking out, *in the United States*? Where's this pack of cowards, called "Christians" in the United States—they call them "the Cowardly Lions," not the "Christians?"

What are we doing? Have we looked the Catholic Bishop in the eye, and said, "What are you doing about this?" Have we looked at Christian figures in the eye, and said, "What are you doing about this? Do *you* believe in religious war? Because that's what you're promoting, if you don't do something about this. At least, if you don't take a stand against it. If you don't put moral condemnation on it. If you don't say, 'Anybody who says they're for peace, and tolerates this kind of thing, is a hypocrite—or worse.'" You know, sometimes, we can't do much. Sometimes, we can only make an appeal to conscience. And, that is particularly true of the religious profession: Often you have no authority; you have no power; you *can't do* anything, actually—you can't command, you can't write laws, you can't give orders, in that sense. But at least, you can appeal to conscience. And, if you don't appeal to conscience, what are you? You're nothing.

And, this is where the pressure has to go. It has to go on

the American Catholic Bishops, and others, not to submit to a dirty operation, run by the people who targetted Cardinal Law in Boston *at this particular time*, when he would have been the normal channel, through which to issue a condemnation of what's being done against the Church of the Nativity. *Realizing* that what is being condoned, is not merely an insolence against that church: What is being condoned is a *denial* of the existence of the policy of sanctuary. And, if you *deny* the issue of policy of sanctuary, if you make holy, religious sites *battlegrounds* of religious warfare, you are going to *have* global, religious warfare. And, you won't have much left standing, in any part of the world, if you start that kind of a war.

The Tyranny of 'Popular Opinion'

Freeman: We have a question that was submitted in writing, by a **former chairman of the Council of Economic Advisers under Bill Clinton**. His question is the following: He says, "Mr. LaRouche, beginning in about 1998, there was a grouping within the [Clinton] Administration, that agreed with aspects of what you said, and was moving in a serious effort, with the support of the President, for a new financial architecture. Bluntly, things were too heavily stacked against it. The conditions now are far worse than they were then. Whether these policies are right or wrong, seems to be irrelevant, unless there is adequate support, for a move in the direction of a new financial architecture. I'd like you to address this issue.

LaRouche: That's a *good* question. It's a relevant question.

The point is, what is real politics like? People in the United States are brainwashed about popular opinion. They're brainwashed by the use of the word "democracy."

Now, *I hate* the word "democracy." You know why I hate

the word “democracy”? Because I remember the name of the organization, a fascist-like organization, which tried and executed, or condemned to death, Socrates. That was called the Democratic Party of Greece, translated into modern English. And there are people in the United States who say they’re for democracy, who represent exactly the policy. It’s the policy of mob opinion.

Now, let’s go back—another definition of the same term “democracy,” according to the practice of today: Roman *vox populi*. Popular opinion. Another word for democracy, is a Southern Ku Klux Klan lynching. Popular opinion!

You see, the problem here is, with our people in the United States—I’ll try to make this short, but it’s a crucial question; because it’s a question of principle; it’s not a question of technique, or tactics; it’s a question of principle.

The basis, ever since Plato, ever since Socrates, and since Solon, actually—earlier, before Socrates—Solon of Athens had a famous poem he wrote to the Athenians, warning them of how corrupt they were becoming, and what was going to happen to them, from their corruption. It’s the principle of truth.

See, the point is, the purpose of government, of self-government, is to force, bring about, expression of *truth*, and to appeal to the conscience of those who rule, that they must conform to the *truth*. Now, we don’t even have that in the Federal courts today. It’s hard to get a judge to accept truth. Particularly if you’ve got a Justice Department liar up there dictating the policy.

We have gone away from the idea of truth, to popular opinion, which is what happened in Rome. Which is how Rome was destroyed, *by its own citizens*, sitting there, voting for popular opinion, not for truth.

So, therefore, what we must always do, the first thing we have to fight for, is the principle of truth.

Now, let’s take this case of these guys, who opposed me on economic policy. You have to tell them what they really are. *They’re corrupt*.

Look, why do the trade union leaders, often, take an insane, immoral policy on economic questions? Because they were bought off by the illusion of 401(k)s, that is, these special savings programs. Now the 401(k)s are being wiped out. But this then was a lure, to trap unions into giving up their defense of their pensions, their social security and other pensions. They would get riches in 401(k). And then came Enron. And what happened to their pensions? Corruption.

You have African-Americans today who should be fighting, are not fighting. Because somebody told them they should fight for reparations. Not for their rights. “Don’t demand freedom! Get some money from the master!” And walk away, slave, but with a few things jingling in your pocket. That’s how the African-American, who’s an important force in U.S. politics, is being destroyed today, because of issues, local issues, or special issues, like reparations. He’s *corrupted* by reparations!

Martin Luther King: The killing of Martin Luther King,

was one of the smartest things that J. Edgar Hoover ever did, with the U.S. military. Why? Because King was effective, and none of the people who were left standing after he was killed, were capable of taking his place. Why? Because Martin Luther King believed in the truth.

And Martin Luther King spoke for *principle*, not for advantage. He did not appeal to the lowest instincts of people. Freedom. Freedom for *all*. To make the entire United States whole, by purging it of the evil which was destroying it, including racism within it. And the people who came afterward, were opportunists, who responded to the opportunistic impulses of the people they were leading. They didn’t *lead* the people; they tried to follow them. To follow their cupidity, wherever it led. And that’s how they lost their power.

That’s what happened to civil rights. It had no leader, no acknowledged spokesman, who would stand up for truth, for principle. But said, “We’re going to get this deal, and then we’ll get that deal next week, and that deal next week.” And you say, “Well, we’ve got to go against you, because we got a little interest here.”

And that’s how the American people are constantly destroyed. That’s how they’ve been destroyed in many cultures. They go for little things, for deals, for short-term interests. They don’t understand that, if you’re a human being, and you know you’re going to *die*—everybody dies, but human beings are different. Because human beings have a quality which lives on beyond them. And therefore, if you are human, and know it, your motive is not what you get, in terms of what jingles in your pocket.

Or like Jeanne d’Arc. Jeanne d’Arc did not play for her personal advantages. If she had, France would never have come into existence. Others who died—the principle of Christianity. The same thing. Christ died for all mankind.

If you don’t have that, and are not willing to stand for the truth on the basis that you must not die with a lie on your shoulders, that you must *know* the truth, you must act for it. Then you don’t have a problem.

Now, let’s go at the *lies*.

There’s a lie called denial. People all over the United States today, are saying, “No, but there’s a recovery! The statistics say there’s a recovery! The statistics say there’s a recovery! That’s going up! That’s going up!”

How about your jobs? What happens if the valuation on the shack, which you just cashed out on, collapses, and you lose your job? What’s going to happen in Northern Virginia when the cash-out runs out, for example?

So people are in a state of denying. They’re saying: “Because I wish to believe, it can’t happen, it couldn’t happen, I believe it. And you attack me, and say there’s a depression going on, or about to come on, you are attacking my right to have denial! And everybody tells me that if I’m shown to believe, in this recovery. . .” (which is not occurring; it’s like Dracula’s denizens gathering dust, waiting for the recovery, which he keeps promising them!) “. . . somebody’s going to attack me. My neighbors aren’t going to like me. My children



While media headlines still proclaim the “recovery,” the “New Economy” bubble is collapsing. Shown here is the headquarters of WorldCom in Northern Virginia—the second largest U.S. long-distance phone company, whose stock lost 86% of its value in 12 months, and which has more than \$30 billion in bonded debt.

will scold me, they’ll say I’m nuts. Because everybody knows there’s a recovery!”

But there *is* no recovery.

So, on the economic question, in particular, people are in a state of denial.

Also, they have other states of denial. The mental conditioning of the population, in general, is to believe in a consumer society. Think of it carefully. How many aspects of the life of the citizen, in Europe, the United States, or elsewhere, believe in things like consumer society? How many people believe globalization is good? How many people believe free trade is good? Other kinds of insanity. Therefore, if you *attack* the present economic system, which is collapsing around their ears—the house is collapsing—they say, “You are attacking our *values*. And our neighbors won’t like us, if we attack our values.”

Therefore, they are defending an illusion. No civilization was ever destroyed, by itself, except by its popular beliefs, of these types. If people continue to believe this, they’re going to be destroyed.

Now, how do you get people to stop being stupid, as most people are, leading people and others in the United States today?

Well, unfortunately, that’s one of the reasons that history has this cyclical characteristic. Every people that makes mistakes of this type, reaches the point that the nation is doomed. Like Shakespeare’s Hamlet.

Shakespeare’s Denmark was not doomed by Hamlet, as a bad leader. Hamlet was doomed by the fact that he was a leader consistent with the culture of the nation he represented. George Bush will not destroy the United States. The United

States could be destroyed—it’ll be destroyed by its own people. One of the two clowns we voted for, for Presidential candidates, in the last Presidential election. You voted for two people who are not qualified to be President, in the face of the worst crisis in American history. *The American people did that*. We did it to ourselves.

The lesson of Classical Greek tragedy, the lessons of Shakespeare’s tragedy, the lessons of Schiller’s tragedy, of every great writer, historian, is that a nation is never destroyed—unless conquered from the outside—is never destroyed by itself, except by its own popular opinion. By its stubborn clinging to wrong opinions, which bring about its own self-destruction. We, as a United States, are on the road to self-destruction; not by outside enemies; the enemy within is more powerful, and more dangerous than any possible enemy from without.

The enemy is *us*. It’s the people.

When that point comes, the only way that a people, whose enemy is themselves, are ever likely to get out of that habit, is when they reach the point of death. Not actual physical death, as such, but the point that the inevitable hits them.

For example, in the case of the Civil Rights movement. Now, all these fellows who told you, about the great civil rights record they had back in the 1960s and 1950s, were liars. Where were they when the fight was going on? They were carefully avoiding getting out in the parades with Martin and company. They came in later, when the glory started.

Initially, the people who marched, who fought, for civil rights, in the struggle for civil rights, in the late ’50s and early 1960s, were the *have-nots*. Because, here you are, people, men and women, who are destitute, who came out and marched, peacefully, but stubbornly, against fascist mobs. Because they knew that their life meant nothing in the eyes of the system, and if they’re going to do something, they’re going to risk their life only for that which is good. Because all the other things have been taken away from them.

Therefore, it is the sight of the collapse; when your mortgage is being foreclosed; when there’s no hope of employment; when you can’t see it there; when the danger of war, when the chaos, when the destruction of your children by Nintendo games, and so forth—when this gets to you, that you realize that what you’ve been living with is an illusion, and you’re willing to change.

This happened. Look, I had the advantage of living in the 1920s, and being old enough at that time to see the condition of the population around me. They stunk! Morally, they stunk. They *all* stunk. Now, they had some good qualities inside



“Initially, the people who marched, who fought, for civil rights, in the struggle for civil rights, in the late ’50s and early 1960s, were the have-nots. Because, here you are, people, men and women, who are destitute, who came out and marched, peacefully, but stubbornly, against fascist mobs.” Here, black residents of Greenwood, Mississippi attempt to vote, August 1965.

them, but morally, in their general behavior, they stunk. My parents, like everybody else, lies all the time. They called it “company manners.” Similarly, you were told to say what you’re told to do, and when you get old enough, you can think for yourself.

So, you were conditioned not to believe in the truth. You saw the Flapper Age. You saw the corruption, immense corruption, prior to 1929.

Now, two things changed it. It’s not that Franklin Roosevelt was a great leader—he was. He was a great leader because he was the one who was available at the time, who was willing to move in the right direction, and had the position to do it. But the reason people were moved behind Roosevelt, was because the *illusion had been shattered*. And if you know people, as I knew them then, between say, 1928, and 1934-35, and saw the changes in the American population—I can tell you *exactly* what the problem was. The problem is, this people in general, and the leaders of it, are corrupt.

See, why I do what I do is this: The problem with the American people is they don’t have enough people like me. Not people who necessarily express things exactly the way I do, or my profession, but people who will say, “Look, the situation is going to become hopeless. It is becoming hopeless. What shall we do?”

Well, you say, you have to have some power. You say, how do you get power? Well, everybody agrees, you get power by support of the people. But how are the people going to support you, if they disagree with you? Because you persistently unite to tell the truth. And the people, because you’re telling the truth, and because a lot of people they think are leading people, are telling them the truth, are going to take it seriously. And they’re going to think about the false values which they’ve had. What they need to change in their own opinions. That’s how a movement is made.

The problem I have in leading people is, there are not enough of me. If I could get more people who are in leading

positions, to be willing to tell the truth—first of all, to discover what it is, with the determination to tell it, whatever it is. We could change this. And that’s why I do what I do. Somebody has to stand up, and tell the truth. And on these matters, I’m the only significant voice internationally, on this range of issues, as an American spokesman, who is telling the truth.

If I could find 10 other people, who are recognized leading figures in the United States, to join me in telling the truth, we could change this country. Either they would kill us all immediately, or we’d change the country.

U.S.-Russian Arms Negotiations

Prof. Stanislav Menshikov: Mr. LaRouche, what is your view of the U.S.-Russia negotiations on strategic weapons? In Russia, some experts think that it is a unilateral disarmament of Russia. Do you think that this is true, and should Russia actually sign this treaty?

LaRouche: Well, the answer is, that this is one of the things that makes me think kindly of President Reagan.

Reagan is a complex man, who I met personally on one occasion. We had a chat, not of great consequence, but it was a very useful chat, which turned out to be useful in later months. We were sitting at a candidates’, Presidential candidates’ event, up in Concord, New Hampshire, and he and I were arranged at the table with the other Presidential candidates, in alphabetical order, so I was next to Reagan, who was in the corner. So, we chatted for a while, while these proceedings were going on.

And because of that, and because of other things, we met in the period following the election, with people of his, and





LaRouche and Reagan at a candidates' debate in Concord, New Hampshire, 1980. President Reagan's offer to the Soviet Union on SDI "was the last really serious offer ever made to Russia about anything. And that is why I think that Reagan deserves to be listed as perhaps the last actually sitting President, who, at least at one moment, had a sense of vital American interest."

other forces in the military and so forth, also had interest in some things I had. So I presented to the incoming Reagan Administration, and the transition team, to various people in it, including the Richard Richards' crowd and so forth, presented what my agenda for the United States was. Just as a matter of anybody, a new President's coming in, anybody of influence who's invited to do so, will be very happy to go into any new administration, and present to relevant people in that administration, or incoming administration, what their agenda is.

So, as a result of the discussions which followed from that, the President showed interest in several things I proposed, including one: I insisted that it was feasible, through the use of so-called new physical principles, to devise an approach to the missile crisis. And I insisted that we were headed, under Carter policies, the policies of Brzezinski and Schlesinger—as we were, which I knew from 1975 on—we were headed toward a potential nuclear war, because of the policies of Brzezinski on the Carter Administration crowd. I don't think Carter had the brains to know what it was, but Brzezinski knew, and Brzezinski had controlled Carter, from the beginning. That we could avoid that, if we could get the Soviet Union to agree to work together, with the intent of getting us out of this thermonuclear missile confrontation, and that the Soviet system had a weakness in it, which we could help fix, if they would cooperate with us.

The Soviets had a very capable military-scientific complex, but the rest of their economy stunk. And it stunk because they believed in popular opinion—that was their problem. And therefore the administration, they didn't understand what

the entrepreneur was. They believed in the objective forces of history; they didn't understand the voluntarist principle in history, which is the role of the successful good entrepreneur—whether it's a farmer, an industrialist, or a scientist. And therefore, we could help fix that, by showing them how to turn some of their military-industrial capabilities, into the basis for entrepreneurial endeavor. And that by developing certain technologies which would enable us to ultimately prevent a nuclear missile assault from working, that we could accomplish something for Third World countries, and others, which would be a common interest, a common interest in avoiding war, and a common interest for building a basis on this planet, for justice, for humanity in general, by going directly: saying, our constituency is that we're working forward, we're going to benefit, finally, what were the former colonial regions, the so-called developing regions. And we're

going to use the new technologies to help them do that.

We need these technologies in order to stop the nuclear missile attacks—we can do that. Not so quickly, but we can engage in that process.

So, he came around to like the idea. And I worked on it considerably, with governments abroad, people in governments abroad, in Germany and France, and Argentina, India, Italy, and so forth. So, the point came that he decided at one time—I negotiated this also through a back channel, which was authorized by the Reagan Administration, with the Soviet government. And he came to a point that he decided it was a good idea. And then, as I found out only the same day, on March 23 of 1983, he, in a five-minute segment at the end of his broadcast, he announced the proposal as a proffer to the Soviet government.

The Soviet government turned it down.

Now, today we have a different situation. I'm not in the U.S. government, number one. I'm not even considered *persona grata* with the present U.S. Administration. So, therefore. . . . And there's not many of the people—scientists and others with whom I worked back in the 1970s and early 1980s, in any of these countries—who are capable of doing today what I proposed then. People do not realize the extent to which we've lost scientific competence. We do not have the human bodies with the brains in them, of the type that I was working with, among professional military, and scientific circles, back in the 1970s and the early 1980s. They don't exist. They died. And they have not been replaced. And our institutions generally are not capable of replacing them.

So, the idea that someone is going to produce a super anti-

missile system, or something of that sort, or a space-based NMD, and so forth, that is *not possible*. And the government of Russia knows it's not possible technologically. Because the competence does not exist, in the United States, or Russia, to do it at this time. Impossible.

What is being done is, as usual, is fakery. There is no sincere intent on the part of the people who are putting this on the teleprompter for Bush to read—what he understands, I don't know, but I know he doesn't understand any of this—they are serious and sincere about what they're offering. It is purely manipulation.

The way they think is this. And you have to look at several things going on. I look at China, Russia, and India. Obviously, China has a different way of looking at the world generally, than Russia does, or than we do, in the United States, as Americans. They tend to look at things on a much longer-term basis. They think in terms of what's going to happen 20 years from now, or two generations from now. They think of China as a permanent institution, surrounded by an outside world. They have relations with it, but they think of China as China.

And they also have different internal currents within China, different cultural currents within China, historically determined cultural currents. And therefore they're very reluctant to make any commitment, to the kinds of policies that we in the United States used to make, or Western Europe. They think differently. They think of waiting the game out, of China's survival, of making agreements that they can live with, maybe live with for 10 to 20 years; and then maybe later, if a change is necessary, it'll be made.

But now what's happened is, with this crisis, China and its economic crisis, is now in a position where it has to regard the WTO as one of the worst catastrophes and mistakes it ever made. Because the Chinese economy is suffering greatly internally, as a result of not just WTO, but things which Chinese opinion tends to associate with WTO. China is now relying largely upon its internal market, that is, the infrastructure investments, and technology, as a source of growth, not exports to the United States, an importer of last resort that doesn't exist any more.

So, China is now faced with what it realizes is a very serious threat, from a bunch of madmen, in the United States. This is an *immediate* threat. It's not something to be faced 20 years down the line, but *now*. But China has no capability of conducting a war against the United States, and won't for 20 years to come, the way things are now. So China is not a strategic military threat to the United States. But the United States, like a bunch of fools, is trying to provoke China with a Taiwan adventure. They're insane! Absolutely insane. So, China is provoked. It can not respond, militarily. It has no inclination to do so.

But then you have a very powerful coalition which is developing in Asia. And you see the marches of Chinese representatives to India, and what was deprecated by many people back in 1998, when I was pushing it, and then Prima-



Russian President Vladimir Putin (left) with Chinese President Jiang Zemin in Shanghai, October 2001. "You have a very powerful coalition which is developing in Asia. . . . The strategic triangle is now on board."

kov pushed it, the idea of a strategic triangle. The strategic triangle is now on board. Russia is involved with it, although Russia is also playing, with Putin, with the United States, and so forth and so on. But the Chinese reaction is going to tend to be, is there a global alliance? And they will first of all think about the United Nations, as a global alliance, and try to get done what they can through the United Nations on these problems. They will try to find a partnership, and cooperation, among other nations. And try to bring pressure to bear, to prevent the ugly threat to all civilization, which they recognize now, as what's going in Central Asia and the Middle East, and elsewhere. They see the world collapse of economy.

Look, China and Russia and India are the three principal sources of exports of Western Europe. China and Russia are the two areas that are increasing exports from Germany. The economy of all Western Europe, continental Europe, in particular, depends upon the German economy. And the Chinese see this. The Chinese have taken German technology. They took the magnetic levitation railroad system. They took from Germany the High Temperature Gas-Cooled Reactor. They're taking other technologies from Western Europe—their existence depends upon it.

So they see a global threat, not just a direct threat from the United States—they see that too. But they see a global threat to civilization in general, from which China can not escape, in terms of these developments of U.S. policy now.

So, I think that Russia is aware of this, obviously. Putin is certainly aware of this, and people around him, who, some of them are experts in this area, and therefore understand this very well. Therefore, Russia is in a very difficult situation. It is not thinking about making a war against the United States.

It's being confronted with, on the one side, the offer of friendship, or partnership, or whatever, and on the other side, threat, after threat, after threat. Little threats, big threats, all kinds of threats. And Putin has his own internal problems.

So, you have a situation where Russia does not have a clear unilateral alternative for the kind of problems that Russia faces.

I don't know if Putin can think through this by himself. Because he also has other problems to deal with in Russia, among those left behind by George Bush, and the International Republican Institute, for example, things like that. So, I don't think Putin has a clear view. I see no signs of what I would require as a clear view of the situation. He probably has, as others in Russia do, a clear sense of some aspects of this problem, particularly of some of the military implications. But I'm not sure they see them clearly. Because to understand a problem clearly, you sometimes have to see the solution first. Then you recognize the problem.

It's when you find the *answer* to the question, that you understand the question. And really, you never fully understand it until you do.

I think that's the problem. But I would say this whole hokum about these missile agreements, these negotiations, has now broken into a total farce. But behind the farce, for me, is the fact that it was never serious to begin with. And I made a serious proposal, and design, back in the end of the 1970s, and Reagan adopted it and presented it. If Secretary Andropov had not said "no," if the negotiations had proceeded, the way we were starting with the back-channel discussion, you would not have the mess in the world we have today. We missed a terrible opportunity. And that occasion, of Reagan making that offer to Russia, was the last really serious offer ever made to Russia about *anything*. And that is why I think that Reagan deserves to be listed as perhaps the last actually sitting President, who, at least one moment, had a sense of vital American interest.

The Palestinian Suicide Bombers

Freeman: I'm going to read a couple more questions, from some of our listeners, and then we're going to move and take couple of questions from the audience here.

The question I'm going to read, was submitted by **Mary Woodward**, from Philadelphia; however, we have three or four other questions, that are almost identical to this one. Mary says, "Mr. LaRouche, I am a Jew, who, along with my synagogue, believes that the peace process in Israel can only occur if the so-called occupied territories are returned, *despite* the fact that war was launched against Israel, on the holiest day of our year. Indeed, there is much racism against Muslims in Israel. But, to hear terrorists referred to as heroes, is repugnant to me. What are your thoughts on Mrs. Arafat, who is now quite safe in Paris, who recently lamented that she doesn't have a son, whose life could be given for the conflict? And do you have any comments about the obscene photo of a Muslim man, holding his daughter upon his shoulder: The

youngster had mock dynamite tied to her?

"Mr. LaRouche, freedom fighting is one thing, but wanton terrorism, or support of the same, is something else. Please comment."

LaRouche: Well, the situation of the fighters, the Palestinian fighters and activists, who are engaging in these acts which are called terrorism—which is really nonsense—must be compared and equated to the actions of a relative handful of Jews, in the Warsaw Ghetto, who, with a few pistols and carbines, and ingenuity, resisted—in a hopeless situation—resisted the full, concerted might of the Nazi war machine. If you would recognize the fact, which is the essential fact, that the Likud policy—especially the military policy of the IDF now, the policies of Sharon, and the incipient policies proposed by Netanyahu—are Nazi, then you get the truth of the situation; and, you now, then, can, from that standpoint, have the framework in which to judge the behavior of these Palestinians.

Now, many of them, I think, are wrong. But they are, like the Jewish fighters, in the Warsaw Ghetto, against the full weight of the Nazi machine commanded by Stroop: And, there's no difference. Thus, the American Jew has to face the fact.

Now, here's the problem; there's another problem, which I think the questioner refers to; which is not mentioned, but should be mentioned. See, there are two reactions on the question of condemning the crimes of the present Israeli, Nazi government, against the people of Palestine. One objection is to calling them "Nazis." But they are Nazis. They are! So, why not call them by the right name? "Well, they can't be Nazis, because they're Jewish." Come on: Cut it out! How many people are followers, in Israel today, are followers of Vladimir Jabotinsky, who once offered to support the Hitler government of Germany, if Hitler would give up anti-Semitism. And, whose policies are *indistinguishable*—including those of his Betar—from Nazi policies. What do you think the Israelis were, of the Betar, in particular—including the Menachem Begin, who often bragged about having blown up the King David Hotel, with the British governor there, sitting in the bathtub, when the bombs went off? Menachem Begin was a terrorist! The Likud is a terrorist organization!

You had many Jewish fighters, who were *not* Betar members, who were not terrorists; who may have been mistaken, at times, but you could respect them, as actually fighters in a war, or in a battle. And they have have to be respected as that. They may be wrong, but if you capture them, or if they surrender, you *treat them* with the respect their position requires. No: Not true of this situation.

So, therefore, the question, then, is: What are we talking about? We're talking about a Nazi-like oppression, of Palestinians, by Nazis—and they *are* Nazis! By *every* objective standard.

Now, what's the second question? The second question is much more serious, and some people will *hide* their concern over the second question, by their concern over the first one.



The late Israeli Prime Minister Yitzhak Rabin, assassinated on Nov. 4, 1995, by the lunatic faction of Benjamin Netanyahu and Ariel Sharon. "The present government of Israel came into existence as a result of a criminal, coup d'état assassination of a Prime Minister of Israel, who had a contrary policy; who made the peace with Arafat."

That is, they say, "Yes. We agree with you. And you may whisper it to *us*. You're right. But, if you say it publicly, I'll denounce you!" What are they saying? They're saying, "I am an Israeli patriot, or I am a sympathizer of the existence of Israel. And, therefore, on that basis, if the Israelis commit a crime, I have to defend them, because I support Israel's freedom, and Israel's strength, in the fight." So, therefore, they would rather defend Nazism, than be in the position of being considered disloyal to Israel, when a war-like situation is going on.

When we don't say that, then we get into trouble. We say, "Well, obviously, it's a very simple solution: Get rid of the damned Nazis!" "Free Israel!" I mean, I don't recognize as much, the present government of Israel, except *de facto*, as Woodrow Wilson would say. Because the present government of Israel came into existence as a result of a *criminal, coup d'état assassination of a Prime Minister of Israel*, who had a contrary policy; who made the peace with Arafat. That every government of Israel, since that time has become illegitimate, because it's under the control of the people who committed that assassination. It has no historic authority. A government that commits assassinations and is caught at it, of its leaders, has no authority. I mean, the point is, implicitly, the people who killed Kennedy, to get him out of there, they have no moral rights, as far as I am concerned, in the United States.

I may, as a matter of fact, have to support the institutions of the U.S. government and its Constitution; *but, in my heart, I know that's not right*. And, sooner or later, justice will have to be served, in this matter, but in a manner, which does not destroy our country. Israelis should do the same thing. Those who sympathize with the cause of Israel's welfare, should do the same thing: Say, "Well, it's one thing to defend Israel, but I'm not going to defend those Nazis, or the crimes that they're committing! The best way to defend Israel, is to make it a state which is worthwhile *living in!* The kind of state, which, *at least, Rabin* understood had to be established. Therefore, which side are you on? Are you on the side of Rabin, or his murderers?" And, some people have forgotten that.

You can't have this kind of hypocrisy, this idea of "Oh, these guys protest that you call 'em Nazis. This person killed one of our people." "Oh yeah! Who started the war?" Who started the war? Arafat didn't start the war. Arafat wanted peace at Camp David. Arafat honored his agreement, the so-called "peace of the brave," with Rabin. He tried to continue that policy.

Look, and see, the problem is even more complicated—the problem of the case of Hamas: Now, many people in Hamas, including some of those died, are probably honest people, in terms of what they are, as persons. *But*, I happen to know, that Hamas, as an organization, was created by Ariel Sharon! And I know there's a control in the leadership of Hamas, *by Ariel Sharon!* So, if, every time that Arafat agreed to a term, and the United States was going to support Arafat on this question of peace, an incident occurred—usually from Hamas. The opinion in the Middle East is—and I support it, because I know Sharon; I know what he is. I've dealt with him in the past: Sharon is the kind of guy, who will find a Palestinian orchestrator to go out and commit an attack, against the Israeli population, in order avoid the embarrassment of being forced to negotiate. How do I know that these poor fellows—how many of them, who bomb themselves, as self-bombers, were not being sent by Sharon, through the Hamas, or similar kinds of agencies? So, why not look at that?

So, why don't we, instead of condemning individuals, and trying to make scandal about somebody who committed an act, because you want to call it a terrorist act—an act of the same type, committed by Jews, fighting against the Nazi machine, with pistols and carbines, in the Warsaw Ghetto; and against the same kind of enemy. You're going to call them terrorists? What's the word "terrorist" mean, then? No, Sharon is a terrorist! Therefore, let's keep our records straight: Under conditions of aggressive warfare, of Nazi campaigns of extermination against a people, the people shooting back are not classed as terrorists.

Sharon on 'Nightline'

Freeman: Before I move to take a couple of questions from our live audience, I have one question, which has been submitted, which is a delightful question. So, I'm going to ask Lyn to answer it. It's a short question, that's come from



Sharon Gets Bellycose

New York. And, the person who is submitting the question has been charged with the job of putting together a list of questions, that Ted Koppel will ask Ariel Sharon tonight. Apparently, Mr. Sharon is a guest on “Nightline.” The person, who has submitted this question says, “I’m quite certain that your name will not be mentioned in asking this question, but, if *you* were interviewing Ariel Sharon, Mr. LaRouche, what would you ask him?”

LaRouche: [laughing] What are you doing about losing weight?

Freeman: Do you know what it’s like to be this guy’s spokeswoman?

The U.S. Housing Crisis

Okay. I’d like to call to the microphone, someone in the audience, here, who probably is familiar to many people here, because she’s a personality in Washington, D.C. She is somebody who has spoken the truth, and who’s spoken with clarity, as a leader of the Democratic Party: Barbara Lett Simmons.

Barbara Lett Simmons: Thank you. I’m indeed honored, to be here, and listen to truth—I’ve heard so little truth lately, that it’s a joy; it’s a joy and a privilege! As a matter of fact, I had the uncommon experience, of, today, listening to the leader of my city, lie for an hour and a half, about the Inspector General’s report. He, who claims to be a Democrat—now you know, Mr. LaRouche, the party wants to question whether or not you are a Democrat: I haven’t seen you out raising any money for Connie Morella, or any other Re-

publican, recently. But, at the same time, while our leader of the Democratic Party in the District of Columbia—capital of America—has said, he was under such pressure, because she’s chairman of a committee. And, then, when they asked her, she said, “He volunteered! I never asked him to give me any money, or to raise money for me.” Now, you know, that really makes a population feel a high sense of security.

I want you to know, folks, that when we talk about Israel and Palestine, it hearkens to me, that we don’t have statehood and democracy that our birthright as Americans gave us, based on the Constitution. And, yet, we can continue to subsidize—you know, the 51st state is Israel, *not* the District of Columbia; I’m hoping that the District of Columbia will, indeed, one day—. I’m sorry: I had to seize the opportunity to share my concern, for statehood.

But, Mr. LaRouche, my question to you, is a little different, but it deals with our economy. You know, we’ve been treading this broad communications highway. And we have seen that it’s got some potholes, and it needs some repair. And, I wonder if you would share with us, the *next*, the *next* pothole, that’s coming in terms of another *whole* area of our economy, called “housing,” maybe.

LaRouche: Yeah, Al Gore, the former Vice President, does qualify as the chief pothole of the New Economy. And he’s developed the pot to prove it! If you’ve seen him lately.

No, the housing problem is just simply typical of the overall situation. We have shacks, all over the place. But, we’ve had an insane policy—increasingly so—over the entirety of the post-World War II period, when we started with the suburban policy.

The suburban policy had two phases: It had the policy, up until about 1975, and New York was the turning point: ’75, the Big MAC operation; in which, initially, the idea, instead of maintaining the city, as the typical *engine of production*, from the time of the 1791 Report to the Congress by Treasury Secretary Alexander Hamilton, until ’75, the policy of the United States, generally—the Federal United States—was the policy laid down by Hamilton, of the relationship between public infrastructure, agricultural development, and urban industry. Now, you see what’s happened—and I’ve complained about this a number of times—what’s happened to our population since 1975: Think about the number of hours that people spend commuting per day. Think about the number of jobs they have to work, to get less than enough to live on. Think about the effects of these kinds of things on the household form of life—family life, the latch-key children, and so forth.

Think about the lack of structure of neighborhoods, which used to have an organic function in maintaining a population. I mean, the village cop on the beat; the fireman in the local firehouse; these other things had a relationship to the community. They knew people. For example, the cop on the beat knew everybody in the neighborhood. So, he could do a good job in law enforcement, because he knew what was different; because he knew what was the same. He knew where problems were coming from, and by using his wit, he would help

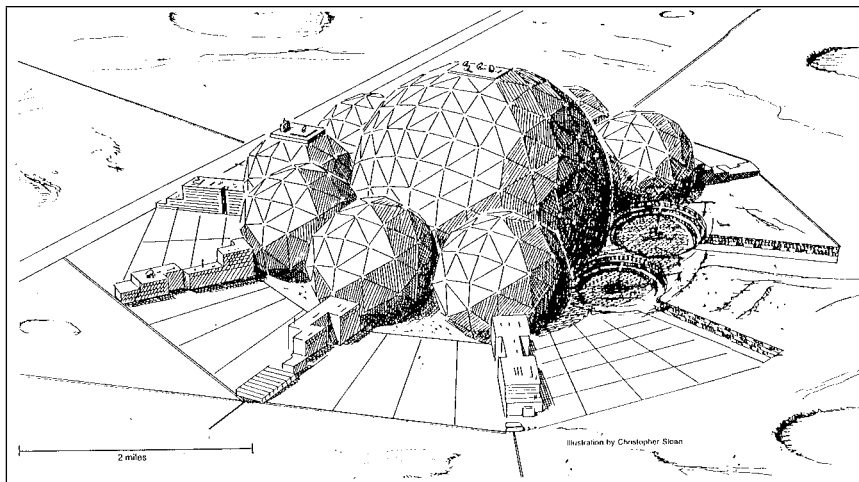
to manage most of the problems. We don't have that kind of community structure any more, of neighbors who live next to each other; who, often, in the times past, would *solve* the problems of that community, simply by helping one another, in dealing with the problem. You've got neighbors who know you. You've got a child that's out of order, you got a child that's a problem: The neighbors will cooperate to help you deal with that child's problem. The school in the neighborhood, particularly the primary school and the secondary school, were integrated in a sense.

So, what we did is, we went to the second phase: We decided, in 1975, we went full-steam ahead with Big MAC in New York, into a post-industrial society, in the strictest sense; into a consumer society. What was done with the real estate, as in New York City and elsewhere, was to turn the entire real estate, available real estate, into one big, gigantic financial bubble—a mortgage bubble, a real estate bubble; in which the occupant of the building, whether a business, or a family, the occupant was a *device* for generating a cash-flow, which then could be converted into *capitalization*, to sustain a mortgage value, which would be attributed to the land upon which the thing sat. So, the value, if you look at this junk pile we call "suburbia"—look out at what we were referring to, on the way in, I was referring to as the ghost town of Herndon, out here, that used to be the center of the IT industry: It's now becoming a ghost town. We're going to have people with six-guns and so forth, sombreros, wandering through there as the local guides through "Ghost Town."

What they did was, they took this land area, used it as a promotion for these kinds of things. And took virtually unimproved land, put a shack on top of it—Hollywood set-style shack, with shrink wrap and a plastic exterior—with a big price on it; they call it "McMansions," or whatever they call it. And, these things are up there at all kinds of prices.

Now, why is this land valued at the value it has? Not because it has that intrinsic value: These are still the dumps they were *and worse*, than when the cows were wandering across them! What's happened, you've got somebody sitting there, as a mortgaged person, who is sitting there occupying the place, with an obligation. That obligation is marketable: It goes into the hopper of this pyramid, of ground-rent speculation, which is the basis for the economy! The financial structure of the economy, the internal economy of the United States, and of the cities.

So, therefore, what we've done, is we've shifted the economy from a production-oriented economy, to a *ground-rent speculation-based* economy. We employ people in jobs which are useless: Most of the employment, in so-called "service



An artist's conception of a colony on Mars. Since we know, essentially, how to construct a science city on Mars, "why can't we do it in the Sahara? Why can't we do it, in any part of this planet? Why can't we take that approach?"

employment," is useless. I mean, you don't cook a hamburger at home: You get it at McDonald's, and you don't know what you're getting, hmm? Or whatever. So, we've destroyed the society. We destroyed its structure. We parcelled everything possible out to services—personal services, unskilled services. This is the kind of society we've created.

And, therefore, we've come to a point, when you talk about housing, we're not talking about housing, we're talking about urban planning. We're talking about going back to the old conception of urban planning: How do you plan? That sort of thing. I did, in the 1980s, I did a plan for this so-called "Mars exploration": the establishment of a science research city on Mars, within a 40-year period (which is what we should still do, but we might not be able to do it as well, now, as we could have, then). But, I said, "If you understand this—yes: We do have to explore space. We do have to build science cities out on nearby areas, in order to conduct the scientific exploration of space. But: If we can do that in space, if I can put a science city, under the ground on Mars—which we know essentially how to do; there are a lot of things we have to learn, but we know, essentially, we can do that: Why can't we do it in the Sahara? Why can't we do it, in any part of this planet? Why can't we take that approach?"

We've got cities, which are now decaying. Cities which are not worth maintaining in their present form. They're no good, down to the roots. The sewer systems don't work; the water systems don't work; nothing works! The whole thing has to be uprooted and replaced from the ground up—that's the way to do it. We can rebuild cities, rebuild them as *engines for living*, designed for human beings to live in, as families, with all these functions that we used to think were so good, in neighborhood communities. And have them on a more modern scale. It will seem to cost a lot, in the meantime; but then, as you come down the line, as our productivity increases, *as a result of doing this*, these will become cheaper and

cheaper, relatively speaking, relative to income over the years. Why not do that?

So, I think that's what we have to do. We have a major land-scam, a ground-rent scam: *Nothing* can save the present real estate values. *Nothing*. There's no way these mortgages can be carried. Look out across the landscape of Virginia! *It's all doomed!* Just like Herndon is doomed. It's all a waste of money. And, when the crash comes, no one will ever be able to reorganize the finances of this. You'll never be able to save it. There's no way you can collect on these mortgages. There's no way you can collect on these financial obligations: It is going to have to be wiped off the books. We're talking about hundreds of billions of dollars, or trillions of dollars, internationally, being wiped off the books. It must be done, there's no way to avoid it.

So, now, instead of looking at financial values, why don't we go the other way around? And say, "This all means, that the U.S. government is going to have to go back to national banking. That we're going to have to create a credit system, based on 25-, 50-year ideas on credit, at low rates. We're going to have to state large-scale infrastructure projects, modelled upon the success of what infrastructure projects did under Roosevelt, and earlier. We're going to have to *rebuild* entire cities."

Now, let's take Washington, D.C., which I've spoken on this, before. Washington, D.C. is obvious: It's the nation's capital; it's a shame! It was one of the first capitals of the world that was designed, actually designed by intelligent people, for intelligent purposes. And it's being destroyed. Why not make the capital city of the United States the best city in the world? As a *functional* city, to perform the *function* of a city of government, and of the people who work for government, and work in it? Why not do that? Why not build it up, from the ground? Save what we can save from good buildings, take the rubbish, rebuild the city for the *people*.

It'll cost a lot of money, but in the process of *doing* that, and in giving credit for similar work, throughout the nation, we will *restore* the United States. We won't be able to pay for it completely, at once; but we can start the process, and roll over the effects—as we did with the Reconstruction Finance Corporation, that kind of thing. We can renew that kind of thing. Get it going, and take Washington, D.C.—it is the shame of the world! A shame of the United States! Let's clear this shame up! Make it a place that people *admire* from all over the world; including the conditions of life of the people who live there, and work there. And build communities again.

And, if we do that, then, I think we can create a sense of *infection*, of what the idea of a *national housing program* ought to be. We have large areas of the United States, and if we used the water projects, which we could develop in the Western States, we could create a number of new cities in the United States, in the area of the Great American Desert: We could create new industries, which would make sense, out there. We could change the character of the country, and give it a sense of an interior frontier, as well as other frontiers.

And, by inspiring young people, in schools, with the right education, and with these kinds of projects, I think we can set a spark loose, in the population, seeing the whole shebang as it's now, going under: That this was all a *terrible mistake*. We say, "Let's correct the mistake." And, we can start a housing program.

Is It Time for a Third Party?

Freeman: A former member of United States Congress, who was also a member of the Congressional Black Caucus, submitted the following question:

"Mr. LaRouche, during the year 2000 campaign for the Presidency, Al Gore, who was the Democratic nominee, made it clear that while he was willing to benefit from the black vote, he was not willing to work for it. This was signalled when the Democratic Party refused to sponsor platform hearings. We were grateful that you initiated an effort to do so. It is my view that Bill Clinton seconded the motion, by supporting Al Gore. I believe that it is among the reasons that Bush is President today. Now the situation is worse. There is very little in the way of an opposition to the current Administration, and I believe that in the mid-term elections, Democrats will lose seats, not gain them.

"Mr. LaRouche, is it time for us to move into a separate entity, for a third party, or something along those lines, or do you think that we have any hope of working within the current Democratic Party?"

LaRouche: I think we have to look at the country as a whole, and the country as a whole is not as rotten as Washington, D.C. is, as the Beltway is. The country as a whole does not really sympathize with the policies which are characteristic of Washington, D.C. I think the danger is, is a Congressman expressing the policies which he thinks he's obliged to express in Washington while he's here, could be lynched if he went 50 miles outside the city. In other words, what people say in Washington, D.C., is not necessarily what they believe, nor does it represent the country.

We've come to a time, when both major parties are hopelessly corrupt. A Democratic Party dominated by the DLC, is not long for this life. That kind of formation. The Republican Party is a mess, it's got this terrible stuff, these "outhouse people," like Pat Robertson—they're not fit to come in the house; they just keep them out there, where they can do what they have to do, but don't let 'em get in the house. They just don't have any manners whatsoever. DeLay I'm speaking of. The Exterminator. And he's an exterminator in more ways than one. The man is unfit, he's a shame for the Congress, just to let that fellow on the premises. It's a *shame*, to have this kind of animal there. You want to put it out of the way, so no foreign visitor can see that character, on television or elsewhere. But there are a lot of Republicans, or pro-Republicans around the country, who are decent people. And despite the fact they make some terrible mistakes and terrible behavior, there are a lot of good Democrats out there, they're just not represented very much.



When the Democratic Party suppressed political debate and refused to sponsor platform hearings during the 2000 election, LaRouche initiated an effort to do so. Here, Democratic state legislators from around the country testify at the Ad Hoc hearings on June 22, 2000, in Washington. Left to right: Harold James (Pa.), John Hilliard (Ala.), Thomas Jackson (Ala.), panel chairman Erik Fleming (Miss.), and Ed Vaughn (Mich.).

So, what are you going to do? Well, we had a situation like that, remember, we had a terrible incident, which was a result of the effects of the French Revolution and so forth: The John Adams Administration was a disaster in the United States, and as a result of the John Adams Administration, and its mistakes, and the mistakes of the Jefferson Administration, or two of them, the mistakes of the Madison Administration, the United States parties, as they had existed up to that time, were garbage. A rallying point was made around two figures: one, a young Congressman who became Speaker of the House as the head of the so-called war party, War Hawks, Henry Clay, a Virginian who was at that time coming from Kentucky; and the man who had been designated as his successor in the publishing business by Benjamin Franklin, Mathew Carey.

And Mathew Carey, beginning in 1812 approximately, wrote a book which he subsequently republished in several later and larger editions, called *The Olive Branch*. What he proposed was a regrouping of the existing political structures, the partisan structures, to create the kind of party which would truly represent sensitivity to the true American interest. This book, *The Olive Branch*, led to the formation of a new party, around figures such as President Monroe, who was the hero of the War of 1812, that is, he continued to fight, to defend Washington, while Madison and his Dolly, went off to Virginia to escape the war—eh? And that was an Aaron Burr gift, Dolly was a gift, a present from Aaron Burr to James Madison, who ruined him.

So, under Monroe, John Quincy Adams, and people who followed him, like Abraham Lincoln and so forth, we had the formation of the American Whig Party. Now, that, of course, is what—back in the 1970s, I proposed that we consider re-

founding the Whig Party, and I proposed it because I thought that if a Carter could be elected by the Democratic Party, given what had happened under Nixon, we needed an entirely new party at that time. It didn't quite work out that way, but that's what I proposed, is the American Whig tradition, which, with some problems in it, of the Southern Whigs, is the gut of the American political tradition, intellectually.

So, what I think we have to do at this point, is two things. First of all, in general, I take the position of trying to work from the vantage point of the Democratic Party as a reference point, where I have a lot of supporters, to try to take the view of rebuilding it. And let Al Gore go into a decent retirement, where he can concentrate on weight control. And also shave occasionally. Get that crowd out of power, and take the party over for the American Intellectual Tradition, as a goal. Get real Democrats, not these fake Democrats, in there.

And secondly, that we reach out—not necessarily on the basis of trying to build a combination party—reach out to those Republicans who think, in a sense, as we would like to think, and try to build a coalition in American politics, which may be a bipartisan coalition, which actually can run the country. And run it decently.

In order to get to that point, that general objective, we have to stop trying to work within controlled institutions entirely. You have to improvise by going into supplementary arrangements. By supplementary—for example, let's take the Black Congressional Caucus.

Now the Black Congressional Caucus has been largely destroyed, in its effectiveness, by a number of things: Al Gore and other things; and by the results of the primary campaigns and the nomination campaign of the year 2000. I think the problem is, is that the Black Congressional Caucus and simi-

lar caucuses don't function effectively. Yeah, well, sure, you're squeezed out by the Congress. So what? What you need is, to reach the people. The parties are not in touch with the people. They have a certain control over the people, but they're not in touch with the people.

Where are the party clubhouses? Who's turning out to the Democratic Party meetings? Who's attending them? What do the people have to do with selecting their representatives for nomination and election, in the parties? Where's the discussion about national policy occurring? Where are the party meetings that discuss that? Where are the people who engage in that? Where do you not have a dictatorship coming down from the top, a gag rule, like the kinds of gag rules they use on holds and so forth in the Congress? Where is the Democratic Party not controlled by gag rules? "You can't say that here. You can't say that here. You can't say that here." It's rigged. It's a corrupt political machine in the worst sense, from the top down.

And the people think it's the only place they have to go. It is like, you know, you have to go, and you have to go, and the outhouse is there, and you go there. That doesn't mean that you join the place. Use it, and get out of there—as fast as possible. What you have to do in a case like this, you have to build assemblies, representative assemblies, the nuclei of the people, who articulate what needs to be said to people. You have to have these sufficiently large, and populated in such a way, that they are respected by people as voices. You have to organize the people. Organize the citizens. Not by going outside or inside the party—just plain get people together to organize the citizens. Because the citizens don't have anybody to speak of these days. Nobody listens to the citizens.

Now, what I mean by listening to the citizens is not listening to popular opinion. Because the citizens, as I know, are usually wrong! I talk to them a lot. They're usually wrong. But I don't dislike them because they're usually wrong. I know they need to have a few things discussed. What you do with the citizen, is you have to *educate* the citizen. He doesn't know anything, especially with the schools going the way they are nowadays. The newspapers, and what they are. The citizen needs to be confronted, and challenged: What do you think? Well, you're wrong. Let me prove it to you. And if the citizen will take that, if you do it in the right way, you're going to change the citizens.

Most of what people believe, is stupid; what the typical American person believes, is stupid. It's not their fault. They were never educated. So what you have to do with citizens, you have to talk, and you say: "You believe this. Well, let's go through this in a rational way. Let's go into the facts. Let's discuss this. Let me challenge you. Let me not try to appeal to your prejudices, let me knock down your prejudices. Let me get you thinking, for your own good."

So what you need, for example: You get the problem of the Black Congressional Caucus, which is, implicitly, this kind of thing you're talking about here. What do you do with

it? Tell it to stop being a bunch of prostitutes! I can meet with these guys, we have a grand time, we agree with each other, when we get into a private meeting. Just a few of us. We discuss things, we'll work out disagreements, but they'll say, "I can't say that out there; I gotta go along with this." So they go out of the place, they drop their chains, come into the meeting, park their chains outside; but when they go out the door, they put the chains on, and then they say, "I've got my constituencies to worry about."

So therefore, what we have to do is defend these leaders, and many of them are the best leaders we have in the country. From what I know, some of the black Congressional leaders and state legislators, are the best people we have in the country. In terms of politicians. But they put their chains on, before they're allowed to go out in public, to prove what good slaves they are, or something. So what you have to do is reverse that process, of leaders adapting to the mentality of the population, the opportunism of the population, and get leaders to be able to go out as groups, and *confront* the population with the authority of being leading people. Challenge them on these prejudices that they have, and start to uproot some of these follies. So the guy says, "I gotta go along with my constituents, they're demanding this, they're demanding this—I got this guy offering money around here, in my community. They need money, and I won't get this money unless I do what this guy says. I gotta go with this line. Yeah, I know it's crazy, but I gotta do it." And then he's destroyed.

It's like people in the last election saying, "We gotta vote for Gore." Why? "Because we must prevent Bush from being elected." I say, you vote for Gore, you're going to get Bush. And they did. So, we've got to break that chain of where stupidity becomes a chain on the minds of our best organic leaders in this society. And the way to do that, is, you and I, and others like us, we have to meet, we have to function informally as well as formally. We have to establish ourselves in such groups, as the authority in the country for constituencies. We use that authority to confront our constituents, to get them to change from stupid ideas, into intelligent ideas.

We go out on the basis that nothing is important but the truth. We *don't have* to be afraid of the truth. You don't have to defend a lie. You have no interest in a lie. It's not yours. You don't have to have loyalty to a lie. You have to have loyalty to the idea of truth, which sometimes takes a bit of discovering.

And therefore, you've got to say, "Let's agree to one thing. We agree on one thing: truthfulness. Let us meet on the basis of seeking the truth in this matter. And let us keep discussing it until we get this thing sorted out. Then let us go forth, united on the basis of truth. Not opinion, but truth." And that's the only answer.

So, I don't think we have—alternative third party projects of this type, I see nothing on the horizon that would justify it. I see enough that would give you the horrors, but no alternative. And I have to be, at my age, I have to think in terms of things

that will work for people, not gestures. And what will work for people, is if we can get this country back to the idea of the truth, and if we can start to organize people to *talk* to each other, not on the basis of stroking each other's prejudices, but of trying to find out what the truth of the matter is, then we will have a force that can't be stopped.

What Can Americans Do for Mideast Peace?

Freeman: I'm going to take a question from the audience, now, from someone who I could introduce in a lot of different ways. I could introduce him as a leader of Louis Farrakhan's Nation of Islam; I could introduce him as one of the foremost health-care providers, here in the District of Columbia; or I could introduce him as one of the gentlemen, who was good enough to lead the fight to save D.C. General Hospital. But, maybe the best way to introduce him, is to introduce him as someone who never, ever wears chains: Alim Muhammad.

Dr. Abdul Alim Muhammad: Greetings, Mr.

LaRouche; I'm very happy to be here. I apologize for arriving a little bit late, and I did not, in fact, get a chance to hear all of your previous comments. But, it occurs to me, that, in terms of the Middle East situation, you have a constellation of forces opposing one another, that don't seem to have the creative power to resolve the situation in a way that makes sense. I mean, there's this agenda of war, that apparently has been agreed upon, at the highest levels, and it seems to be heading in that direction.

So, my question is this: Is there anything that can be learned from what happened 30 or so years ago, in the civil rights movement? When, in the segregated South, there was this balance of forces, that seemed to enforce the continued segregation, the continued disenfranchisement of large segments of the population. But then, there occurred the phenomenon of individuals from other parts of the country, people from New York, or Michigan, or Illinois, or wherever they were from: They didn't mind going to Alabama, or Georgia, or Louisiana, or wherever they thought the problem was. They were called, by the segregationists, "outside agitators," "communists," and other bad names. They, themselves, thought that they were Freedom Riders, that they were activists, civil rights workers, workers of conscience. And, they went into a situation, they inspired the local residents: They became teachers; they became examples to local people there, of new solutions. They brought resources to bear on the situation, and they sort of shook things up. They changed the pattern of behavior on both sides of the problem.

I'm wondering whether or not you feel that there's any possibility of developing that line of approach, internation-



ally? Is it possible, for example, for delegations of private citizens—men and women of conscience, people of religion, people of business, people from all walks of life—who, naturally, would have to have the resources: But, could they go to the Middle East? Could they go to Jerusalem, and engage in activities, that might in some way, shake things up, and destroy these ingrained patterns? And have some inspirational effect on the local populations? Is it possible, for something like that to be conceived of? I just would like to get your thoughts about something of that nature.

LaRouche: I think there's no solution in that direction. There's a good in that direction, but not a solution.

The only solution right now, the only obvious solution, is if the President of the United States would be persuaded, to make an Eisenhower-like decision, on the horror-show in the Middle East. I know from Europe, that Europe would generally unite—including Russia—would unite with the United States on that issue. And, that most of the rest of the world would agree. So, under those conditions, we could bring this to an end—that is, in terms of the horror-show. But, at the same time, to go further than that: You have to talk about building a peace, and that's where what you're talking about comes into play.

Now, what we have to do, in a sense, is: We have to—by bringing unity among people, of those who are concerned about this horror, as I've found myself in the middle of doing, recently; not because I started out with the intention of doing that, but I just followed my own nose, and I ended up doing that: Is to try to bring people from the Arab world and others together, on trying to clarify exactly what the issues are, in this business, and how to deal with this. Now, when we get to the point that we decide, in a sense, agree on what to do, in general, about it, we find ourselves up against the fact that we need another factor, which we don't have: which is, for either the President of the United States, or equivalent thereof, to step in and tilt the thing, so that we can implement what we are saying.

What is important—two things: First of all, it is very important to address those sections of Israelis, who *will* respond, even if it's a sort of "Damascus Road" response, to the idea of justice and freedom. Now, in that case, you have a movement among Jews, which is pretty much crushed—it was crushed by Hitler largely, and the right-wing supporters crushed it—that of Moses Mendelssohn. Moses Mendelssohn was one of the real, authentic geniuses, of modern times. He was called, in Germany, in his time, "the modern Socrates." Moses Mendelssohn did more than any other person, to bring about the political liberation of the Jew in Europe. His work, as a collaborator of people like Kästner, whom most people don't know; and a collaborator, especially more immediately, of Gotthold Lessing, the founder of German Classicism. It was through his networks, that Joseph II, the Emperor of Austria, was the first country to grant political identity to the Jew. And, most people don't know what the condition of the

Jew in Europe was, prior to that time. Some Jews had licenses to live; the others would go around as virtual *cattle*, without the right to live!

And, Moses Mendelssohn's movement did that. You had the spread of that into Eastern Europe, in the case of the Yiddish Renaissance, which is famous among Americans, mostly through the writings of people like Sholom Aleichem, in his stories; but the Yiddish Renaissance. So, that you had a *great movement* among Jews, which is the movement of *true liberation*, pivoted on Moses Mendelssohn. And, he's a genius: I mean, this guy, you don't think of him as just Jewish—he's everything! He's a universal mind; and he was an Orthodox Jew to the day of his death. But, a universal mind: He was a man of peace; he was a man of reconciliation. So, I would say that, in respect to the Jew: It's important to emphasize the question of Moses Mendelssohn. Those who have Jewish affiliations, attachments: *Here's a genius, a true genius*, who did more for the liberation of the Jew, than any other known individual in modern history. Isn't that pretty good? Isn't that a hero for you?

So, take the true hero, as Martin is for many of us, a true hero of his time, and say, "Wasn't it a mistake to go away from that?" Just because Hitler wiped out most of the adherents of that persuasion? And, left the survivors, who were of a different persuasion, to take over?

So, therefore, there are, also, many Israelis, who will tend to agree with that. We know; I've been working with some of them for a quarter-century, who have been fighting for peace—Arab-Israeli peace, inside Israel, and outside. There is a core, that is really committed to this.

Therefore, *yes*: In the process of rebuilding, and mobilizing support, for the rebuilding, for the peace, there are many people from various parts of the world, who, based on some understanding—remember, the civil rights movement worked to the degree that the young kids who went in, had some understanding of what they were going into; and had guidance on non-violence, and other kinds of things, to enable them to *do* this.

So, with guidance, of some understanding of what the issues are, by meeting with Arabs, by meeting with people who understand the position of Israel and the Jew, and understanding the situation, *then* you can have people who are not going to mess the things up, and make them worse than they already are. But, who will be useful, and will be gestures of solidarity, in implementing peace: support for this; support for that. Who do you go to visit? When someone comes from this part of the world, who can they go to visit? Where is the group of people, who will visit them, receive them, guide them around, and send them off as friends? Who do you go to visit, in that area? You need these kinds of people-to-people contacts, it's very useful. But, it won't solve the problem, in the short run. But in the long run, it can be the thing that's a decisive factor in leading to a permanent solution of the problem.

The Pedophilia Scandals

Monsignor Elias El-Hayak: Mr. LaRouche, I would like to ask you a question. I'm surprised at the fact that, in this conjuncture of war we have now in the Middle East, why is it that [there is an] assault on the moral authority of the Pope and the Catholic Church? Wherever I go, wherever—all these channels I watch every day, they are talking about this situation in the Catholic Church, about pedophilia and all that, and they are criticizing even that meeting the Pope held with these Cardinals of the United States, and setting up a way of diminishing all this. So I find, behind this, some intent to diminish the authority of this Pope, or the Church in general, particularly when he had already a year ago gone to the Middle East, and he had built so much goodwill among the people of the area. This is my question.

LaRouche: There's an intent to destroy the Pope, not only on this question, but on many other questions. And there are efforts within the Church, some of which I've fought against, as without. You see, the Pope represents the best of a tradition, in terms of the Church in modern society, which dates from Leo XIII, especially. He represents the continuity of that, it's not new, it represents a refreshing—on the part of these Popes, particularly Leo XIII, and so forth—a refreshing of the original Apostolic mission.

Well, there are other interests, as we know. There are financial interests, which say, "The pews are empty, you want money, you take our money and you listen to our views." And what has happened is, a financial concert was brought to bear in the United States, probably also the White House, was brought to bear to push this pedophilia scandal in Washington. (I think the place to start it was the Congress. If you want to have a pedophilia scandal, I think we've got plenty of people in the political system who are much more appropriate.)

But this was *done*.

Now, I've been, of course I had friends, you know, who've been involved in investigating these kinds of problems before, for the Church. We've known about the problem for a long time, we thought that the American Church—I did—we thought it was wrong on this question, in the way they approached it; but that's not the blame of the Pope. The Pope's position is clear.

But, in this case, it's obvious. If [someone wants] to start a religious war, and you intervene, to defend the sanctity of any of the holy sites in the Middle East, you are in principle affirming the sanctity of the holy places. If you affirm the sanctity of the holy places, you can't have this kind of thing that's going on there.

So therefore, the Pope becomes a personal threat to the cause of Nazism worldwide. So, I mean, the point is obvious, that this is a serious fight, and those of us who have the means, have to try to see that the right thing is done. If they can't do it by one channel, by another. I do what I can. I need his continued functioning on this front; we all need it.

'The Gang That Couldn't Shoot Straight'

Alfredo Jalife of Mexico: Mr. LaRouche, will President Bush's debacles in Mexico and Venezuela, specifically those executed by Assistant Secretary of State Otto Reich, who is known as the Iran-Contra man, by allying with Mexican Foreign Minister Castañeda and Venezuela's Cisneros Group, will they affect Jeb Bush's reelection in Florida? And what do you think U.S.-Mexico relations actually should be?

LaRouche: In general on these things, you've got to realize that we don't have a functioning government of the United States right now. We have persons occupying the nominal positions of government. But, if you look around the world, you look at the case of the handling of the situation in Argentina; you look at the mess that was made by the U.S. government with Elliott Abrams and company in the bungling of this whole business in Venezuela; you look at the stupidity with which the U.S. Administration, the present one, has approached the question of deregulation in Mexico; you look at the way they're dealing with Brazil; you look at the Africa policy, which is not even mentioned much any more, it's a horror show unto itself; you look at the question of the dealing with Europe; the dealing with China; dealing with Japan; dealing with Korea; and so forth and so on. Dealing with all the important domestic issues—this is not a government, it's a catastrophe. It's a catastrophe seeking a refuge place to hide in.

Now, like the military policy: The military policy of the United States is totally incompetent. It's incompetent on two grounds. First of all, it's incompetent because it's wrong—wrong in the sense that we have learned about warfare, through a long history of humanity. We have learned, especially from the experience of the Treaty of Westphalia, what kind of wars *not* to fight. We should have learned it also from commentaries on this subject by Machiavelli, a military specialist, a strategic specialist, back in the 16th Century. We should have learned it from Lazare Carnot. We should have learned it from the defeat of the first modern fascist, Napoleon, when he tried to march into Russia. We should have learned it from the German reform, military reform, which was done under the reformers, including Gerhard Scharnhorst; we learned about what warfare is, and how to conduct it, what is justified and what is not justified.

And what was conceived of as this new *Waffen-SS* model, of Huntington and that crowd around Kissinger, the *Soldier and the State* crowd; these guys are, from a military-strategic standpoint, they are utterly incompetent. There's no way that they can establish a durable form of empire, even as durable or undurable as the Roman Empire was. It can not be done. You could not establish a durable, existable new Roman Empire based on Anglo-American power today. It could not work. All it could do is destroy, and what it is doing, destroying.

But now you get to the point.

Talking about going into Iraq. Why are we going into

Iraq? Because it's a perpetual war. They decided to do it, and Israel desperately needs it. Israel can not survive with its present policy unless the war is extended to the greater Middle East. And it means, first of all, Iraq.

So therefore, we don't have the troops to fight a war in Iraq; Iraq will not be like Desert Storm; the effects—it will be much more complicated. Look at Afghanistan, with these idiots who are running this thing—and I don't think Rumsfeld's quite that stupid, but he's acting stupidly—who believe that you can fight that kind of a war. You *can not*. They've gone into another quagmire, a mountain quagmire. So the weapons policy, the rearmaments policy, which is just swindling, putting some money in there for your friends—that's all it is. There's no *recovery* in this warfare. This is not a war economy recovery. That everything these guys do, everything they say, everything they say about the economy, every policy they make, is a manifestation of one stupidity worse than the other. You call this a government? Someone says, the United States government is a powerful government and knows what it's doing, you've got to bend over for it—it *is not!* It is sheer incompetence. They can't think, they can't make decisions, they make decisions but they can't—so that one should not exaggerate this kind of mess.

So what they're doing in Mexico, they walk into Mexico. Mexico's existence depends upon the restoration of an energy system. Mexico has been looted to a degree, since Kissinger went down there in the Fall Of 1982, has been looted to such a degree, that it's almost non-functional. What we did is we destroyed Mexico; we said, "We'll use cheap Mexican labor. We'll use it as immigrant labor, and we'll use it as *maquiladora* labor." Mexico depends upon, about 80% of its economy, on exports to the United States, of labor or materials. That's the Mexican economy. It has no other economy to speak of.

Now, the role of the United States as the importer of last resort, has come to an end. That means a disaster in the *maquiladoras*; it means a disaster throughout all of Mexico. So therefore, the existence of Mexico depends on a general reconstruction, of moving it back in the direction which it was in before it was wrecked 20 years ago. In other words, you've looted, you've taken the patient, you've sucked all the blood out of it that you could, up to the point that the patient would die from lack of blood, and now you go in, you want more blood—eh?—and to go in with that kind of policy.

Now naturally, what happened was, is that you had Vicente Fox, who thought he was the ever-beloved of George Bush, eh?—that's a mistake too, eh?—but Vicente Fox thought he could push through Bush's policy of deregulation in Mexico, despite Enron and everything else. And the Mexican people, the Mexican institutions, said "no." And the Chamber met and voted down the deregulation bill, permanently. They killed it, permanently. It's now an outlaw; you can't bring it into the procedure any more. Why? Why not?

But the stupid government of the United States is so deter-

mined to shove its stupid policy down the throat of Mexico, that it pays no attention to what it's doing. It does not force Mexico to accept policies that can work; it tries to force Mexico to commit suicide.

What is being done by the IMF and the U.S. government in Argentina is clinical insanity. As well as mass murder. What they're trying to do in Brazil is the same thing. The sideshow they played in Venezuela, eh?—with Elliott Abrams and so forth. And Otto Reich. They don't know what they're doing. But they're doing it anyway. It's like that gang, remember the organized gang warfare in Brooklyn which one famous reporter at the time wrote a book about, called *The Gang That Couldn't Shoot Straight*? That's the Bush Administration. They can't shoot straight. They shoot a lot, though, but they don't shoot straight.

So, that's the way to understand it. Do not imagine that the United States is some big powerful giant. It may be relatively gigantic, with some powers, but don't recognize it as an all-wise agency, so powerful, so wise, so all-knowing, that it knows what it's doing. The U.S. government at present has no conception of what it's doing. It just does it anyway. And it's getting more and more into a mess.

You should get the mood in Europe. Europeans, just to get a sense of this—Europeans, especially Germans. Germans went through two world wars. They were conquered by the U.S. twice; and they say, never again will we resist the word of our imperial master, the United States. We will always do what the Pentagon tells us. Without question, even if we know it's insane. But even in Germany, as in Italy and elsewhere, the Europeans are now in a state of revolt against a U.S. policy which is so stupid, that if they wanted to follow it, they couldn't, because you can't understand it, because it makes no sense.

Fascism in Australia

Craig Isherwood, national secretary of the Citizens Electoral Council of Australia: Greetings from Australia. I think we might be the remotest link for this webcast, and it has been good to hear your clear and unequivocal message down here.

Lyn, within the last several months we have seen a dramatic step-up by the Howard Liberal government to ram through absolutely draconian fascist laws under the guise of fighting terrorism, particularly after Sept. 11, but also before Sept. 11.

These laws are identical, line by line, with Hitler's February 1933 Emergency Decrees.

Howard has introduced laws that:

- Can jail people for 25 years to life for such activities as union activity, civil disobedience, dissent or normal political organizing, under the pretext of being defined as terrorism;
- Ban any organization it wants to;
- Hold people without the right to remain silent, and incommunicado indefinitely;

- Allow spy organizations to use unlimited wire-tapping on people;
- Use lethal force and kill Australian citizens if domestic violence flares; and
- The untrammelled use of agent provocateurs to set organizations and groups up.

Now these laws are not being introduced from a position of strength, but from the fact that the political parties in this country are hated, and falling apart. The two major parties are actually seen as the same and are a hollow shell.

Top civil rights lawyers have stated, that these laws are not necessary. We already have the necessary laws to deal with any genuine terrorist problem.

We know it is the global financial collapse which is driving these desperate moves, but it is also the hysterical freak-out over your influence on this continent, through our work down here.

We would really like to hear what you have to say about this matter and others on the Australian continent.

LaRouche: Well, some people looking at Australia and these curious events down there say that, you know, that Australia has a lot of marsupials, and a couple of monotremes as well, and perhaps that that accounts for the kind of politicians that are trying to push this stuff through. They've just, they've got—it's in the pouch, so to speak. Other people may think that this is probably a reflection of the imperial power of the Emperor Rupert Murdoch, whose de-pressed association has some power in that country. And as a matter of fact, Rupert Murdoch is a lot of this stuff. We have a Murdoch in the United States, so watch out. Check him for pouches, and what's in his pouch, whatever he does.

But essentially, the thing is run through an organization called the British monarchy's Privy Council. All of the operations, while they have many fronts, are actually run, to my knowledge, and to the knowledge of people down there, by members of the Privy Council. Now, one thing to understand about this—now of course, this is Australia, which the British hate very much. They think it's a bunch of escaped prisoners or something—you know how they are; they're very backward, they don't keep their history straight.

But in any case, what we don't understand, and we should understand as Americans, is that our Constitutional system is superior to anything that ever actually developed in Europe. The nearest approximation was the reform of the Fifth Republic by President Charles de Gaulle. But never, never did a European country, establish a true sovereign nation-state republic.

What happened in Europe, largely under the impact of the American Revolution, was certain reforms in parliamentary forms of government, which were essentially monarchical forms of government, in which the basic feudal form of monarchy was preserved. You had a parliament, which originally was the adviser to a monarchy, and a monarch. The monarchs have generally gone, since then, but monarchs have been re-

placed by a President who performs, who holds the office of a monarch, but is not a monarch. He has no monarchical authority whatsoever. Even Chirac has no monarchical authority. He's controlled by a council of powers which control the state apparatus. Then you have a Parliament. Now, any time the Parliament gets in its mind to do something that the state apparatus doesn't like, the Parliament is thrown into a crisis, and you have a parliamentary crisis which overthrows the government, and you get a new Prime Minister, and a new set of laws. That's the way it's run.

The way this is run in Britain, for example, is through the Privy Council. Now, the Queen nominally has no powers to speak of, except to read the teleprompter at certain annual occasions, before the Parliament. But the Queen is actually a very powerful institution, who controls the United Kingdom, and the Empire, including Australia, New Zealand, and Canada, directly, for which she is the monarch, through Privy Councils. The operation to which you refer in Australia, is run from the British monarchy, through the Privy Council extensions in Australia. If you remove the Privy Council factor from these operations in Australia, the whole thing would fall apart. And therefore, though various kinds of monotremes, marsupials, and others, may be running around as one of the perpetrators of this atrocity, the atrocity is occurring because the master of the marsupials and monotremes, has laid this particular egg.

Can We Save Civilization?

Student: Mr. LaRouche, first, before I say anything else, I want to thank you for doing what nobody else seems willing to do, and that is tell us the truth. It's not easy deciding what you're going to do with your life, when people lie to you all the time. And the truth that you told today, while I'm happy you said it, doesn't really paint a very pretty picture.

I'm going to ask you to tell us the truth one more time. What do you really think our chances are, of implementing your policies and of saving civilization?

LaRouche: Well, that is a tough question, but not a tough question for me. It's a tough question for most.

You know, we are so obsessed by the short lives we lead, in our mortal existence, that we become too preoccupied with the issues that are defined in terms of our personal sensual experience. We forget history; we forget especially the history of ideas. What we live for—and this again is the question of death, life and death—what do we live for? Do we live for what we experience in our lifetime, or do we live because we are concerned about what comes after us, as a result of our actions while we live? Are we concerned, like the scientist, with the benefits of the ideas which may not be realized in his lifetime, but which save the future of humanity, eh? That sort of thing.

So therefore, in facing a question like this, never ask the question of yourself: Will you get the reward of your effort, within your mortal life? Never ask that question of yourself.

Always say: Is it something which you should do, for the sake of humanity? Then, like Jeanne d'Arc, if you have to die, you'll die, but maybe as she did, the existence of France as the first modern nation-state, would come about because you didn't quit.

Now, that does not mean you should take a fatalistic attitude about history. That means you should think like a good soldier, a good commander in war, who's going out to war, not with the intent of dying, but the intent of bringing about a victory, by making an essential contribution to a necessary

In facing a question like this, never ask the question of yourself: Will you get the reward of your effort, within your mortal life? Never ask that question of yourself. Always say: Is it something which you should do, for the sake of humanity?

victory in the betterment of humanity. If you start from that attitude, then you're not a hostage to your sense of mortality. And the thing that makes people cowards, is the sense of being a hostage to their own mortality. If you can give that up, and say, "I'm going to do it because it's needed," you can fight the fight. And if you can fight the fight, the very fact that you *can*, in that way, gives you a chance of winning. So if you ask the question of yourself, "Should I do this on the basis of whether or not I think I'll enjoy the benefit in my lifetime, or live to see it," then you will lack the courage often to achieve the function of leadership. You say, "I'm going to do this, because the meaning of my life is to make a contribution to humanity, whether I enjoy it or not, in person." Then you can win.

See, because you, as I have to do, you have to take the point. You have to become in a sense the target, as Martin said, when he gave his famous speech "on the mountaintop," on the question. You're leading, you must give courage to those about you. You must speak clearly and truthfully, and let nothing, even the fear of the loss of your own life, stand in the way of speaking truth. And never allow that to induce you to speak garbage instead of truth. Or to babble, or to be evasive, instead of speaking the truth. Because the radiation in others of the sense of truth, a cognitive sense that you speak the truth, will impart to others the capacity to carry on, if you're gone.

And that's the point of the matter. I expect us to win. I know we *can* win. I expect to win. But that is not the thing that determines what I will do. I am determined that *we shall win*, and I will do what I have to do, to bring that about.

After Erfurt: We Need To Ban Violent Videos Worldwide

by Helga Zepp-LaRouche

Mrs. Zepp-LaRouche is chairman of the Bürgerrechtsbewegung Solidarität (Civil Rights Solidarity Movement), and direct candidate for the Bundestag (lower house of parliament) from Berlin-Mitte. She issued this statement on April 29, following her April 28 call for Germany to return to Classical education (see EIR, May 10).

In the wake of the gruesome massacre committed by 19-year-old Robert Steinhäuser, responsible citizens can only have one reaction: Germany must call upon the United Nations to establish a protocol for a worldwide ban on the production and sale of films, computer games, and videos glorifying violence. This is necessary, because this “New Violence,” as manifested in the massacre in Erfurt, is by no means a “sociological accident” or a “freak incident.” Rather, it is a worldwide phenomenon, one which represents as grave a threat to human civilization, as does the outbreak of a new life-threatening epidemic disease.

It is certainly true that here in Germany, public discussion of the background of this incident has been conducted in a more honest and competent manner than occurred, for example, in the United States, following the massacre at Columbine High School in Littleton. A good number of psychologists and educators here have pointed out the direct connection to violence-glorifying videos and computer games, and many of them have been rightly calling for the outlawing of such products. Nevertheless, that alone is not enough, because only once we have truly understood the nature of this “New Violence,” will we be able to protect our children effectively against it.

For example, take the case of those who argue that these sorts of horror film and killer computer games only lead to the commission of violent acts, in cases where the children and youths involved are already at risk, whereas the majority

of “normal” young people can consume these media products without undue harm. Such people are, in the best of cases, simply deceiving themselves. Because in fact—and we will have more to report on this later on—these computer games were originally developed in the United States for use by the military, for the purpose of breaking down the inhibitions which new recruits would experience when ordered to kill enemy troops. Namely, it had been recognized that during World War II and the Korean War, only about 15% of all soldiers had been willing to shoot at the enemy with the intent to kill. But by using computer games involving repeated shooting at virtual enemy troops, the act of killing could be turned into a routine, mechanical activity, unhindered by any burdensome moral scruples.

So, if this de-sensitization works with military and police personnel (and we should recall here the infamous Diallo case in New York, when police fired 41 bullets into an unarmed African man), why wouldn't these games have the same effect on children and teenagers, who, after all, are even more impressionable than adults are? The ugly reality is, that even if the sale of such satanic computer games were banned tomorrow, this would not repair the damage that has already been done. We must therefore ask ourselves: What has brought a considerable part of our society to the point of tolerating ever more perverse forms of violence in such “action movies” as “Terminator” (Robert Steinhäuser's favorite movie), and in such games as “Doom,” “Quake,” and so forth? What is wrong with the axioms in the minds of many adults in our society, who notice only now (if they notice anything at all) that these products are bestial, and that they aim at producing a bestial outcome?

The idea of molding soldiers into blind obeyers of orders and eager killing machines, comes out of the utopian military doctrine of such people as Samuel Huntington, as he set this

forth in his book, *The Soldier and the State*. It runs directly contrary to the tradition of Lazare Carnot and Scharnhorst, who developed the concept of the citizen-soldier, whereby the officer in particular should be of exemplary character, with an especially refined sense of the General Welfare, one who should be able to think for himself, and be able to creatively carry out the assigned objective. Huntington, on the other hand, promotes the idea of the soldier who never permits himself to think, who never involves himself in political affairs, and who is thus part of a military hermetically sealed off from the “chaos” of civilian life. Huntington’s concept is, in fact, nothing new: It is merely the old form of the Roman imperial legions, whose role was to secure the Empire’s borders; Huntington also explicitly mentions, in this regard, the international Waffen SS.

Already back in 1972, the U.S. Surgeon General warned that there could be no doubt about the connection between violence in the media, and violent acts committed by children and young people. Shortly thereafter, the American Medical Association warned that violence in the media was the greatest health-care emergency in the U.S.A. And that was 30 years ago! Has anyone in the meantime been restricting Hollywood and the producers of these computer games? Thanks to this failure, the only way one can enter an American school building today, is by walking through a metal detector, not to mention the armed policemen patrolling the hallways. In American cities such as Washington, murders are committed every day, with most of the victims being young people killed by “random shootings”—i.e., shootings in which the killer and the victim do not even know each other.

To Stop ‘The New Violence’

If one takes stock of the past three decades’ history in the United States, it becomes quite evident that the responsibility for this phenomenon of youth violence must be placed at the feet of those military and elected officials who, despite overwhelming evidence presented by medical and psychological experts, *and* despite the empirical experience of a widespread de-sensitization among youths, did nothing to halt this process of degeneration. Indeed, one cannot help but get the impression that this process was intentionally *encouraged*. After all, how could global military operations be carried out, if it weren’t for a steady supply of emotionally immature, trigger-happy young recruits?

With the massacre in Erfurt, American conditions have now come to Germany. Only six days afterward, “unpolitical” youths went rioting in Berlin, including 13-year-old girls who were hurling stones at policemen. And if Berlin Mayor Klaus Wowereit thinks he can get away with claiming that with “only” 180 police injured, this was a “successful strategy,” then perhaps he should go out there himself the next time! There is simply no doubt that the phenomenon of the “New Violence”—i.e., of a violence whose cause does not lie exclusively in the criminal energies of individual perpetrators, but



Helga Zepp-LaRouche urging her proposed strategy to ban killer video and computer games internationally, at a campaign event of the BüSo (Civil Rights Solidarity Movement) in Düsseldorf.

rather in the cultivation of socially tolerated media violence—is a massive problem here in Germany, too.

This plague of violence-glorifying horror films and computer games has now spread around the globe. The fact is likewise inescapable, that this has led to a dangerous state of spiritual desolation and demoralization among a large percentage of those who consume these media products. And whoever attempts to deny that fact, is acting like the drug addict who claims that his drug consumption has no negative effect on his capacity to think: How could he, after all, have any memory of the brain cells which he’s already lost?

A ban on violent videos, and cooperation with responsible representatives of the media, are correct and necessary measures. But these alone will not be sufficient to block access via the Internet or across national borders, nor will it succeed in reversing the effect of those products which are already circulating among our young people, and generally in the population. Once it is understood that this is not a one-time freak incident—albeit the most horrible incident to date—but that, on the contrary, this New Violence is a just as much a threat to human civilization, as a global outbreak of cannibalism—only then does it become clear that we must react in a far more fundamental way.

Therefore, Germany should propose that the United Nations establish an international protocol for the banning of these violence-glorifying videos.

And, secondly, we will only be able to heal the damage that has already been done in our country, by returning immediately to an educational policy based on the Christian-humanist image of man, in the tradition of Wilhelm von Humboldt. That is the only way we will be able to give our children and young people the spiritual strength to reject these bestial conceptions on their own.

Media, Arms Producers Make Killer Video Games

by Alexander Hartmann

For years, it has been known that violent video games are among the driving forces behind the “New Violence” in our societies and schools. This was demonstrated again in Erfurt, Germany, on April 26, when a drop-out pupil who was obsessed with “point-and-shoot” video games, shot and killed 16 people and himself at his former school. The terrible events of that day have triggered huge demonstrations and a national debate in Germany, over the media products of the “New Violence.”

Prompted by the Erfurt events, Helga Zepp-LaRouche, currently a candidate for the German Bundestag (lower house of parliament), renewed her call, first made in February 2000, for an international protocol banning violent video and computer games (published in this section).

A closer look at the business networks involved in the production and marketing of such games indicates why, despite a mass of evidence, no such action has been taken. Behind the slime-mold of video game-producing studios being created, dissolved, merged, renamed or taken over, there are several big media and even armament corporations that, apparently, no one in the Western governments dares to touch.

‘Military-Industrial Complex’

The largest European producer of such games, presently, is the French Infogrames SA. According to their website, Infogrames was co-founded in 1983 by Bruno Bonnell, who earlier had been involved in developing “the Thomson T07, one of the first computers designed for domestic use.” Thomson is France’s leading defense electronics producer. Sitting on the board of Infogrames, is Thierry Dassault, representing the Dassault Group’s multimedia division. Dassault also is one of the largest defense contractors in France.

In January 2000, Infogrames bought up U.S. toy producer Hasbro’s on-line and off-line interactive game divisions. Since then, Infogrames sucked up Eden Studios and Shiny Entertainment, and is now marketing games like Stuntman, MXRider, Spy Hunter, Terminator, Mission: Impossible, Unreal, and Backyard Sports. Also bought from Hasbro by Infogrames were the rights to the Atari games, which were prominent in the early days of video games, in the 1980s. Hasbro has a link to the American defense establishment of

its own: Before entering the current U.S. administration, Deputy Secretary of Defense Paul Wolfowitz served on Hasbro’s board.

The big media conglomerates share part of the business with the biggest military producers. The first-person-shooter video game Counterstrike—which apparently was instrumental in programming the young Erfurt killer Robert Steinhäuser—is a product of Sierra Entertainment, a subdivision (studio) of the world’s second largest communications group, Vivendi Universal. Other such studios owned by Vivendi Universal include Blizzard Entertainment and Universal Interactive, all of which produce a large variety of interactive, online, PC and console-based computer games, often of the most violent character.

Many of the games are based on Hollywood film scripts, like Terminator or Mission: Impossible, and rely on “intellectual property rights” sold or leased by the original film producers, who share part of the royalties income and have a lot of political clout. It is no secret that Sen. Joe Lieberman (D-Conn.) could bury his Presidential ambitions without Hollywood’s money, and he is not the only one dependent on money and other support from Hollywood.

Vivendi Universal was formed in 2000, through the merger of Vivendi, a French multimedia group, and Edgar Bronfman’s Seagram Co. Ltd. Seagram’s had, in 1995, bought MCA, including MCA’s Universal movies division, with its 14.7% share of the U.S. box-office market. Under the leadership of his son, Edgar Bronfman, Jr., Universal Music bought up PolyGram, and now owns the copyrights works by to Jimi Hendrix, Bob Marley, the Jackson Five, U2, Elton John, Marilyn Manson, and, among others, 50% of the “Gangsta Rap” label Interscope. Among Vivendi’s own assets brought into the merger, was the French pay-TV channel Canalplus.

As of now, both Edgar Bronfmans, Senior and Junior, and a third person representing Bronfman’s interests, are listed as “non-executive board members” of Vivendi Universal—obviously, the Bronfmans still own a substantial share of Vivendi Universal.

Vivendi’s boss Jean-Claude Messier himself was, from 1986-88, responsible for the French government’s privatization program. Then, he joined the influential U.S.-French investment bank Lazard Frères, before he took over the Lyon-based water utility Générale des Eaux, which he transformed into the Vivendi media group.

Too Big To Take On?

In the cartelized “entertainment industry,” the relation to the financier powers—and government sponsorship—makes or breaks a company. In this light, Messier’s creation of the Vivendi cartel (and its entry into such product lines as killer video games) must be seen as a sponsored initiative of the Lazard bank. Felix Rohatyn, Messier’s mentor at Lazard, went on to become U.S. Ambassador to France.

A parallel project is Sumner Redstone's Viacom, assembled with the forceful backing of the same Lazard bank. Viacom owns CBS and Paramount Studios. A group of Redstone's executives was hired in 1999, directly by the U.S. military, to set up the Insititute for Creative Technologies at the University of Southern California. There, Pentagon-financed video-game programmers now design *both* killer games for kids, and training simulators for soldiers to fight heretofore "unthinkable" imperial wars.

The world's biggest producer of video games is Electronic Arts, which only recently procured the exclusive rights to offer games through America Online. Seagram owned a 15% share of Time Warner, before the latter's merger with AOL. Among AOL/Time Warner's affiliates are *Time* magazine and Warner Brothers. Though joint ventures, AOL/Time Warner is connected to Germany's media giant Bertelsmann, which controls the German RTL and RTL 2 and RTL plus TV stations, known for their often pornographic contents. One of the biggest players in the market of TV and Movies rights is the—recently bankrupted—German Kirch Group, which controls Germany's ProSieben, Sat 1, Kabel 1, N24, and Premiere TV stations.

Another powerful sector profiting from the killer games are the producers of both the hardware and the software needed to run them, like Nintendo, Sony, and Microsoft. Obviously, for most of the current political elite, this combination of economic and political clout is simply too much to take on.

Yet the biggest entities in this criminal business, such as Vivendi and Viacom, are drowning in unpayable debt and crashing stock values. A resolute public attack against them would collapse this whole sordid side of the "New Economy" bubble.

A Cultural Crisis

Under the shock of the Erfurt mass murder, Germany is going through a profound process of rethinking the direction in which the nation has drifted over the past decades—in culture, education, and economic policy. That process of national soul-searching will have a major impact on the national elections scheduled for later this year. This became visible on May 3, when over 100,000 Germans, mostly from the eastern region near the scene of the school carnage, gathered in Erfurt for a memorial service.



More than 100,000 Germans gathered in the city square of Erfurt days after the killings; with the national shock, have come growing national demands for banning violent videos and computer games, including their importation.

This massive showing of the population is putting pressure on the political class, to act against the culture of violence. Both President Johannes Rau and Chancellor Gerhard Schröder addressed the Erfurt gathering, and delivered frank assessments of the deep cultural crisis that the killing incident had spotlighted. Earlier in the week, the Federal Ministry for the Interior issued a preliminary report on the incident. It warned that as many as 170,000 German youth are so deeply involved in the same culture of video-game violence and pornography, that any one of them could repeat the Erfurt incident.

Helga Zepp-LaRouche's proposal to ban the killer video and computer games internationally now hits the center of the debate. One Chancellor candidate, Christian Democrat Edmund Stoiber, has now made a more limited call to ban the killer products. Christian Pfeiffer, Minister of Justice of the state of Lower Saxony, said in radio interviews, that a ban of killer games must hit the producers in the first place. Sanctions against the producers of such games, not just sanctions against the sellers and distributors, must be considered, Pfeiffer said; otherwise a ban will never be effective. A ban should also affect adult players, otherwise children will have access to killer games through elder brothers and sisters, or their parents and friends of the family.

In a related initiative, Werner Glogauer, one of Germany's leading media experts, said that producers should be held responsible for atrocities resulting from "playing" with their killer games; and that if that case can be proven, they should have to pay.

Strategy of Tension Now Targets the Netherlands

by Dean Andromidas

On the eve of the May 15 national elections, the Netherlands was hit by the assassination of Pim Fortuyn, an anti-immigrant populist who was expected to win as much as 20% of the vote. The killing of Fortuyn comes in the wake of several assassinations, mass murders, and other attacks in recent months, which form a “strategy of tension” targeting Western Europe. Since the Sept. 11 attacks on the World Trade Center and the Pentagon, nine major terror attacks and assassinations—a pace of one a month—have occurred in nearly every country in Western Europe (see box). As a result of the assassination of Fortuyn, political observers predict that the paralysis that overtook Dutch government with the resignation of Prime Minister Wim Kok, will continue after the elections. This could knock out an important member of the European Union, when grave strategic crises, particularly in the Middle East, require strong decision-making by Europe.

Fortuyn was a 54-year-old, avowedly homosexual, sociology professor and newspaper columnist only recently in politics. Like his populist counterparts in other European countries—France’s Jean-Marie Le Pen and Austria’s Jörg Haider—Fortuyn has agitated on an anti-immigration, anti-Islamic, and anti-European Union platform. He came into the international limelight when his party, Lijst Fortuyn, as part of a broader populist coalition called *Leefbaar Nederland* (Loveable Netherlands), won 35% of the vote in the election for the Rotterdam City Council last March. Fortuyn and his party were thrown out of the coalition when he began attacking Muslim immigrants, particularly from Turkey and Morocco. Nonetheless, in May, his party was expected to win at least as much as Le Pen did in France. Lijst Fortuyn remains on the ballot and could easily gain a larger vote as a result of the assassination and subsequent sympathy demonstrations.

Assassination Sharpens a Crisis

In a country where political assassinations are almost unheard of, Fortuyn was killed on the evening of May 6 after leaving a TV interview. His assassin skillfully evaded security around the parking lot of the Netherlands’ most important media park in Hilversum, just outside Amsterdam, and shot him five times in the chest, neck, and head, in an execution style that would have been admired by the hit teams of the Mossad or the Mafia. And the killer was not from an Islamic group, but an “eco-terrorist,” who appears to be of the “second generation” of the terrorist networks that operated in Ger-

many and the Netherlands in the 1970s and 1980s. In this, Fortuyn’s killing is similar to the March 19 assassination of Italian government consultant Marco Biagi—sharpening a government-labor crisis in that country—by the so-called “Red Brigades,” which have been dormant for over ten years.

The alleged killer, Volkert Van der Graaf, 32, is a leading member of an animal rights group called *Milieu Offensief* (“Environmental Offensive”). The name is a take-off on that of a less radical group with the name *Milieu Defensief*. He has been in the animal rights movement since he was a young student and is a strict vegetarian. Van der Graaf was articulate on legal questions involving animal rights, and was involved in proceedings against farmers for allegedly violating animal husbandry laws. The police have not revealed how he got his gun or weapons training. While the media are portraying him as a left-wing psycho, one source who is a lawyer and involved in many anti-environmentalism cases, told *EIR* something different: “First, this man is not a lunatic, who woke up one morning and got it into his head to kill Fortuyn, but a fanatic who acted with cold-blooded deliberation. He is also not a leftist, but a greenie eco-terrorist, and that is an important difference. And this is strange since his victim, Pim Fortuyn, did not deal with environmental issues.”

That the motive did not fit the victim is a point underscored by Fortuyn’s former spokesman Rene Warmerdam, who challenged media “explanations” that Fortuyn was slain because of an alleged comment last year, that if elected he would work to lift the ban on breeding animals, like mink, for fur. Warmerdam quoted from Fortuyn’s recent book where he wrote, “Animal welfare must be a priority, and we need to switch to less industrial production methods.” Even an animal rights group called “Pigs in Need” released a statement saying, “Fortuyn believed that the new agricultural policy needed to be animal-friendly.”

Secret Service Involvement?

Van Der Graaf’s attorney is Dr. Britta Böhler, a German national practicing law in Amsterdam, well known for having been one of the attorneys representing Abdullah Ocalan, the head of the terrorist Kurdish Workers Party (PKK) who is now sitting in a Turkish prison. Böhler’s law firm included Pieter Bakkerschout, who in the 1970s and 1980s defended members of the German terrorist Red Army Faction. The firm has represented activists of the Netherlands’ own radical terrorist and anarchist scene; and in recent decades, some of the Netherlands’ top drug barons.

Although the government asserts that Van Der Graaf had no criminal record, Dutch press reports indicate that he was well known to the Dutch intelligence services, who follow these groups closely, but never repress them. One source speculated that Van Der Graaf’s motivation for killing Fortuyn may have involved links to a renegade Dutch or other state or private intelligence network. If so, it would not be unprecedented. In the early 1990s, Holland was rocked by a series of

Europe Raked by New Terrorist Upsurge

Sept. 27: A gunman killed 14 people and himself at the Canton assembly in Zug, Switzerland.

March 18: Former Belgian politician Alain Van Der Biest committed suicide amid new allegations that he was involved in a massive international arms trade and operations of the NATO-linked “Gladio” network.

March 19: Marco Biagi, an Italian government adviser on widely protested labor laws, was gunned down in an attack attributed to the Red Brigades.

March 21: Basque ETA separatists assassinated a Spanish socialist councilman.

March 26: A city council meeting in Nanterre, France, turned into a bloodbath, when a man said to be suffering from “furious dementia” killed eight people and seriously wounded 30 others. The killer, apparently a police informant, subsequently “fell out of the window” to his death, while being interrogated at the Paris police headquarters.

April 11: Eight German and French tourists were killed in a terror attack on a synagogue in Tunisia.

April 18: An Italian pilot flew his small airplane into Milan’s Pirelli Tower, killing himself and two others.

April 26: Robert Steinhäuser killed 17, including himself, at a school in Erfurt, Germany.

May 6: Dutch politician Pim Fortuyn was assassinated.

scandals linking the country’s secret services to questionable operations. At the end of the 1980s, there was the famous “Bosio” case, in which the secret services were using a private export-import company as a front for joint operations with the U.S. Drug Enforcement Administration, allegedly for weapons purchases linked to the Iran-Contra Affair. Another case in the early 1990s revealed that one of the key leaders of the Kraakers, a radical house-squatters’ movement, was an informant of the secret services.

The political blowback should not be underestimated. A leading Dutch constitutional law expert, Prof. Ales Koekoek, suggested to Dutch TV that, after the national elections on May 15, a national unity government of all the parties, including Lijst Fortuyn, should be formed. Such suggestions could produce, in effect, a government of paralysis, which would have strategic repercussions on European policy-making. Such a government is unlikely to take a leading position on any significant issue, such as the Middle East crisis.

Sharon’s ‘Hallelujah Chorus’ Shouts For Mideast War

by William Jones

Like clockwork, as President George W. Bush sat down with Israeli Prime Minister Ariel Sharon in the Oval Office on May 7, a suicide bomber blew himself and 15 other people up in Rishon Letzion, near Tel Aviv, causing Sharon—as he did his last meeting with Bush—to cut his visit short.

The bombing did not, however, come as a surprise. An hour before Sharon’s arrival at the White House, one reporter waiting in the briefing room asked aloud, “I wonder when the bombs will go off.” Indeed, such attacks are expected accompaniment for Sharon whenever he comes to the White House to discuss his peculiar idea of “peace” in the Middle East.

Credit for the bombing was taken by Hamas, an organization which was literally created by Sharon and his circles as a counterpole to Palestinian Authority President Yasser Arafat. While the events leading to this particular suicide-bomber’s act may never be fully revealed, with regard to *cui bono*—i.e., “in whose interest” the bombing occurred—the explosion got Sharon off the hook of a difficult encounter with President Bush, and allowed him to again don the mantle of “avenging angel” in order to recast “facts on the ground” in the West Bank in accordance with his own gameplan.

While Bush announced that he will be sending Director of Central Intelligence George Tenet to the region to help “reform” the Palestinian security apparatus, and put into place elements of security cooperation between the Palestinians and the Israelis which had been rent asunder by Sharon’s attacks on Palestinian towns, after the suicide bombing it was no longer clear when such a visit might occur.

At his press conference shortly thereafter, Sharon blamed Arafat for the bombing, warning, “He who rises up to kill us, we will pre-empt it and kill him first.” Sharon made clear that he had not informed the White House how he would respond to the bombing on his return to Israel. But it’s his actions will be aimed at forestalling any measures proposed by the White House to re-start talks with the Palestinians.

On May 3, Secretary of State Colin Powell, in an address to the pro-Zionist Anti-Defamation League (ADL) of B’nai B’rith, announced that the administration wants to get some form of negotiations back on track and to bring the region back from the abyss. Sharon’s actions are propelling it there.



President Bush with a large problem, Israeli Prime Minister Ariel Sharon, on May 7 at White House. Sharon, with factional help in the Administration, Congress, and from Hamas bombers, was trying to overturn what remains of U.S. Mideast policy of the past two decades.

“Last week I met with United Nations Secretary General Kofi Annan, Foreign Minister [Josep] Pique of Spain, High Representative [Javier] Solana of the European Union, and Russian Foreign Minister Igor Ivanov,” Powell said. “Our ‘Quartet,’ as we call ourselves . . . committed itself to working for the realization of the vision . . . of the Middle East offered by President Bush on April 4, a Middle East where two states, Israel and Palestine, live side by side in peace and security with an internationally recognized border.”

The strategy consists of three elements, Powell indicated: creating a secure environment, delivering immediate humanitarian and economic aid to relieve the suffering inflicted on the Palestinians, and initiation of political dialogue. Rather than sequencing the elements, a futile operation in which Phase I is never concluded, they would occur simultaneously. “All three elements need to be integrated: security, a political way forward, and humanitarian and economic activity,” Powell said. “It is crucial that the parties in the region end the violence; it is also crucial that they each have hope, both economic hope and political hope.”

The Targeting of Arafat

Despite Sharon’s efforts, the Bush Administration was not prepared to accept Sharon’s demands that Arafat be eliminated as a counterparty to the peace efforts. Under questioning by reporters after the meeting, a senior administration official

said simply, “Look, we are not going to try to choose leadership for the Palestinian people. What we will do . . . is to speak out about the responsibilities of any leader or anyone who purports to be the leader of a people to do certain things to bring about peace.”

The administration did adopt Sharon’s rhetoric about how the Palestinian Authority must be “reformed,” and it set the goal of the new Tenet mission as that of assisting in the “reform” of the security apparatus. But Sharon’s goal is radically different: to reestablish total Israeli sovereignty over the Palestinian territories, annexing the “Biblical patrimony” of Judaea and Samaria, the names Sharon continues to use to refer to the West Bank. With the bombing incidents as pretext, Sharon is attempting to win time for his friends in the United States to force the administration to accept his “final solution to the Palestinian question.”

Sharon and his U.S. “Christian” fundamentalist allies are pulling out all the stops to change the situation on the ground in order to force the Bush Administration to accept his “final solution.” Although the U.S. and Israeli media portray the White House as putting pressure on Sharon, the situation is just the reverse. Sharon has been intent on mobilizing the Zionist lobby and his “hallelujah chorus” in the Christian fundamentalist churches, to force President Bush to back away from dealing with Arafat and to allow the expulsion of the Palestinians from the West Bank and Gaza.

The 'Fifth Column'

Prior to Sharon's arrival, conferences in Washington were creating a crescendo of support for Sharon. From the meeting of the American Israel Public Affairs Committee (AIPAC) in late April, to the ADL National Leadership Convention on May 5-7, there has been a steady drumbeat labelling Arafat as a terrorist and urging Congress to pressure President Bush to allow Sharon to deal with the Palestinians in his own way.

Sharon addressed Abe Foxman's ADL minions on May 6, accepting their Distinguished Statesman Award. "We need you now more than ever," Sharon said. He defiantly took pride in his refusal to allow outside monitors to investigate the numerous allegations of Israeli Defense Forces' atrocities against the Palestinian camp at Jenin, and called the accusations a "blood libel." He also indicated that the Bush Administration, under pressure from the Clash of Civilizations perpetual-war clique around Deputy Secretary of Defense Paul Wolfowitz and Richard Perle, had supported his efforts to defy the UN, which wanted to send observers to the area.

Sharon defiantly refused to respond to the war crimes accusations against him personally, involving a lawsuit in Belgium, and, possibly, the International Court of Justice at The Hague. "No one in the world has the right to bring the state of Israel to court," Sharon said.

Sharon's visit had two immediate goals: painting Arafat as a terrorist and smearing European nations as anti-Semitic. The attack on Europe is egregious, given the role that they would play in Powell's efforts to fundamentally recast the Middle East situation.

Resolutions regarding Arafat and the Palestinian Authority have already passed the U.S. Senate and House of Representatives. One particularly vicious resolution, which praised Israeli efforts to reclaim Judaea and Samaria, authored by House Whip Tom DeLay (R-Tex.), the born-again Christian poster-boy of the AIPAC conference, and Tom Lantos (D-Calif.), the perennial favorite for all Zionist causes, passed by an overwhelming majority. It condemns Arafat for collusion with terrorists and expresses solidarity with Israel in the steps it may take against the Palestinian Authority. "We must support Israel as they dismantle the Palestinian leadership that fosters violence and hate," DeLay said. "Arafat and his Authority have been an impediment to peace and a threat to the emergence of moderate Palestinian voices. During four decades of terrorism, Yasser Arafat has proven his total contempt for human life." DeLay told a CNN talk-show interviewer he supports the "transfer" of the Palestinian population out of the West Bank and Gaza.

While the White House, knowing that such a resolution would strengthen Sharon's hand, asked DeLay to wait on submitting his resolution, the introduction of a similar resolution of solidarity with Israel, authored by Sen. Joe Lieber-

man, prompted DeLay to proceed. Both resolutions were passed by overwhelming majorities.

Targetting Europe as 'Anti-Semitic'

The ADL's Foxman has patched up any past differences he may have had with Sharon, and is now giving him full backing to drum up support in the Congress, and in the United States more broadly, for Sharon's war drive. Foxman is wielding his "anti-Semitism" bludgeon against any individual or nation not jumping on the Sharon bandwagon. For example, the ADL played an integral role during the 1980s in working with the FBI to target U.S. statesman and Presidential candidate Lyndon LaRouche as an "anti-Semite." LaRouche had caught the wrath of the ADL by his 1975 proposals for peace in the Middle East, based on the launching of major irrigation and desalination projects and other infrastructural projects in the area.

At the ADL National Leadership Conference on May 3, Foxman said, "Anti-Zionism is anti-Semitism. . . . If a country is critical only of Israel's actions, this is anti-Semitism. If Belgium continues in its attempt to bring the Israeli Prime Minister to trial for [his 1982] war crimes, this is anti-Semitism. . . . If the Portuguese poet Laureate compares the situation in Ramallah to Auschwitz, this shows he doesn't know what Auschwitz really was, and this is anti-Semitic."

While much rhetoric flowed during these conferences about the Arab-Israeli conflict, the real aim of this confrontation goes far beyond the Middle East, with a Mideast war serving simply as the spark that could set off the Huntington-Brzezinski Clash of Civilizations, a perspective of which Foxman is clearly aware. "I don't agree with the President of the United States when he says that this is not a religious war," Foxman said. "There is a religious element in it. Call it political Islam or radical Islam. And where are the alleged voices of moderate Islam? The suicide-bombers of the Tanzim wrap themselves in God. They are awarded by the secular Iraq as well as by the religious Saudi Arabia. My father told me, 'Watch out for God's cossacks.' Well, we have been watching very closely . . . at the growing incidents of anti-Semitic attacks. We will soon share with the American people the results of our findings." Foxman said that the ADL will release an "anti-Semitism" exposé, aimed at discrediting European involvement in the Mideast peace process. Sharon told the ADL, "We must fight a new fight against the new anti-Semitism in Europe and elsewhere."

While the Bush Administration fiddles with its plans for a regional conference, the brainwashed minions of AIPAC, the ADL, and their Christian fundamentalist fellow-travellers are hitting the streets with their attacks on the "new anti-Semitism," vigorously backed by that fifth column of fundamentalists in the U.S. Congress and the Wolfowitz "Utopians" at the Pentagon who are eager for an imperial Clash of Civilizations with the Muslim world.

Ariel Sharon: Profile Of an Unrepentant War Criminal

by Jeffrey Steinberg

This article is taken from the website www.larouchepub.com, where it is linked to other documentation of Sharon's war crimes published in EIR from 1986 up through early 2002.

Ariel Sharon, the Prime Minister of Israel, is currently facing possible war crime prosecutions for two massacres that occurred 20 years apart: the September 1982 massacre of Palestinian civilians in the Sabra and Shatila refugee camps in Lebanon, and the April 2002 Israeli Defense Forces (IDF) mass killings in the Jenin refugee camp in the West Bank.

Sharon is, without doubt, guilty of these crimes against humanity, and others. He is also unrepentant. For him, these mass killings are merely necessary steps on the path toward his objective of a "Final Solution" to the "Palestinian problem," through the mass expulsion and/or extermination of the more than 3 million Palestinians and Arabs now living in Israel, the West Bank, the Gaza Strip, and the Golan Heights. Under various labels, Sharon and a rogues gallery of collaborators inside Israel, Britain, and the United States, are now moving toward the final phase of their "mass transfer" plans for the Palestinians and Arabs.

EIR has "written the book" on Sharon's blood-soaked career for over 30 years. As a service to the current worldwide debate on his government's fascist actions, we provide this summary dossier on the Israeli mass murderer. The EIR website, www.larouchepub.com, will feature a compendium of earlier exposés of Sharon and his partners in crime, as an appendix to this summary account.

The Sharon File

Sharon was born in Kfar Malal in British Palestine in 1928. At the age of 14, he joined the Haganah, and at 20, headed an infantry company in the Alexandroni Brigade in the 1948 War of Independence, during which the Israeli forces drove an estimated 300,000 Palestinians from their land, using some of the same genocidal methods against unarmed civilian populations that were used in the recent IDF invasion of the Palestinian Authority's Area A territory.

In 1953, Sharon founded "Unit 101," a secret death squad within the IDF that committed several mass murders of civilians. In October 1953, Sharon's "Unit 101" massacred 66 innocent civilians during a cross-border raid into the Jorda-

nian West Bank village of Qibya. Under intense machine-gun fire, local residents were driven into their homes, which were then blown up around them, killing the occupants by burying them alive beneath piles of rubble. The April 2002 IDF massacre at the Palestinian refugee camp in Jenin was, in fact, modelled on Sharon's "Unit 101" operations at Qibya.

On Oct. 18, 1953, the U.S. State Department issued a bulletin denouncing the Qibya massacre, demanding that those responsible be "brought to account." Instead, Sharon was rewarded for his war crimes by having his "Unit 101" absorbed into the Israeli paratroop corps. By 1956, Sharon had been appointed paratroop brigade commander.

Between Feb. 28, 1955 and Oct. 10, 1956, a Sharon-led paratrooper brigade conducted similar cross-border invasions into Gaza, Egypt, and the West Bank in Jordan. At the West Bank village of Qalqilya, Sharon's death squad killed 83 people.

During the 1956 joint British, Israeli, and French invasion of the Suez Canal, Sharon and his lifelong collaborator in mass murder, Rafael Eytan, carried out another horrific war crime: In three separate incidents, Sharon- and Eytan-led units murdered Egyptian prisoners of war, as well as civilian Sudanese workers who had been captured. All told, 273 unarmed prisoners were executed and dumped into mass graves. When the story broke, nearly 40 years later, in the Aug. 16, 1995 London *Daily Telegraph*, it nearly ruptured Israeli-Egyptian relations. This was less than three months before Sharon would bloody his hands once again, by orchestrating the assassination of Israeli Prime Minister Yitzhak Rabin. Rabin, in Sharon's eyes, had committed the mistake of signing a peace treaty with Palestinian Authority President Yasser Arafat.

During the 1960s, Sharon's military career advanced. In 1964, he was appointed to head the IDF's Northern Command; in 1966, he took charge of the Army Training Department; in 1969, he was named commander of the IDF's Southern Command.

In 1972, at the urging of American organized-crime figure and leading right-wing Zionist Meshulam Riklis, Sharon resigned from the IDF (he was recalled, briefly, to active duty during the October 1973 "Yom Kippur War") to run for the Knesset (parliament). Henceforth, Sharon would be wedded to leading international organized-crime figures associated with the Meyer Lansky National Crime Syndicate in the United States, and allied Jewish mafia figures from Israel and Russia.

Even at the end of his career, Sharon was still running death squads. On Sept. 25, 1997, Israeli Television Channel One interviewed Benny Golan, a veteran of the Rimon Unit, which Sharon had created and deployed in the early 1970s in the Gaza Strip to carry out targeted assassinations of Palestinian "militants." Golan described the assassination program, and reported that members of the unit frequently "disguised themselves as Arabs" for "special operations." Other sources

reported, at the time, that the “special operations” included terrorist attacks on Israeli Jewish targets to justify “retaliatory strikes” against pre-selected Palestinian and Arab targets.

Far from ending his career of mass butchery, Sharon’s resignation from the IDF coincided with the launching of an even more ambitious criminal enterprise that would see thousands of Palestinians killed and wounded as part of the “Eretz Israel,” or “Greater Israel” drive to permanently annex all of the West Bank, the Gaza Strip, and the Golan Heights—and resettle these areas with Russian and other Jewish immigrants, after the Palestinians have been eliminated.

‘Landscam’

Sharon entered the Knesset on the Jabotinskyite Likud’s ticket in December 1973, at the very moment that the Israeli government lifted the ban on private sales of West Bank land to Israelis. The Knesset decision was brought about by a heavy lobbying effort by Sharon colleague and former Police Minister Yehezkel Sahar. The very first “private” purchase was for the construction of a residential community for retired IDF officers. The partners in the deal included Sahar, Gen. Rehavam Ze’evi, Sharon publicist Eli Landau, and Avraham Mintz, a founder of the fanatical settlers movement Gush Emunim.

In June 1974, Sharon personally led a group of settlers to establish an illegal outpost near the West Bank town of Nablus. It was the first of many such ventures that Sharon would sponsor, under the rubric of the drive to “Judaize the territories.”

Sharon’s political career continued to advance. In 1975, Labor Party Prime Minister Rabin appointed Sharon as his personal security adviser. Then, the Likud was swept into power in the 1977 elections, and Prime Minister Menachem Begin named Sharon as Minister of Agriculture. In that capacity, Sharon launched a massive expansion of Jewish “agricultural settlements” throughout the West Bank and Gaza. During 1977-81, more than 25,000 new settlers—mostly members of the Gush Emunim—moved into the occupied territories. The Gush Emunim settlers formed into death squads explicitly modelled on Sharon’s old “Unit 101.” They would play a pivotal role in a filthy Anglo-American Zionist criminal enterprise known as “Landscam.”

In 1979, the Israeli Supreme Court ratified the private land purchases in the occupied territories, and immediately, Sharon’s mafia cronies set up several real estate ventures, under such names as Jumbo, Samaria and Judea, and Meteor. In 1980, Sharon and Yuval Ne’eman formed an organization,



Many remember the destruction of Beirut and massacre of Palestinians in the Sabra and Shatila camps there; both results of then-Defense Minister Ariel Sharon’s Israeli invasion of June 1982. Few remember that it was President Ronald Reagan’s Mideast peace initiative, that Sharon was out to kill with this Israeli “breakaway ally” atrocity.

Prevention of Emergence of Another Arab Country in Eretz Israel (PEACE), to press the issue of permanent Israeli annexation of the occupied territories. The group included a number of notables from Israel and the United States, who would remain part of the extended Sharon mafia family for years to come: Manhattan District Attorney Robert Morgenthau, Jewish Defense League (JDL) founder Joseph Churba, Young Israel director Harold Jacobs, Anti-Defamation League of B’nai B’rith general counsel Arnold Forster, right-wing Knesset member and Rabbi Meir Kahane patron Geula Cohen, and Roni Milo.

Sharon toured the United States in 1980, lining up financing for a massive real estate grab. But first, Sharon launched a campaign of terror against the Palestinians in the West Bank, to literally scare them into leaving their land. In the Spring of 1982, Sharon hosted a planning meeting at his Negev Desert ranch, which had been purchased for him by Riklis. Riklis, Henry Kissinger, Louis Mortimer Bloomfield, Rafi Eytan, Gen. Rehavam Ze’evi, Arie Genger, Herbert Brin, and Eli Landau attended the session, according to an eyewitness account. Within days of the meeting, Gush Emunim and JDL terrorists began attacks on Palestinians in the West Bank. “Landscam” was under way.

“Landscam” coincided with Sharon’s invasion of Lebanon, which began on June 4, 1982, and was aimed at wiping out the Palestine Liberation Organization (PLO), which had

established its base in several camps near Beirut. Between June 4 and Aug. 31, 1982, the IDF, under Sharon's direction (Begin had named him Minister of Defense the previous year), killed a total of 19,025 Palestinians and wounded 30,032 in a military campaign that Sharon called "Operation Peace in Galilee." Under immense pressure from the Reagan Administration, Sharon abandoned plans to assassinate PLO Chairman Arafat, and, on Aug. 21, 1982, he allowed the PLO to evacuate 15,600 fighters from Lebanon, under an American-brokered cease-fire.

On Sept. 15, Sharon broke the cease-fire agreement, and the next day, launched a "purification" campaign against the refugee camps of Sabra, Shatila, and Burj El Barajneh. Falangist death squads—protected by the IDF, which encircled the camps—massacred unarmed women, children, and elderly.

On Sept. 19, 1982, the United Nations Security Council passed Resolution 521, harshly condemning the massacres at the camps. In a distant mirror of the current genocide in Jenin, Ramallah, and Bethlehem, Sharon ignored the international condemnations. Today, Sharon faces war crimes prosecution in court in Belgium for his role in the Sabra and Shatila massacres, as the result of a lawsuit filed on June 18, 2001 by 23 survivors of the attacks.

On Oct. 15, 1982, a month after the 1982 massacres, Sharon held meetings—in the Chouf Mountains of Lebanon and at his Negev ranch—with Falange leader Camille Chamoun, Uri Dan, Rupert Murdoch, Charles Douglas-Home, and others, to move the "Landscam" West Bank real estate grab forward. On Nov. 15, 1982, a final meeting took place on several real estate purchases, mostly through Arab middlemen, to push the massive expansion of Jewish settlements throughout the West Bank—at a handsome profit. Attending the meeting at Sharon's ranch were: Kissinger, Lord Harlech (Sir David Ormsby-Gore), Prince Johannes von Thurn und Taxis, Tory Parliamentarian Julian Amery, Sir Edmund Peck, and MI6 Mideast mandarin Nicholas Elliot.

The Commission, an Israeli body convened under then-Supreme Court President Yitzhak Kahan to investigate the Sabra and Shatila mass murders, found Sharon to be complicit in the crimes, and he was fired by Prime Minister Begin as Defense Minister shortly after the report's release. But Sharon landed on his feet. In 1984, after the fall of the Begin government and the establishment of a Likud-Labor national unity government, Sharon was appointed Minister of Trade and Industry, a position he held until 1990, when he was named Minister of Construction and Housing, a post that enabled him to continue as the leading sponsor of the massive expansion of Jewish settlements in the occupied territories. During Sharon's tenure in various government ministries, the number of Jewish settlers soared to more than 110,000.

In January 1986, Edgar Bronfman, the Jewish mafia don and president of the World Jewish Congress, admitted, in a *New York Post* interview, that he was negotiating on behalf

of the Israeli government with Moscow, to secure Soviet permission for 400,000 Jews to emigrate to Israel—in return for massive shipments of grain to the Soviet Union. The deal was cynically dubbed "Jews for wheat," in recognition that this scheme was leading to the annexation of the occupied lands by Israel. A year earlier, in another sop to the American- and British-based Jewish criminal interests bankrolling Sharon's "Judaization" scheme, the Knesset had passed laws dropping all restrictions on cash flows into Israeli banks—so long as the money was invested in Israel.

Hamas: Another Sharon Asset

During his postings in the Likud governments during 1977-92, Sharon had not only been the "rabbi" of the Gush Emunim and Kach Movement/JDL Jewish underground terrorist organizations. He also played a pivotal role in the creation of Hamas, the Palestinian Islamist group, which was formally founded in 1988. Under the Israeli military occupation of the West Bank and Gaza, an estimated 800 "licenses" were handed out to Palestinians, to create schools, infirmaries, food kitchens, and other social service programs. Sharon made sure that all these licenses were given to Islamists, many of whom would be Hamas founders, as a way of creating a "countergang" ruling structure to eventually supplant the power of the PLO inside the occupied territories. Sharon's sponsorship of Hamas has become a public scandal in recent months, particularly since the publication of stories in *EIR* in the past year, exposing these links, and detailing Sharon's plans to use Hamas as part of his "Jordan is Palestine" drive for mass transfer.

Killing the 'Peace of the Brave'

When Rabin was elected Prime Minister of Israel in 1992, the former Sharon ally in the war on the Palestinians had the courage to admit that his underlying assumptions were wrong, and would lead to the destruction of Israel. He entered into secret peace talks with Arafat, which culminated in the Sept. 13, 1993 public signing of the Oslo Peace Accords, in the presence of U.S. President William Clinton at the White House.

Instantly, Sharon declared war on the Oslo Accords and on Prime Minister Rabin. The entire "Landscam" gang joined Sharon in assailing the peace initiative. On Sept. 11, 1993, Kissinger told CBS News interviewers that Oslo was "unworkable." Several weeks later, Kissinger told the Institute for Jewish Affairs in London that Jordan would soon fall into the hands of Islamic fundamentalists and Oslo would be crushed—a not-so-veiled reference to Sharon's Hamas assets, which would soon launch a terror wave against Oslo in tandem with Sharon's Jewish underground.

On Oct. 11, 1993, Bertram and Herbert Zweibon, co-founders of Americans for a Safe Israel, a Sharonist front, held a conference in Crystal City, Virginia to launch a campaign to destroy Oslo—and its sponsors. Five days later, Sharon



One of the war crimes of “Operation Defensive Shield”: denial of medical care to a population, as Israeli tanks stopped, shot at, or outright destroyed ambulances trying to reach victims of the Israeli offensive, throughout the West Bank.

delivered a speech calling for the settlers to launch a resistance to the alleged sellout.

Sharon rushed to the United States and embarked on a nationwide tour on Nov. 14, 1993, in which he declared that the 150,000 Jewish settlers were the “only barrier to a Palestinian state.” Sharon was accompanied, throughout the tour, by Yechial Leiter, a leader of the JDL in the West Bank settlement of Kiryat Arba. While in the United States, Sharon raised millions of dollars for the Kiryat Arba “resistance” from such right-wing Zionist patrons as Florida and California bingo parlor magnate Irving Moscowitz and former Reagan Administration Ambassador to Austria and cosmetics heir, Ronald Lauder.

Sharon’s fundraising paid off. On Feb. 25, 1994, Baruch Goldstein, an IDF reservist and leader of Kiryat Arba, massacred 50 Palestinian worshipers at the Tomb of the Patriarchs holy site. Goldstein had been Rabbi Meir Kahane’s Knesset campaign manager at Kiryat Arba.

In March 1994, some 200 rabbis, led by Avraham Shapira, staged a rally at Kiryat Arba and issued a religious edict, ordering resistance against any attempt by the Rabin government to dismantle the settlements. On March 31, 1994, Sharon and Yitzhak Shamir, the former Likud Prime Minister and Stern Gang terrorist, led a rally of 10,000 people attacking Oslo. ADL National Chairman Abe Foxman told the *Jerusalem Post* on April 2, 1994 that Rabin was “undermining organized Jewish clout” in America, through his peace antics.

Rabin was assassinated on Nov. 4, 1995 by a West Bank settler, Yigal Amir, who came from Sharon’s terror hub, Kiryat Arba.

On Jan. 26, 1997, Sharon returned, triumphal, to Kiryat Arba, to deliver new marching orders to the heirs of “Unit

101.” If Arafat declared a unilateral Palestinian state in the territory of the West Bank and Gaza under Palestinian Authority control, the settlers should join in the drive to annex all of “Judea and Samaria,” as they call the Palestinian territories. At the time, Sharon was Minister of National Infrastructure, a super-ministerial post that had been created for him by Prime Minister Benjamin Netanyahu, Sharon’s sometime ally and sometime rival for power in the Likud. During 1996-99, Sharon’s tenure as Minister of National Infrastructure, the settlers population in the occupied territories soared to more than 200,000.

Netanyahu’s fall from power in 1999, and his replacement by a Labor government headed by former IDF chief Ehud Barak, signalled that the Oslo peace process that Sharon was dedicated to destroying, was back on the table.

After the failure of the July 2000 Camp David II negotiations to reach a final settlement, more intense private negotiations between the Barak government and the Palestinian Authority began under a number of venues. Talks took place in New York City, and later, at the resort of Taba, Egypt, producing a final accord, in draft, that would have formed a just and viable basis for two sovereign states, Israel and Palestine. The thorny issues of the right of return of Palestinian refugees, the status of the holy sites in Jerusalem, and of creating two capitals within the extended city limits of Jerusalem, were, according to several Arab and Israeli diplomatic sources, worked out in principle by January 2001. These final points, memorialized in the talking points brought to the final sessions by President Clinton, could be revived today as a basis for reaching a just solution, in the view of many Mideast diplomats familiar with the document.

But Sharon and his backers would have nothing of this.

In September 2000, Sharon visited New York City, where he met with Lauder and other supporters and financiers. He returned to Israel, reportedly with a large amount of cash to be disbursed to settlers’ terrorist cells. Sharon personally staged the decisive provocation, by visiting the holy sites on al-Haram al-Sharif, what the Israelis call the Temple Mount, on Sept. 28, 2000. Sharon was accompanied by more than 1,000 Israeli troops and paramilitary police. It was a flagrant provocation, an assertion of Israeli permanent control over the sacred sites of Islam, the Dome of the Rock and the Al-Aqsa Mosque.

With that visit, Sharon provoked the “Al Aqsa Intifada,” and within days, the entire Holy Land was again awash in the blood of Palestinian protesters. By January 2001, the Barak government would fall, and, on Feb. 6, 2001, Sharon, who had taken over the Likud party in September 1999, was elected Prime Minister ready to launch his final drive for “Greater Israel.”

The Rules by Which Games Are Played

by Lyndon H. LaRouche, Jr.

The following statement was issued by LaRouche's Presidential campaign committee, LaRouche in 2004.

May 7, 2002

The fool who said, "I don't believe in conspiracy theories," was the Roman gladiator who died according to the rules of the game, later that same day. Among all Romantics, "conspiracy" is practiced in the form of relying upon other people to play by the rules which the credulous accept. In that case, often, the dupes do not describe wanton killing as murder, or genocide; the victims of such conceits believe that they are simply "playing by the rules of the game." In effect, they are conspiring to deny the existence of conspiracies, a denial which makes them appear very foolish in the eyes of sane observers.

Thus, Old Fagin would not simply ask one of today's adolescents to join the U.S. military forces; he would offer that prospective Artful Dodger a habit-forming game, in which the dupe comes to adopt the identity of a modern gladiator, like "Terminator II," not on a stage, but in real life. Read St. Augustine on the subject of the Roman games,¹ and you understand the recent slaughter in the Erfurt high school, or that earlier at Columbine and Littleton.²

Why would anyone in the U.S.A.'s presently revolting condition of military affairs, have participated in an operation which produced such results as the killers at Columbine? Why would they have played "Old Fagin" by luring susceptible youth into playing habit-forming, Nintendo-style killer

games? What was the calculable effect of putting those games on the market for children and adolescents to play? What game were some within the U.S. military establishment playing, when they played "Old Fagin" in that way? Was Columbine, perhaps, one of a series of "test drives" of a new product intended for mass military production of that kind of killer adolescents, who would kill one another as readily as their explicitly assigned targets?

If you wished to recruit an army of such stone killers, who would kill both according to the prescription of Samuel P. Huntington's text, *The Soldier and the State*, and more, besides; where would you go to find suitable recruits, right out of high schools, today?³ In Germany, officials estimated there are, presently, approximately 170,000 such potential recruits;⁴ how many more than that are there in the U.S.A. today? How many U.S. regiments of an international *Waffen-SS*-style force of would-be "Terminator II's" would that number represent today.

Did you allow your adolescent son to turn himself into a video-games-brainwashed zombie, in your cellar, or his bedroom? Is he soon going to die like a faceless Roman legionnaire, fighting decades-long, perpetual "wars against terrorism" in the mountains of Central Asia? Did you do that of "your own free will"? Or, were you just "going along to get along" with "the way things are these days"? Maybe, merci-

3. Samuel P. Huntington, *The Soldier And The State: The Theory And Politics Of Civil-Military Relations* (Cambridge: Belknap Press of Harvard University Press, 1957).

4. The German Federal Ministry for the Interior, on May 2, 2002, issued a report regarding the Erfurt school killings, estimating that as many as 170,000 German youth were so deeply involved in the culture of video-game violence and pornography, that any of them could repeat the Erfurt massacre.

1. Famous characters from Charles Dickens' *Oliver Twist*.

2. St. Augustine of Hippo, *Confessions*,



The utopian madmen who created these simulators to turn our police and military into cold-blooded killers, are also tracking schoolchildren into the same “rules of the game.” Whether they think of children as placid cattle or laboratory bugs, as they appear here, the likes of Samuel P. Huntington don’t consider them human beings.

fully, you will never live to see that happen to him; he might just kill his parents, for practice, first. Is that what you call “family values” today?

Don’t call it “conspiracy.” Call it a “revolution in military affairs.” Or, just call it, “playing by the rules of the game.”

“Senator Joe Lieberman! When I see your face, I see images of the slaughter at Columbine. Why, then, did you do the evil that you have done in pushing through that legislation which effectively protected the purveying of those deadly games?”⁵ How many will die as a result of that legislation?

“Remember Joe, that you did that in the same year I, as a candidate for President, campaigned against such evil, while you, as a candidate were intervening to head off effective action against this evil.”⁶

5. Senator Lieberman’s “rating and labelling” legislation, known grandiosely as the 21st Century Media Responsibility Act, was passed after the April 1999 Columbine High School killings. The Act merely codified a voluntary ratings system by Hollywood producers, as pushed earlier by Lieberman, who successfully protected these producers from anti-trust regulations and the popular uproar after Columbine. The result of Lieberman’s legislation was that the sale of violent video and computer games spread from video stores to many new locations, including large chain stores; the rating labels merely helped teens identify the “bad videos” if they wanted them.

6. Lieberman’s amendment exempting the entertainment industry from anti-trust laws was introduced in April 1999, just after the Columbine shootings, and passed in May. His fraudulent “ratings” legislation with its “Appeal to Hollywood,” was introduced and passed in July of that year. In September 2000, Lieberman was able to collect \$4.2 million in Gore-Lieberman campaign funds, at a Hollywood fundraiser, for his efforts.

Lyndon LaRouche, and Helga Zepp-LaRouche, organized a Commission on the New Violence and for a thorough ban on killer video/computer games. The Commission held nationwide meetings in five cities on April 8, 2000,

Did those who joined Lieberman in pushing through that bill, think, perhaps, that promoting mass murder by adolescents might divert those youth from sexual wantonness, and thus promote “family values”? Is the new slogan which Baby Boomers are to teach their children, “Make war, not sex!”?

‘Meanwhile, Back at the Ranch’

While more and more of the U.S. military are being dispersed into more and more places around the world, what is happening back in the economy? It is coming down, don’t you know? It is coming down now, even as we speak, while new layers of dust settle on the piteous spectacle of those credulous dupes of Dracula waiting for the promised midnight recovery. This collapse was done by means of a certain kind of parlor magic, such as that performed in the kitchen of the Senator Phil Gramm who did so much to craft Enron as the abomination he and wife Wendy helped make it today.

As I have shown, repeatedly, in earlier lectures and writings, the thirty-five-year long wave of U.S. economic decadence, following a successful process of 1933-1965 economic recovery, was the imposition of the axioms of a radical form of monetarist dogma on the direction adopted in shaping economic policies of practice. This unfolding array of pro-monetarist axioms functioned as a set of rules of the game, in much the way Nintendo and related gladiator games brainwash those who are governed by such arbitrary sets of “ivory tower” rules.

The cause for the present, extremely distressed condition of the present world monetary-financial system, is that that economy itself was played as a kind of game, in which the ruling standard of performance was not the actual effect on the real economy, but was a game played according to scores reflecting a childish sort of made-up rules. The increasing degree of sheer fraud and other fakery which the U.S. Federal Reserve System and the Federal government have applied to their reports, most notably since about 1983-1984, merely typify the flood of, shall we say, “innovative” score-keeping concocted in the same spirit of exuberant financial fakery as the Federal Reserve’s hoaxes.

Some, but only some, among the axioms invoked for bringing the U.S. and other economies into this present, long wave of decline, were the same notions of “free trade,” and the like methods of score-keeping, which had led the world

linked by a webcast presentation by Lyndon LaRouche, following his speeches to public meetings in New York City, Washington, and Philadelphia in March. The Commission was spread further by LaRouche’s April 26, 2000 memo, “What Is the New Violence?”

of Coolidge and Mellon into the Great Depression of 1929-1933. Two kinds of deadly lunacy have to be added to the lists from Coolidge's days. One of these is the addition of a qualitatively more radical philosophical positivist method of combining and applying the particular axioms adopted to shape both Federal laws and other economic practice. Second, has been the addition of replacing more and more of the earlier standards of physical performance of a national economy, by a new, extremely decadent set of axiomatic goals.

Some of these additions, such as those utopian military trends which President Eisenhower denounced as representing a "military-industrial complex," were under way during the post-Franklin Roosevelt years 1945-1961, but exploded to the surface of U.S. and world affairs, as waves of assassinations and so forth during the 1961-1965 period. The qualitative shift in prevalent practice came with the adoption of a pro-Malthusian policy, which was promoted with the asserted and practiced intent, beginning the mid-1960s, to transform the United States from a productive society, to a pro-Malthusian type of consumer society. The Nixon actions of August 1971, and the ensuing establishment of a floating-exchange-rate world monetary-financial system, have virtually sealed the doom of the economy of the Americas, and elsewhere, during the course of the ensuing three decades to date.

Three supplementary, post-1971 changes in the rules of the economy-game must be emphasized.

The first of these supplementary changes came into play during 1977-1981, in the new quality of intentional wrecking of the U.S. economy by the task-force directed by Presidential controller Zbigniew Brzezinski. Since that time, U.S. monetary-financial policy has been under the predominant control of the succession of Paul Volcker and Alan Greenspan's Federal Reserve System.

The second supplementary change was the crucial strategic decision reached through 1989-1991 agreements among, chiefly, Britain's Margaret Thatcher, France's François Mitterrand, and President George H. W. Bush, which launched the 1990s process of working to eradicate the existence of sovereign nation-states through a program called, alternately, by such names as "globalization" or "world rule of law." The intention behind this change, was to use the occasion of the collapse of Soviet power, to proceed toward eliminating the existence of the sovereign form of nation-state, thus working to establish an English-speaking world empire as a parody of the military practices of the ancient Roman Empire of the Caesars. In other words, the goal of the measures introduced by the screeching Thatcher et al., was what is known, in the modern professional historians' technical term of precision, as *universal fascism*.

The third such change was launched on the late evening of Sept. 11, 2001, following the assaults on the New York World Trade Center and the Pentagon: the unleashing of the U.S. military utopians for their long-intended "Clash of Civilizations" war, a war launched in tandem with the current

fascist, Sharon government of Israel.⁷ This war coincides with what had been the intent of the utopians since the 1950s, when the "Artful Dodgers" of Harvard's "Fagin" William Yandell Elliott produced Artful Dodger Kissinger's pro-fascist dissertation, and Artful Dodger Samuel P. Huntington produced his military plan for a U.S.-run international *Waffen-SS*, his *The Soldier and The State*.

"Back at the ranch," the question is: *Given the fact that the build-up of the Nazi war-machine was possible only in industrial Germany as one of the world's leading producer societies, and that the U.S. military build-up depended for its success on Franklin Roosevelt's revitalization of the United States as a producer society, could a George Bush administration produce a successful military-driven economic recovery, given the present state of the United States as an extremely decadent form of consumer society, a state run under policies of the present set of reigning leaders of both major parties?* Take into account, that these are parties which, under their present leaders, have adopted the decadence of a fanatically monetarist, pro-Malthusian consumer society, as virtually the essence of their political being. Meanwhile, to add to that problem, the present world monetary-financial system itself is trapped at the fag-end of a long process of pure rot.

Under that presently prevalent set of policies, the U.S. imperial drive could never really succeed. The doom of the U.S.A. under a continuation of these policies, would be inevitable, and, by historical standards, not far distant. The question the world faces is, could the rest of the world survive the self-inflicted death-agonies of the decadent thermonuclear power known as today's U.S.A.? The only sane option for the U.S.A., and the rest of the world, is: *End the damned game!* Or, perhaps better said: *End the game of the damned!*

Playing Games for Real

As I have taught for decades, the actual performance of a national or world economy must be judged by the strict standards of a science of physical economy, not in financial-accounting terms. We may, and often must employ financial accounting, but the methods of accounting practiced must always be consistent with, and checked against physical-economic, rather than the pathetic, presently prevalent system of "ivory tower" accounting standards. The yardstick used to set the standard for competent accounting practice, must be what I have defined and prescribed as *potential relative population-density*: measured per capita and also per square kilometer.

If that rule is violated, explicitly or otherwise, the result must tend to be an uncontrolled margin of accumulated delusions in tendered financial accounts. The characteristic expression of this delusion is what is termed *fictitious values*. The point is illustrated by reference to the application of my

7. The use of "fascist" is precise, referring to the professed fascism of the Benito Mussolini ally Vladimir Jabotinsky, whose movement supplied the ideological basis for the Likud party of Israel today.

“Triple Curve” to the 1966-2002 trends in the U.S. economy. Nominal values, typified by monetary emission and fictitious financial assets, soar, while the real economy is precipitated into ever deeper decline, as the result of the self-same policies which cause reported financial and monetary aggregations to climb. The difference between those upward and downward trends, illustrates the nature of *fictitious values*. Any self-feeding trend of a similar type, unless stopped arbitrarily, will proceed to the point that the economy of such characteristics collapses into a devastating economic depression, or even worse.

Under present policies, all efforts are concentrated on increasing the level of fictitious values, with a consequently ever more aggravated looting of the physical realities of national economy. *Therefore, by objective standards, the leading managers of today’s U.S. economy, including most in the leadership of the two major political parties, are, collectively, clinically insane.*

The effect is comparable to the case in which a driver intends to stop to avoid a crash, but reacts, in each similar situation, by stepping on the accelerator, rather than the brakes. Some brief illustrations of that point are needed here.

The standard of comparison for the notion of fictitious values in modern economy are the various financial bubbles, such as the Seventeenth-Century tulip bubble and the John Law-style bubbles of the early Eighteenth Century. The biggest bubbles in recent history include: the global financial-derivatives bubble, essentially an ultimately worthless mass of gamblers’ side-bets; the related “junk bond” bubbles launched by the combined effect of Garn-St. Germain and Kemp-Roth legislation; the largely collapsed “New Economy” bubble of 1995-2001; and the gigantic U.S. real-estate bubble brought nearly to a bursting-point by Federal Reserve Chairman Greenspan’s morbid follies.

As I have written earlier, and also referenced this in my May 1, 2002 webcast (*see Feature* in this issue), the spectacles of post-1975 trends in New York City real-estate prices, and the giant ground-rent bubble built up by Federal Reserve and other trickery around the Washington, D.C. Beltway, represent the use of real-estate titles for the primary purpose of inflating a purely fictitious valuation of the land-area’s use to whatever the limit might prove to be. The estimated rental income-flow through the constructed facilities of the Washington Beltway and adjoining counties, serves as an investment, not primarily in the construction as such, but, rather in the ground-rent inflation of the nominal value attributed to the mere property titles per se, of the fields, forests, and so on, onto which that construction is dumped. When that Washington, D.C. bubble pops, as it will, the effect will be analogous to, but far worse than the collapse of the John Law bubble in early Eighteenth-Century France: not the shot heard around the world, but, rather, the sickening thud felt throughout the planet as a whole.

The general principles of sound economy are chiefly two.

First, a sustainable pattern of economic growth requires scientific-technological progress. The principal, indispensable source of mankind’s ability to maintain and improve a pre-existing population-density and well-being, is the application of technologies derived from discoveries of universal physical principles.

Second, the realization of the progress implicit, as potential, in discoveries of universal physical principles, depends upon the level of intellectual development of the members of society, and the existence of institutionalized forms of culturally determined cooperation on which sustained scientific-technological progress depends. Thus, although education produces virtually no physical product of value explicitly, it is indispensable for developing young human beings into adults capable of effecting material progress. Even though Classical artistic composition yields no physical product, without it, society’s capacity for efficient cooperation would be crippled. The institutions of government prescribed by the actual intent of the U.S. Federal Constitution as understood by Benjamin Franklin, Alexander Hamilton, John Quincy Adams, and Abraham Lincoln, especially the fundamental law expressed by the Preamble, are, when applied, the most appropriate forms of government yet devised anywhere for fostering the quality of cooperation prosperity requires. Those institutions have, thus, a clear, functionally defined physical-economic value.⁸

Among the indispensable such contributions to the nation’s real economy, is the power of the state, under the original intent of our Constitution, to employ methods of national banking, to generate credit used for expansion of productive activity of the real economy. That credit-creating capacity, is a physically efficient real value of the economy.

Think of the jokes which have spread about the fellow who won the board game called “Monopoly,” and then tried to trade his Monopoly winnings for legal tender at the local bank. Or, the gamblers who played weeks on end, and whose financial accountants considered the winnings taken from that “less-than-zero-sum-game” as a properly taxable addition to the U.S. national income! In both cases, a fool has regarded a purely fictitious gain as a contribution to the nation’s econ-

8. It is implicit in Plato’s use of the parable of the “Cave,” that sense-perception does not show us the real universe directly; rather what sense-perception perceives is as shadows on the irregular surface of the wall of a dimly firelit cave. The Apostle Paul points out that we see as in a darkened mirror. Thus, we are obliged to come to know the objects of the real universe through their physical effects on the way in which the shadows behave. In mathematical physics, the simplest expression of this principle of physical science are Carl Gauss’ rescue of the physical reality of complex variables from the “imaginary” domain, in his fundamental theorem of algebra, and Riemann’s development of a true physical geometry from the root of Gauss continued development of the principle expressed by that 1799 theorem. So, Vernadsky, in developing, successively, his definition of the Biosphere and Noösphere, defined the principles of life and cognition as categorically universal physical principles, distinct from the abiotic, by conclusive evidence of their unique and efficient physical effects.



Probably the last time you saw children swarm around a truck like this, was to line up outside a bookstore selling the latest Harry Potter paraphernalia. In this 1932 photo, children hungrily sought ideas from the library truck.

omy. In one case, the fool is the player trying to cash in Monopoly money at a bank. In the second case, the fool is the U.S. Government, which considers income from gamblers' winnings as an addition to the national wealth.

Both fools were likely to accept the proposition, that the nation whose households' income came from all taking in one another's laundry, had achieved the happy state of full employment. Indeed, they would calculate, that by simply raising the prices for laundry washed, they would increase the national income. Chairman Greenspan is the currently reigning U.S. King of Fools—soon, perhaps, to acquire the additional honor of being crowned the King of Beggars, thus giving a deeper, richer sense of literal meaning to the words "Beggars' Opera."

Reconsider the foregoing examples from the standpoint of the notion of games played according to sets of axiomatic-like rules.

Claudius Ptolemy's Foolish Economy

Until the revolutionary return to the legacy of Plato's Classical Greece, during the Fifteenth-Century, Italy-pivoted Renaissance, medieval European civilization had been virtually an also-ran among the cultures of the world. The dominant influence of ancient Rome as a rising power in the Mediterranean and adjoining areas, since about the time of the close of the Second Punic War, had been a moral and overall cultural and demographic disaster for the humanity so afflicted. Although some significant reconstruction along Classical lines had occurred, in Moorish-influenced Spain and elsewhere, during feudal Europe's history, the heritage of pagan-Roman decadence, or what is known as Romanticism

still today, ruled and ruined. Lunatic Crusades and other expressions of Romantic depravity, culminated in the lawful consequence of that Romantic lunacy, the mid-Fourteenth-Century "New Dark Age."

That "New Dark Age" had weakened and discredited the imperial maritime power of Venice's financial oligarchy to the degree, that the Apostolic tradition of Christianity found a belated opportunity to assume a leading role in statecraft, resulting in such expressions as the great mid-Fifteenth-Century ecumenical Council of Florence. Typical of this revolution in Europe's affairs, are two most influential writings of Nicholas of Cusa from that period. These are his *Concordancia Catholica*, a design for establishing a community of principle among sovereign nation-states, and his *De Docta Ignorantia*, the founding work of modern experimental scientific practice. Typical of the result, are the revolutionary discoveries of Johannes Kepler, a follower of the method of Cusa and the founder of a comprehensive approach to modern mathematical physics.

This reflection on that history brings our attention back, once again, to the matter of games. To locate the root of the kind of galloping depravity amok in the decadent U.S. culture and economy of today, it is more or less indispensable to glance back, for comparisons, to the axiomatic features of Kepler's revolution in physical science. Once again, on this occasion, I turn your attention to the central fact of Kepler's 1609 *The New Astronomy*, in which the detailed account of Kepler's original discovery of the principle of universal gravitation is provided by its discoverer.

The point is, that all of the prevalent doctrines of astronomy prior to Kepler, since the Caesars, were intrinsically failed derivatives of the same Aristotelean "ivory tower" game-playing expressed by Claudius Ptolemy's Romantic hoax.⁹ The systems of Ptolemy, Copernicus, and Brahe, suffered the common affliction of an explicitly anti-scientific method, degrading science to a set of arbitrary, axiomatic mathematical rules, rules which had no basis in an honest

9. The heliocentric view of the Solar System was developed in ancient Greece, as by Aristarchus. Despite the known evidence of his time, Claudius Ptolemy had fraudulently contrived what became known as his astronomy, solely on the basis of what Rome had revived as the formerly discarded writings of Aristotle. This travesty persisted until Cardinal Nicholas of Cusa emphasized the evidence of the heliocentric system. However, the Venice-organized reaction gained a political upper hand in Europe about 1511, when Spain joined the cause of a Venice-led "little dark age" of the 1511-1648 period of religious warfare. This is the period of Spain's history to which modern Carlism, the Spanish-speaking branch of fascism, adhere. Venice and its reactionary allies fought savagely to uproot the Classical revival of the preceding century. It was this pro-feudalist reaction which shoved the Aristotelean hoax down the throat of Europe for the remainder of that century and beyond.

scientific method. In other words, Ptolemy, Copernicus, Brahe, and kindred dupes of Aristotelean method, interpreted or simply disregarded that need for the kinds of crucial empirical evidence already richly defined by Classical Greek science, from Pythagoras and Thales, through Plato, to Eratosthenes and Archimedes. They acted in ignorance of the crucial concept of power defined by Plato, the conception on which the existence of a true physical science depends absolutely. They did this to the effect of inventing a mythical universe at the blackboard, and excluding all physical evidence which did not conform to that *powerless*, ivory-tower fantasy.

*Like most of today's conventional financial-accounting practice, and the relevant law currently governing that practice, Ptolemy, Copernicus, and Brahe merely described observed events in terms of their adopted, "ivory tower" system of accounting. They described movement in those terms, but, unlike Kepler, either simply ignored the reality of the power which was needed to have caused the movement, or invented the existence of some magical force, operating as if little green men from under the floorboards of the universe, to explain the motive for the observed motion.*¹⁰ Kepler recognized the determining function of power as what he described as the intention of the Solar system. He pin-pointed that intention in his original discovery of the principle of universal gravitation, a discovery which was the first successful step in founding a comprehensive mathematical physics.

Thus, the characteristic quality of the Fifteenth-Century Renaissance for physical science, was the revival of that Classical Greek and Hellenistic science which had been largely suppressed under the millennial depravity, from c. 200 B.C. to A.D. 1400, of pagan Rome and feudalism. It was the re-awakening of the scientific method of Classical Greece, especially of Plato, his collaborators, and his scientific followers through Eratosthenes and Archimedes, which defines the Renaissance birth of modern European civilization. It also defines the original emergence of both the sovereign nation-state and true political-economy, during the course of that century. Kepler's revolution in science, based explicitly on the foundations provided by Plato, Cusa, Pacioli, and Leonardo da Vinci, typifies the great achievements of modern European civilization's physical science and technology.

Unfortunately, that great revolution has never been com-

10. This was, in effect, the devastating argument which Carl Gauss delivered in 1799, in his original report of the discovery of the fundamental theorem of algebra, against D'Alembert, Euler, and Lagrange. Gauss' attack on Lagrange in that location is the most notable for its attack on the unfortunate, continuing effects of Lagrange's dogma on the modern university classroom. Lagrange, committing the same general error as D'Alembert and Euler, is chiefly responsible for the widespread delusion in scientific practice still today, in insisting, most pointedly, that the principles of physical action can be reduced to subsidiary features derived from an ivory-tower form of mathematics, thus degrading physical science itself to a mere describing of nature. Gauss' 1799 theorem, adopting Plato's principle of *power*, provided the basis for all competent forms of anti-Euclidean physical geometry extant today, Bernhard Riemann's most notably.

pleted. Venice-centered forces struck back, beginning their role in the Fall of Constantinople, as their Fourth Crusade earlier, drowning Europe in Venice-orchestrated religious warfare during the interval 1511-1648, launching a Romantic revival in the twin, rival forms of Aristoteleanism and the empiricism of Paolo Sarpi and Sarpi's lackey Galileo. The 1648 Treaty of Westphalia stopped the tide of evil, and made possible the later achievements of Classical forms of modern European culture; but, the rival legacies of Habsburg tyrannies and Anglo-Dutch empiricism have sustained, with their reflections still today, the diseased cultural environment afflicting our young United States from its birth, especially since the loss of our principal European ally with the successive catastrophes of the Jacobin Terror and the world's first fascist tyranny, that of Napoleon Bonaparte.

This thus-historically-determined state of cultural affairs in European civilization as a whole, is the principal source of all the foolish games we as a people have been trained to play. The functional root of this disorder, is a still prevalent, depraved conception of the nature of man entertained by the opponents of our revolution. Typical of this depravity, are the empiricist and related conceptions of mankind associated with modern empiricism and the pervasive reductionism of that Eighteenth-Century British and French "Enlightenment" expressed in the continued influence of the empiricist reductionism of Euler, Lagrange, Laplace, Cauchy, Kelvin, et al. in the secondary and university classrooms of today.

As many have shown repeatedly, as in Vernadsky's definition of the Noösphere, man is distinguished absolutely, on grounds of universal physical-experimental principle, from all other forms of life. This universal physical principle is what is properly recognized as *cognition*, as distinct from *merely learning*.

For example, the evidence is conclusive, that mankind has existed on this planet, as we know man essentially today, for more than hundreds of thousands of years. From that evidence, we make the informed assumption that mankind has existed for some millions of years. Were man merely something comparable to a higher ape, the human population of this planet would never have exceeded a relatively few millions living individuals.

The source of this qualitative difference between people and apes, is the power of cognition. Mankind is able to generate discoveries of physically efficient principles, principles which the senses as such could not perceive, by means of which we are able to increase our willful power in, and over the universe. This increase of power has been to the effect, that the sustainable human population of this planet has risen into the billions. This growth has been accompanied by, and is dependent upon increases in the life-expectancy, intellectual development, and productive power of the typical member of the population.

The most essential distinction of modern civilization from ancient and medieval, is the elevation of the political and social condition of the majority of human beings, from the

status of virtual human cattle, as slaves and serfs were. This transformation was first efficiently defined by the Fifteenth-Century Renaissance, as typified by the implications of Cusa's *Concordancia Catholica* and *De Docta Ignorantia*. The combined effect of this definition of the principle of a system of sovereign nation-states dedicated to promotion of the common good (general welfare), defined the legitimacy of government and associated social systems as conditional upon efficient dedication to the promotion of the general welfare of all persons, both the living and their posterity.

The significance of this characteristic of civilized forms of modern nations, is shown more vividly by examining such attempted throw-backs to feudalism or worse typified by the closely related doctrines of the Physiocrat François Quesnay and the British East India Company's Adam Smith: the doctrines of "*laissez-faire*" and "free trade." Quesnay based *laissez-faire* on the assumption that the persons employed on the titled landlord's estate were human cattle, who, being animals, could have produced no greater wealth than that required to feed and house them. Therefore, Quesnay argued, the remainder of the wealth of the estate must have been magically bestowed as a reward for the landlord's possession of a feudal title to that estate! Adam Smith's doctrine of "free trade," largely a plagiarism of the writings of Physiocrats such as Quesnay and Turgot, has a similar import as both social and economic policy of practice.

We see that same inhumanity expressed in the United States under Nixon, Carter, et al., as a continuing decline of the share of national income represented by the total reported income of the lower eighty percent of family-income brackets. More and more, since Presidential aspirant Nixon met with representatives of the Ku Klux Klan in Mississippi, in 1966, the progress of the condition of the people of the United States which had been expressed in the famous Federal Civil Rights legislation of 1964-1965, has worsened to the point that the nation tolerates Supreme Court Justice Antonin Scalia's shameless doctrine of "shareholder value," taking the U.S. backwards in the history of law, to the plight of mankind in Europe's terrible Fourteenth Century. The economic policy of today's consumer society, has shown itself, thus, to represent the intended degradation of our citizens to the status of human cattle.

Yet, we hear from the mass media and kindred sources of corruption, that the U.S. economy has become "more efficient" through the wreckage made of it under Kissinger's Nixon and Brzezinski's Carter. Let us drive the appropriate stake through the heart of that bloodsucking delusion. Take the total basket of physical consumption of the United States and its population. Include under consumption, the wear and tear represented by lost farms, lost industries, lost basic economic infrastructure. Now, of the total consumption by the United States, including the using-up of basic economic infrastructure and production work-places, what portion is the net per capita output of the U.S. labor-force itself? Ah!

We have exported jobs to countries where the labor is much cheaper!

Actually, under the definition of "increased efficiency" supplied as propaganda of our politicians and mass media, we produce much less per capita than we did formerly; but, therefore, we are more efficient. "More efficient in precisely what?" How do we pay for the imports of products of cheap labor? By building up a huge current accounts deficit, and by muscling foreign nations, such as Japan, to flood our financial markets with the money to drive up—now, with increasing futility—the prices of marketed financial holdings of those enterprises which are now collapsing in droves.

The point of all this is the following. To maintain a relatively dictatorial form of power, such as that sought by the universal fascists of our nation's utopian faction, the people must be relatively stupefied. To do this, one must lower the intellectual level of the population, as the ancient Caesars used "bread and circuses" to stupefy the mass of nominal citizens, as our mass media and popular mass entertainment has stupefied the U.S. population today. To maintain technologically progressive forms of employment, one must have a population whose cognitive potential is being built up in ways consistent with scientific-technological progress. Therefore, to stupefy the U.S. citizens into the state of mind consistent with universal fascist overlordship, the former commitment to scientific and technological progress must be uprooted, transforming a producer society into a consumer society tending toward the depravity which gripped the so-called "citizens" of imperial Rome.

One delightful day, when "globalization" and "free trade" have produced utopia, a dirty, scabrous typical citizen, perhaps more than slightly radioactive, will buy some imported rag at a fashionable flea-market, and, holding that garment up, in a gesture of triumph, shout with joy: "Hallelujah! The price was right!"

So, these past thirty-five years, the rules of the game have been changed, from those consistent with the modern sovereign nation-state, to a parody of feudalism which converges, as Scalia implies, upon universal fascism. Such are the foolish games which people play.

True Freedom Is Sublime

Man's nature, as distinct from the nature of the beasts, is to increase our species' power in and over the universe, by discovering and applying universal physical principles. The development and exercise of that power, to that purpose, is the true obligation, and principal source of true happiness of the human individual and of his or her society. Human freedom is not arbitrary choice; but a successful expression of the quality of truthfulness inhering in the cognitive power to assimilate, generate, and apply true knowledge. In short, true freedom is as Cotton Mather and Benjamin Franklin recognized it, the power, obligation, and joy of doing good. It is the escape from the nightmare of the feral jungle, through

contributing to increasing mankind's power to exert effective dominion in the universe, and, gaining dominion, to act as the benefactor of the domain we inhabit.

This is no mere play with the meaning of words. Consider the following argument, and thus come to recognize the truthfulness and joy to be derived from contemplating the evidence which I now set before you.

That victimization, through games, by means of which people are subjected, and self-subjected to the condition of human cattle, depends upon submission of their personal will to seemingly axiomatic principles which have an epistemologically arbitrary character. I mean, for example, the usual definitions, axioms, and postulates of customarily taught classroom and textbook mathematics. Freedom is found in the development and use of the powers of cognition, to come to believe in virtually no axiomatic assumption which one does not know to be truthful, a sense of truth which could never be achieved except in a cognitive way.

As long as you are compelled to believe axiomatically in rules to which you are pressed to submit arbitrarily, you are not free. You may be at liberty to make arbitrary, even absurd choices, such as supporting the chubby Presidential candidacy of former Vice-President Al Gore, but that is the act of the slave putting shackles on himself each morning, not a stroke for true freedom. Freedom is the act of discovering the truth, and being self-governed by that sharing of cognitive experience of truthfulness as a mode of cooperation with one's fellow-creature. What you have merely learned to believe, you do not know, and, therefore, neither you, nor your choices are truly free.

A study of the history of mankind should lead us to look at the matter of education in this light.

The first twenty-five years of life, are the most crucial in the development of the new individual person in modern society. This is the period during which the individual comes to biological and, hopefully, personal maturity. In this interval, the passing from adolescence, as a legalized form of insanity, to the relative mental adulthood reached by about eighteen to twenty-one years of age, should be a time at which the young individual has assimilated the most essential axiomatic knowledge accumulated by mankind up to that point.

This was the goal of what was named a "Classical humanist" standard of education. Unfortunately, that quality of education was never enjoyed by the majority of the young, even in Europe and the U.S.A. In effect, under the relatively best circumstances, a kind of class distinction in educational "tracking" prevailed among those presumed to become members of the respectively professional, middle, and lower classes of the population as a whole. Not educating students "above the station" they were foreseen as occupying in adult life, was emphasized as a way of keeping those dumped into the lower classes from experiencing the discontent of being educated above their assigned station in life. Not to oblige students to expose themselves to the work of "dead, white

European males" to qualify for graduation, is to render them ignorant of the historically determined characteristics of both the world's science and technology, and the roots of the world-culture on which sustaining a population of significantly more than six billions persons depends. Nothing is more irrelevant to the securing of freedom, than limiting education to what is considered "relevant" in generally employed educational-policy jargon today.

Thus, in the policy-shift of the U.S. away from a producer society, to a consumer society, significant numbers of intelligent people were not desired; therefore, today, even most university education is tracked to the purpose of keeping the students stupid, if not otherwise fat and happy. However, as the zooming prices of education attest, although education is designed to keep most pupils stupid, even at very high prices, tracking distinctions are maintained, as social positions tend to be distributed to graduates on the basis of, not the quality of education they received, but rather what their parents paid for it.

The point is, that all the young should be "exposed to" nothing less than a Classical humanist education. Furthermore, this should not be an experience tucked away in classrooms, but should be the commonplace feature of everyday life as an extension of the Classical humanist mode of education. Restated: a Classical humanist education, is a pivotal element of a Classical form of culture of the society as a whole.

The primary object of such Classical educational and related policies is simply "freedom." This means freedom from being the victim of those games which enslave most of the world's population, notably the majority of the U.S. population right now, the shackles of arbitrarily adopted definitions, axioms, and postulates of a mass-produced "belief system."

This is not merely an educational policy for a national economy such as our own. It is a way of life. It is therefore the principle of design which must govern our economic life, our national economy.

If we come to know what it is to be truly human, a creature set apart from and above all other forms of life, then being human ought to be the center of all aspects of individual and social life. We must never limit our progress in science and technology to perceived material necessity. We must progress simply because it is human to do so, even if there were no other kind of material imperative to do so. To progress is to be human, as life is natural to all living processes. Not to progress, is to reject our true nature, as rejection of the nature of life is known as death. The primary goal of the sovereign nation-state is to make its people truly free, as I have described such human freedom here.

A Classical humanist education, and a matching Classical culture, are the foundations of freedom in a truly free society. That is also the standard by which economic policy must be shaped, just as the true entrepreneur makes progress, not merely for profit, but because it is in his or her nature to do so.

'Nintendo Joe' Saved Killer Game Producers

by Don Phau and Scott Thompson

If there are more massacres like the ones at Littleton, Colorado or Erfurt, Germany, give Sen. Joe Lieberman (D-Conn.) the responsibility. On April 20, 1999 in Littleton, two students addicted to Hollywood's violent movies and video games killed and wounded nearly two dozen of their fellow students and teachers at Columbine High School. Within days, Lieberman, aided by Sen. John McCain (R-Ariz.), mobilized to defend Hollywood's "entertainment industry" against a nation in an uproar against Hollywood's film and video-game makers. Lieberman succeeded in getting Congress to enact impotent legislation, nominally designed to stop the violence caused by these games.

Lieberman spearheaded a nationwide movement for video "ratings and labeling," including an "Appeal to Hollywood" signed by two former U.S. Presidents. The whole campaign was a fraud: Lieberman had helped in the creation of the same rating and labelling scheme four years earlier in 1995. That scheme's ineffectiveness was already being shown by the waves of violent school shootings, including Littleton.

Lieberman's "rating and labelling" legislation had the exact opposite effect of its supposed intention. Violent video games are now more popular than ever. Any teen now knows where he can go directly to get the "cool" videos. Lieberman's "rating" system has printed on the front of each video-game package, a description of the contents. The videos marked "M" may state, "contains animated violence"; "sex"; "blood"; and "gore." The "M" means "Mature," that is, intended for players over 18, but it only signals to any kid that it's *the* game to get. And Lieberman's campaign legitimized the most violent videos, allowing them to openly be sold by major retailers such as K-Mart and Wal-Mart.

The Senator's 'Appeals' to Hollywood

Less than three weeks after the Littleton massacre, Lieberman had legislation on the floor of the Senate designed to deflect any anger against Hollywood. As early as 1994 Lieberman had been praising the creation of the video rating and labelling scheme overseen by the Entertainment Software Rating Board (ESRB). The ESRB was established by the Interactive Digital Software Association (IDSA), comprising 32 of the leading companies which market over 90% of the entertainment software. It includes the makers of the most violent video games such as Nintendo and Sony. The ESRB

"rates" every video each year. Lieberman has followed this, issuing his own annual "report card" on the new games being produced.

In the shock and outrage following the Littleton massacre, Lieberman repackaged his old rating scheme. To get it adopted, he had to discredit the influence of Lyndon LaRouche's Commission on the New Violence, and Col. David Grossman's detailed proof that "point-and-shoot" video games were training kids to kill. The head of the IDSA, Douglas Lowenstein, was brought in by Lieberman to tell Senate hearings, "There is no scientific basis to argue that entering the fantasy world of 'Doom' in the home, using a mouse, causes players to gun down their friends in the schoolyard."

Lieberman admits in his book, *In Praise of Public Life*, published in 2000, "I did propose a government board to develop a rating system for video games which, as we had hoped, induced the industry to produce one of its own." In short, Lieberman never had any intention of applying censorship to even the most violent video or computer games.

Working With 'Manchurian Candidate' McCain

Did "Nintendo Joe" know his legislation would only encourage the spread of violent video games? Again, in his book, Lieberman admitted that the multibillion-dollar so-called entertainment industry hides behind the First Amendment to "market music centered on cop-killing" and "video games that reward players for graphically splattering human targets with semiautomatic weapons." He acknowledged that Hollywood was replicating the degrading conditions of spectators in the Roman Empire's Coliseum. He wrote: "Too often in recent years, the entertainment industry executives have responded . . . by producing television shows, movies, music and video games that reach for the lowest common denominator of sex, violence and vulgarity. This is often an act of executive consciousness because you can usually attract an audience by appealing to the lesser inclinations of people: remember, the Romans regularly filled the Coliseum to see Christians fed to the lions."

But in April 1999, just after the Littleton shootings, Lieberman presented an amendment to a Senate bill which exempted the entertainment business from anti-trust laws "to allow them to develop and enforce voluntary guidelines." On May 12, 1999 the amendment passed the Senate 98-0. Less than two months later, Lieberman and McCain (who is a *bona fide* "Manchurian candidate") had a full legislative package presented to Congress, called the "21st Century Media Responsibility Act." Touted in the press, and by both Lieberman and McCain, as Congress' "get tough" response to Hollywood's deadly entertainment, this bill was simply a repackaging of the same "rating" scheme, now added on to the law labelling cigarettes.

In a press release with McCain announcing their new leg-



Al Gore and I would never do anything to censor this industry, Lieberman (left, with Gore) told the Hollywood moguls, including makers of the most violent "point-and-shoot" video games.

islation, Lieberman praised his own work: "This is a common-sense, forward-looking response to the growing culture of violence surrounding America's children." He unabashedly admitted that his legislation would not have any effect. "It won't singlehandedly stop media standards from failing, or substitute for industry self-restraint." All it did, was to make violent video games available in far more locations than ever before.

The *New York Times* candidly reported a sample of video-game manufacturers' opinions of Lieberman's efforts, quoting one CEO, James Harvey, "We tend to ignore all that hype." The *Times* added: "Mr. Harvey compared the political hubbub around the video games to the outcry from some Senators in the 1950s, screaming that rock-and-roll was going to destroy the country."

Lieberman Gets His Payoff

Now that Lieberman had gotten his cronies in Congress to go along unanimously with the "hype," it was time to gear up the propaganda mill. The "public" had to be convinced that labelling killer video games "M" was going to prevent future Littletons. Millions of dollars were poured into an advertising campaign to get people to pay attention to the "labels." Golf superstar Tiger Woods was hired to pitch for the "rating system" in advertisements throughout the country. Then, an "Appeal to Hollywood" was printed in newspapers nationally, signed by hundreds of "prominent" names, including former Presidents Jimmy Carter and Gerald Ford, as well as Colin Powell, William Bennett, and, of course, Lieberman and McCain.

Lieberman issued a press release on the day the "Appeal" appeared, July 21, 1999: "So today we are issuing an appeal

to industry leaders to adopt a single, reasonable reform that we believe would go a long way toward attaining a safer, saner culture, broad based, multi-media, self-enforced code of conduct. The key word here is 'Appeal.' This is not an attack on Hollywood. It is an appeal to Hollywood to work with us as a national community in a joint effort to reduce the corrosive messages the media too often send our kids."

In September 2000, Lieberman himself hosted the payoff, a Hollywood \$10,000 a plate dinner for the Democratic National Committee. Speaking of his running mate, Al Gore, he said, "Al and I have tremendous regard for this industry. It's true from time to time we will be critics, but I promise you this: We will never, never put the government in the position of telling you through laws what to make." The Hollywood studios and their prostituted celebrities paid Lieberman for his dirty work: A record \$4.2 million was raised at the dinner.

After this dinner, former Reagan/Bush Education Secretary William Bennett, whom Lieberman describes as a "close friend" in his "advocacy," denounced him for selling out to Hollywood's "filth, sewage, and mindless bloodletting."

The truth is worse. Lieberman is a wholly-owned subsidiary of Mega, the secretive group of Zionist mafia billionaires co-founded by Charles Bronfman and Leslie Wexler (see "Sen. Joseph Lieberman: The Senator from 'Mega,'" *EIR*, March 8, 2002). The Vivendi Corp., for example, which merged with Charles and Edgar Bronfman's Seagram's, Universal Studios, and PolyGram records, and with the Bronfmans on its board, produced a video game known as "Counterstrike," where the player assumes the identity of a terrorist assassin. This game figured large in the fantasy world of Robert Steinhäuser, who slaughtered 16 people and himself on April 26 at a school in Erfurt, Germany.

‘Fundies’ Howl War, But Main Churches Call for End to Israel’s Occupation

by Edward Spannaus

The U.S. news media have obsessed on every twist and turn of the pedophilia scandal in the Roman Catholic Church, and Congress is bowing and scraping before the lunatic “Christian Zionists” who demand that that Ariel Sharon be given a free hand to “ethnically cleanse” Palestinians from the “Covenant Land.” But the press has all but ignored the many calls for Israel to withdraw, and moves for Middle East peace, coming from the Catholic and “mainstream” Protestant churches.

As many observers have recently noted—as if discovering something new—the so-called “Christian Right” in the United States is the Israeli Likud party’s key point of leverage in the U.S., and particularly within the Republican Party. But that point was made already over a year and one-half ago, in an article by Lyndon LaRouche republished in *EIR*’s Special Report “Who Is Sparking a Religious War in the Middle East?”—where LaRouche wrote: “These so-called ‘fundies,’ the glassy-eyed so-called ‘millenarians,’ not the American Jews, provide the decisive margin of driving force behind the impetus for religious war in the Middle East.”

The backdrop for the current mobilization of the so-called Christian Right, was provided in great depth in that *EIR Special Report*, and we will update that picture of the latter-day Bogomils and Cathars—the American Buggers, they could be called—in a forthcoming issue of *EIR*. Here, we will look at a little-noticed aspect of this, the opposition to this drive for religious war among the mainline churches in the United States, which is, for the most part, blacked out of the news media.

Likud’s American Allies

The Israeli occupation of Arab lands as a result of the 1967 war was opposed by many U.S. churches, particularly the Catholic, Eastern Orthodox, and mainline Protestant churches. (At that point, 20% of the Palestinian population was Christian.) The Likud lobby in the United States, represented by the American Israel Public Affairs Committee (AIPAC), therefore began cultivating so-called Evangelical Christians, and when Likud came to power in Israel in 1977, it immediately went to work to mobilize evangelicals in

America—against President Carter’s statements in support of a Palestinian homeland, and against a proposed UN Middle East Peace Conference.

Likud’s parody of Biblical themes—claiming that God gave the land occupied by the Palestinians exclusively to the Jews, and that the Jews have a divine right to settle anywhere in Eretz Israel—was opportunistically applauded by the Christian Zionists of various “dispensationalist” and “millennialist” strains, as consistent with their own distorted theology and Biblical interpretation. That reading is that the re-establishment of Biblical Israel is a fulfillment of prophecy, portending the second coming of Jesus Christ.

When Likud came to power again in 1996 with Benjamin Netanyahu’s victory, Netanyahu moved quickly to mobilize the American Christian Right, including bringing evangelical and fundamentalist leaders to Israel for a tour and conference at which they pledged their support for the Likud agenda. The same crowd, exemplified by the Jerry Falwell-Pat Robertson axis, were of course some of the most vocal in screaming about the Clinton “sex scandals”—in large part, to derail his Middle East peace efforts.

In recent weeks, this gang has been mobilizing full tilt, in support of the bloody Israeli invasion of the West Bank. As Secretary of State Colin Powell was heading to the Middle East on April 11, a group led by Jerry Falwell and Gary Bauer sent a letter to President Bush, demanding that his Administration “end pressure” on Sharon to withdraw from the West Bank. Falwell ordered his followers to flood the White House with calls and e-mails, and, the next day (as reported by *Time* magazine), senior Presidential aides called Falwell to reassure him that President Bush stood firmly behind Sharon.

Meanwhile, what were the other Christian churches, in the United States and in the Middle East, doing?

Mainstream Opposition to the Occupation

Amidst the howling and barking of these Likudnik “Elmer Gantrys,” the mainstream churches have been quietly—generally, too quietly—opposing the Israeli invasion and occupation of the Palestinian territories, and decrying the Israeli Defense Forces (IDF) siege of the Church of the Nativity in

Bethlehem and the attacks on other Christian churches in the Palestinian areas.

On April 2, at the beginning of the siege of the Church of the Nativity, the nine Patriarchs, Archbishops, and Heads of all the Christian Churches in Jerusalem issued a joint statement calling on President Bush “to stop the inhuman tragedy that is taking place in this Holy Land,” citing the siege of the Church of the Nativity, and the invasion and damaging of other religious institutions by the Israelis. Those signing represented the Catholic, Anglican, Lutheran, and the various Orthodox Churches.

On April 13, those same leaders met with Secretary of State Powell, and presented him with an open letter which strongly criticized the Israeli occupation of Palestinian lands, and the recent Israeli military invasion. “The Palestinian/Israeli conflict is not a mere question of violence,” the letter stated. “Violence is only a symptom of the root cause of the Middle East conflict, namely, the Israeli occupation of the 1967 territories.” They called for an end to the occupation, the dismantling of the Israeli settlements, and addressing the right of return for displaced Palestinians.

The National Council of Churches in the United States dispatched a delegation of 13 American church leaders to the Mideast on April 16-27. They urged the Israeli government to cooperate with the UN investigation of events in Jenin, and objected to the withholding of food, water, and medical supplies from the Church of the Nativity. The group, which also delivered humanitarian supplies, included United Methodist, Lutheran, Episcopal, United Church of Christ, Presbyterian, Armenian Orthodox, National Baptist, and Syrian Orthodox leaders.

They issued a seven-point statement which includes calling for an end to the Israeli occupation of the Palestinian territories, the cessation of building Israeli settlements, dismantling most of the existing settlements, and addressing the right of return of Palestinian refugees.

What the Churches Are Saying

Catholic: The president of the U.S. Conference of Catholic Bishops, Wilton D. Gregory, issued a statement in early April calling for an immediate cease-fire and a return to negotiations, saying that only negotiations “can lead to an end to violence and occupation, a secure state for Israel and a viable state for Palestinians.” It urged the U.S. government “to use every means to persuade leaders on both sides” to turn away from violence, and called for rapid withdrawal of Israeli troops from the West Bank.

Episcopal: Frank T. Griswold, Presiding Bishop and Primate of the Episcopal Church U.S.A., also issued a statement in early April calling for the immediate intervention of the international community, the deployment of a UN peacekeeping force into the occupied territories, and implementation of the Tenet plan and the Mitchell Report. Bishop Griswold also stated: “The Arab League’s willingness to engage the

peace process with an offer of normal relations in exchange for a Palestinian state on pre-1967 borders is precedent setting, even breathtaking, and the moment must not be lost.”

Lutheran: The Presiding Bishop of the 5 million-member Evangelical Lutheran Church in America (ELCA), sent out a statement on April 4, ordering it to be read at every ELCA congregation on Sunday, April 7. The statement called upon President Bush and Secretary of State Powell “to use their great influence to halt this dreadful and violent situation” in the “occupied territories of the West Bank.” A statement issued by the ELCA Church Council on April 6 called for the establishment of an international peacekeeping force, the withdrawal of Israeli forces from the Palestinian-controlled areas, and an end to the occupation.

On April 26, the newspaper of the conservative, 2.5 million-member Lutheran Church-Missouri Synod in the United States, ran a story headlined “Israeli Troops Caused \$250,000 Damage to Church, Academy,” referring to the Lutheran church and school near the Church of the Nativity; an earlier press release described how Israeli troops had used a Lutheran pastor in Ramallah as a “human shield” while searching his church.

Presbyterian: The Rev. Clifton Kirkpatrick, Stated Clerk of the General Assembly, Presbyterian Church (U.S.A.), issued a statement on April 5, which stated: “For the sake of peace and justice, the Israeli occupation of East Jerusalem, the West Bank and the Gaza Strip must come to an end. We decry the continuing occupation of the Palestinian territories by the Israeli government, and the terror inflicted upon the Palestinian people through Israel’s repeated military incursions into Palestinian towns and villages.”

The statement noted that since 1967, the Presbyterian Church has called for the recognition of Israel’s right to exist, the right of the Palestinian people to a sovereign Palestinian state, and that the church body has “repeatedly called for an end of the Israeli occupation, a halting of the building and expansion of Israeli settlements and colonies based on confiscated Palestinian land, a halt of the continuing humiliation and degradation of the Palestinian people. . . .”

Methodist: The United Methodist Council of Bishops issued a statement in early May, decrying the escalation of violence and the siege of the Church of the Nativity. The Council of Bishops stated that they, among other things:

- “deplore the disproportionate use of force on the part of the Israeli government,” citing the use of tanks and helicopters to attack civilian neighborhoods, etc.
- “request Israel immediately withdraw from all invaded and occupied Palestinian territory, cease its military incursions, stop the building and expansion of settlements, address the right of return for Palestinian refugees, halt its destruction of the infrastructure of Palestinian civil society.”
- “commend Crown Prince Abdullah of Saudi Arabia and the recent Arab Summit for putting forward a plan for peace with Israel. . . .”

Byrd Frustrated Over Transportation Security

Senate Appropriations Committee Chairman Robert Byrd (D-W.V.) held hearings on May 2, and expressed frustration with the slowness of the homeland security efforts of the Bush Administration, including the refusal of Homeland Security Director Tom Ridge to testify before any Congressional committee.

Byrd reported that his committee has learned “that while the American people expect their homeland security to be an absolute, at this point, it is nothing more than an aspiration. . . . Homeland security priorities are mired in conflicting department missions,” while the one person who has “the responsibility and the authority to cut through that conflict and to help resolve those turf battles is gagged by his own administration.” He pointed out that, at the same time as his hearing, Ridge was scheduled to give an open briefing to Senators on border security, which Byrd called an “apparently orchestrated event.”

Byrd’s first witness was Transportation Secretary Norman Mineta, with whom Byrd especially took up the issue of port security. Byrd demanded to know why the Bush Administration’s fiscal year 2003 budget request terminates a \$93 million grant program for port security when there has been more than \$700 million in applications for that program. Mineta replied that while the applications cover three areas—vulnerability assessments, proof of concept, and construction of facilities—he is only interested in dealing with facilities and perimeter security. Byrd, unsatisfied, continued to badger Mineta on port security and finally secured a commitment from him for an interim report from the Department’s working group on shipping containers.

Another concern related to pro-

posals to merge the Coast Guard with other agencies for homeland security. Ted Stevens (R-Ak.) said that the Coast Guard is more than just a security agency, but also has maritime safety and search and rescue as part of its mission. He said that the Coast Guard probably delivers more babies “than most ambulances in major cities.”

Defense Authorization Bill Passes House Panel

On May 1, the House Armed Services Committee passed, by a vote of 57 to 1, the fiscal year 2003 Defense Authorization bill. It provides \$383.4 billion for the “core” defense program for FY 2003. The war on terrorism is to be covered by a separate \$10 billion bill that the committee did not complete action on. The defense bill provides for increases over and above the Bush Administration’s fiscal year 2003 budget request in several areas, including adding \$4.6 billion to readiness accounts, \$3.2 billion extra for procurement, and \$550 million to cover the costs of an increase in personnel strength by more than 12,000 people.

Other provisions cover defending against weapons of mass destruction, missile defense, a military pay increase, and a request to the Defense Department (DOD) to present to Congress with a baseline nuclear force structure plan and budget by Jan. 1, 2003. The latter is a response to the Nuclear Posture Review, on which the Congress was briefed last January, which did not provide a plan, nor specify numbers and types of warheads to be retained.

Most of the drama surrounding the bill was provided by the dispute over the Army’s Crusader artillery system, which has been under development

since 1994. The day before the committee mark-up, the Pentagon let it be known that Secretary of Defense Donald Rumsfeld intended to cancel the Crusader pending a 30-day review. The Army lobbied the committee to save it, with a reported “talking points” paper that called the Crusader crucial to Army transformation. The committee responded by placing language in the bill directing the DOD to maintain the program and submit a report to the committee by March 1, 2003 on its progress along with an analysis of alternatives.

On the Senate side, James Inhofe (R-Okla.), a member of the Armed Services Committee in whose state the Crusader is to be built, called the Crusader “an important part of the Army’s long-delayed modernization needs,” and vowed that the fight for the Crusader “will continue in the Congress.”

Trade Bill Bogs Down Over Health Insurance Dispute

The Senate completed its first full week of debate on the trade bill on May 3 with partisan squabbling over trade adjustment assistance. The Senate bill is in three parts, the first of which provides trade promotion authority, or what used to be called “fast track,” to the President; the second amends the existing Trade Adjustment Assistance (TAA) Act; and the third is an extension of the generalized system of preferences.

While Senators have many concerns about the bill, the one with the potential to scuttle it is a Democratic provision for extending health-care benefits to workers who lose their jobs as a result of free trade. As described by Finance Committee Chairman Max Baucus (D-Mont.), the provision would subsidize 73% of the costs of

health insurance for such workers. Baucus said that such assistance is supported by the Trade Deficit Review Commission, a bipartisan body. Baucus told the Senate, "We have not done enough in this country to help those workers displaced because of trade. That is why a comprehensive bill, one that includes both fast track and TAA, is so important."

However, Ranking Finance Committee member Charles Grassley (R-Iowa) complained that the Democrats are taking a "take it or leave it" approach, in contrast to the committee version, which was approved by an 18 to 3 vote four months ago. "When we finally seemed to be making progress in getting trade authority legislation to the floor," he said, "we were told the only way we could have this debate was if we agreed to partisan trade adjustment assistance legislation with which many members on our side of the aisle disagree."

Majority Leader Tom Daschle (D-S.D.) told reporters on May 2 that knocking out the health insurance provision "would be the death knell of the trade bill."

Welfare Reform Debated in Senate

On May 2, the Brookings Institution sponsored a discussion forum on welfare reform that featured several Senators, including John Breaux (D-La.), Jeff Bingaman (D-N.M.), Rick Santorum (R-Pa.), and Evan Bayh (D-Ind.). Each offered slightly different approaches, but the common denominator was to build on the 1996 welfare reform, which has been praised for its massive reduction of the welfare rolls.

Another theme was to move people into work, as opposed to emphasis on reducing the welfare rolls. Breaux

said that his proposal, which is co-sponsored by Max Baucus (D-Mont.) and Charles Grassley (R-Iowa), among others, eliminates the caseload reduction credit of the 1996 bill and replaces it with a "workable employment credit" which provides incentives only "to states and parents that end up truly working." He had earlier said that no one in the Senate wants to be perceived as "being weak on work." Where the proposals tend to diverge is on the number of work hours required of participants in the program.

Santorum, who is working with Joe Lieberman (D-Conn.) on faith-based legislation, praised Bayh, who is chairman of the Democratic Leadership Council, and Breaux for working within the framework of the 1996 bill. "What we don't want to do," he said, "is turn back to the entitlement nature of the old AFDC [Aid to Families with Dependent Children, i.e., "welfare"] program."

One issue not raised is how welfare recipients are going to hold on to jobs when even the official unemployment statistics, as faked as they are, are showing unemployment to be increasing. Rather than economic realities, the presumption, as Bayh put it, is the degree to which a welfare recipient "wants to work hard and play by the rules."

Farm Bill Conference Report Clears House

On May 2, the House passed, by a vote of 280 to 141, the conference report on the farm bill, a bill which nearly everyone who spoke on it acknowledged is not a perfect bill. Nick Smith (R-Mich.) voted for the bill but complained that it includes a loophole where "mega-farms can receive millions of dollars in price support" that

is only going to benefit a handful of states in the South. Smith supported a motion offered by Ron Kind (D-Wisc.) to recommit the bill to conference committee to agree to a Senate amendment limiting such price supports to \$275,000. That motion failed by a vote of 251 to 172.

The fact that the bill replaces many of the free-market-oriented provisions of the 1996 "Freedom to Farm" bill was not the only factor that generated opposition. Greg Ganske (R-Iowa) echoed Smith's complaints when he told the House that the bill "favors large Southern producers of cotton and rice" and is so full of loopholes that it does not even qualify as a step forward. He said that the Senate proposal to ban meat packer ownership of livestock was not even discussed in conference.

Senate consideration of the bill has been delayed by GOP desires to debate it more fully than was allowed in the House. On May 7, Majority Leader Tom Daschle (D-S.D.) warned the GOP not to block the bill. If they were to do that, for electoral or other reasons, he said, "it would probably be the best thing they could do for every Midwestern Senate candidate on the Democratic side. . . . There are regions of the country where this is one of the most important economic policy questions our country will face for the year."

Minority Leader Trent Lott (R-Miss.) told reporters on May 7 that he did not think it was a very good bill, but he was going to vote for it anyway. He acknowledged that farmers have had difficult times in recent years, but attributed that to weather-related problems, rather than low commodities prices. As for the complaints about "loopholes," "I come from a state where we take a little different view of on that," he said.

Editorial

An Urgent Memorial Day Message

So rapidly is the international situation now shifting downwards, into a deeper crisis of threatening war and depression, that Lyndon LaRouche—now very well known worldwide for having made clear the shift toward a “perpetual warfare” state since last Sept. 11—has announced plans for a second international webcast in this month of May.

LaRouche’s May 1 webcast is printed in this issue, including its hours of international dialogue with leaders and ordinary citizens all over the world. Through it, he made tangible what a profound paradigm-shift in thinking of leaders, and in so-called “public opinion,” is necessary if the world is to be pulled back from the brink of a collapse into global religious warfare—warfare which will leave nothing standing of the civilization which all the great religions have striven for. Economic collapse is enabling that war drive to intensify. Only if the shock of the manifestations of that collapse moves nations to attack it along LaRouche’s policy lines, can the descent to war be stopped.

Thus, even while the record of the May 1 webcast is circulating around the world, an international Memorial Day webcast is set for Tuesday, May 28, at 1:00 p.m. EDT. It will be conducted to further the process

of an international combination of leadership and citizenry to turn the world back from a new dark age of war.

The solemn statement below, issued by LaRouche on May 9, is a call to rally the people of America, and friends of justice worldwide, to use this dialogue, and LaRouche’s known voice, to change the worsening crisis.

“After the close of the first of the two world wars of the last century, our republic committed itself to remember in perpetuity those who had fallen in battles. Let us remember them today.

“Thus, when I returned from the last world war, I passed the house of a boyhood friend, Leon, the sole companion of the aging grandparents who had raised him. As I came up the sidewalk to a place by the front windows of that house, I saw a gold star in the window. I shall never forget that awesome moment.

“Let us therefore pledge, as President Lincoln did, that if government must send men to die in war, let the war end as quickly as possible, and let the leaders of our nation be assured in advance, that the citizen’s sacrifice not be in vain. Let us pledge as much wisdom as we are capable of calling forth today, to that end.”



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Thu.—8:30 pm

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Thursdays—5 pm
(Occ. 4:30 pm)
• MT.PLEASANT
Charter Ch. 3
Tuesdays—5:30 pm
Wednesdays—7 am
• PLYMOUTH
Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm

MISSISSIPPI

• MARSHALL COUNTY
Galaxy Ch. 2
Mondays—7 pm

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• ST.LOUIS
AT&T Ch.22
Wednesdays—5 pm
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• LINCOLN
T/W Ch.8
Citizen Watchdog
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Wednesdays—10 pm

NEVADA

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Wed.—12:30 pm

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Mon., Fri.—4:30 pm

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ILION—Ch. 10

Mon. & Wed.—11 am
Saturdays—11:30 pm

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Mondays—7:30 pm
Thursdays—7 pm

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Thurs.—12 Midnight
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Sundays—3 pm
Mondays—10 pm

ROCKLAND—Ch. 71

Mondays—6 pm
• SCHENECTADY Ch.16
Mondays—3 pm
Wednesdays—8 am

STATEN ISL.

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Sat.—8 am (Ch.34)

TOMPKINS COUNTY

Time Warner
Sun.—9 pm (Ch.78)
Thu.—5 pm (Ch.13)

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Sun: 7 am, 1 pm, 8 pm

WEBSTER—Ch.12

Wednesdays—9 pm

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• MECKLENBURG
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Ch.6: Sun.—6 pm

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AT&T Ch. 99
Tuesdays—1 pm

PORTLAND

• AT&T
Thu.—6 pm (Ch.23)
Thu.—3 pm (Ch.23)

SALEM—Ch.23

• KENNEWICK
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Mondays—12 Noon
Thursdays—8:30 pm

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Thursdays—6 pm

UTAH

• REDMOND
Peak Cable Ch.38
Sun, Mon, Thu
6 pm & 10 pm

SEVIER

Mallard-Suntel
Richfield Ch.45
Peak Cable

ANABELLA Ch.29

Central Ch.26
Elisnor Ch.29
Glenwood Ch.32
Monroe Ch.29

SUN—1 pm & 8 pm

Mon—1 am & 8 am

VERMONT

• GREATER FALLS
Adelphia Ch.8
Tuesdays—1 pm

VIRGINIA

• ALEXANDRIA
Comcast Ch. 10
Tuesdays—5:30 pm

ARLINGTON

ACT Ch. 33
Mondays—4 pm
Tuesdays—9 am

CHESTERFIELD

Comcast Ch. 6
Tuesdays—5 pm
• FAIRFAX—Ch.10
Tuesdays—12 Noon

THURSDAYS—7 pm

• LOUDOUN
Adelphia Ch. 23/24
Thursdays—7 pm

ROANOKE—Ch.9

Thursdays—2 pm

WASHINGTON

• KING COUNTY
AT&T Ch. 29/77*

KENNEWICK

Charter Ch. 12
Mondays—12 Noon
Thursdays—8:30 pm

PASCO

Charter Ch. 12
Mondays—12 Noon
Thursdays—8:30 pm

RICHLAND

Charter Ch. 12
Mondays—12 Noon
Thursdays—8:30 pm

SPOKANE—Ch.14

Wednesdays—6 pm
• WENATCHEE
Charter Ch.12
Thu—10 am & 5 pm

YAKIMA—Ch. 9

Sundays—4 pm

WISCONSIN

• MADISON—Ch.4
Tuesdays—3 PM
Wednesdays—12 Noon

MARATHON COUNTY

Charter Ch. 10
Thursdays—9:30 pm
Fridays—12 Noon

SUPERIOR

Charter Ch.20
Mondays—7:30 pm
Wednesdays—11 pm
Fridays 1 pm

WYOMING

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Thursdays—5 pm

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