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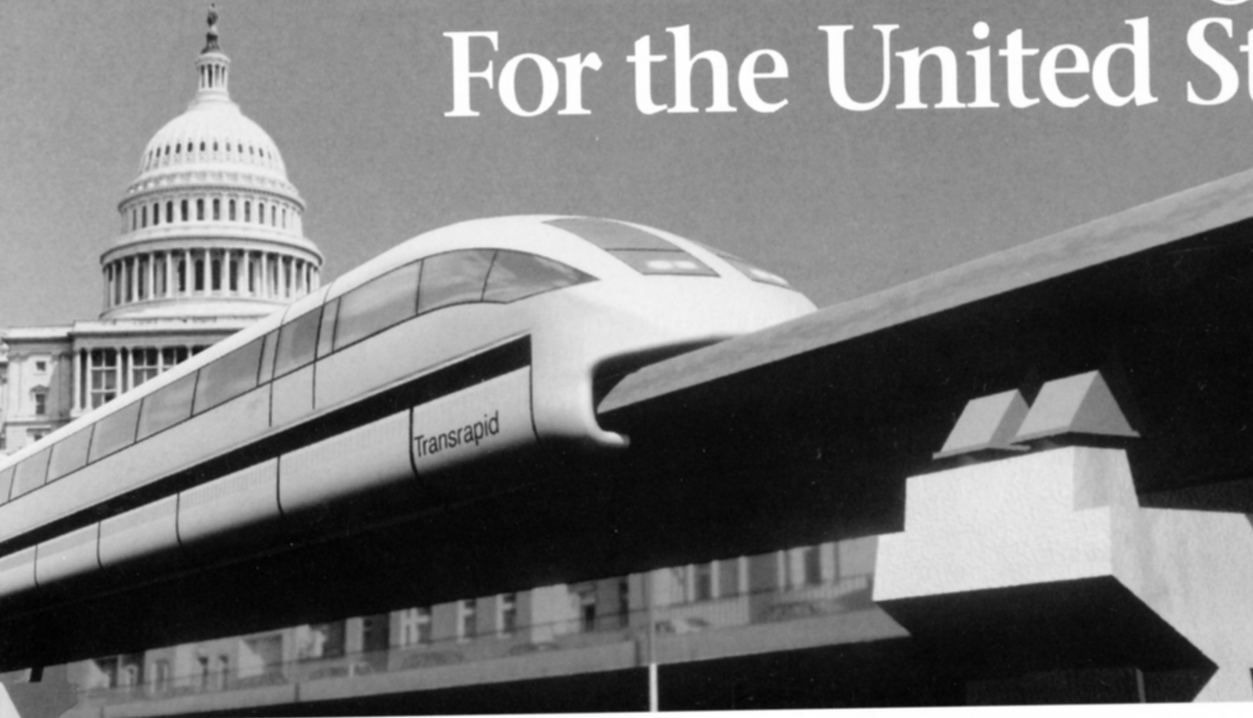
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From the Associate Editor

As 2003 draws to a close, the U.S. Conference of Mayors announces a 17% increase in requests for emergency aid for both food and shelter, and reports that 30% of requests for emergency shelter went unmet in major American cities this year. The dollar continues to slide, as European financial experts warn of disaster ahead (see *Economics*).

All the world knows that President Bush has no policy to deal with the crisis. U.S. Treasury Secretary John Snow even proclaims, “I think we are . . . getting into the sweet spot of the economy.”

What about the Democratic Presidential contenders? We continue this week our series on “Campaign 2004: Where They Stand,” focussing this time on the economic collapse of the IMF financial/economic system, and programs to organize an economic recovery. The first thing that strikes one in comparing the candidates, is that not one of them, except LaRouche, recognizes the scope and intensity of the global crisis. They make plenty of promises (what else do politicians do in an election year?), and they attack the obvious failures of the Republican incumbent; but they appear not to have noticed that we are skating at the edge of a precipice. In fact, if you search their websites for “current account deficit,” you will find absolutely nothing.

Our *Feature*, LaRouche’s Dec. 12 international webcast, provides a sharp contrast to those other candidates. He warns the Democratic Party: “Reality is going to strike. Any part of the Democratic Party that doesn’t get with reality, is doomed—not by my hand, but by their own. In terms of contributions and support, from individual citizens, I am second-ranking among the Democratic candidates of the whole field right now. I also represent a revival of the Franklin Roosevelt approach to a crisis. That is supposed to be the Democratic Party. So what happens, then, to the Democratic Party, if it continues to exclude me? *It dies*. If they don’t include me in the process, they are dead meat.”

Speaking of “dead meat,” see our reports on Dick Cheney and John Ashcroft, in *National*. They are on the defensive, and that’s good news for the New Year.

This is our last issue of 2003. Wishing all our readers a happy 2004, we shall return with *EIR* of Jan. 9.

Susan Welsh

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The Sharon-Cheney Block

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Europe Considers Controls, But Dollar Crisis Is Systemic

by Lothar Komp

A small wonder occurred on the foreign exchange markets on Tuesday, Dec. 9. On all eight of the previous trading days in succession, the U.S. dollar had fallen to new historic lows against the euro. Against currencies with longer histories like the British pound, the dollar had sunk at the same time to its lowest level in 11 years. But then on the 9th, the dollar's plunge was temporarily halted. Had a prospect for the continued financing of the gigantic foreign indebtedness of the United States suddenly come to light? Not at all. The pause for breath in the dollar's descent was much more the result of a special cause: renewed, massive interventions by the Bank of Japan to force the currency markets—in blatant opposition to the liberal economic dogma of free “floating” exchange rates.

During the course of 2003, the Bank of Japan has spent, by its own reports, an astonishing 17.8 trillion yen (roughly the equivalent of \$165 billion) in such interventions. It has done this in the thus-far vain hope of braking the rise of the yen against the dollar, which is damaging Japan's exports. The interventions take place on orders of the government; the central bank is only their executive organ. In order to generate the financial means required for this enormous purchasing of dollar paper, the government of Japan has had to increase its issue of its own debt, during its current legislative session, to a total of 79 trillion yen, or \$731 billion.

But this barricade could already be broken down within the next week. Therefore on Dec. 11, the Japanese Finance Ministry set the prospect of an upper level of debt issuance for the full year, including this exchange market intervention, of a round 100 trillion yen—\$926 billion! If necessary, said Ministry official Hiroshi Watanabe, it would be possible to adopt retroactively an emergency provision and let the Bank

of Japan issue foreign debt directly.

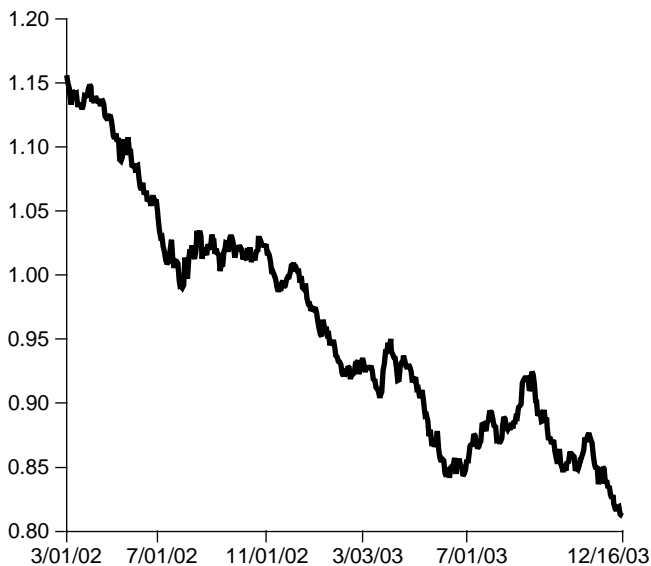
And indeed, following the announcement of a record-high US trade deficit for October—\$41.77 billion in a single month—the dollar on Dec. 12 fell yet to another all-time low against the euro (\$1.23), and to another 11-year low against the British pound. And neither the massive hype around the arrest of Saddam Hussein on Dec. 14, nor the Dec. 13 failure of the European Union summit to agree on the so-called EU “constitution,” has stopped the dollar's decline.

European financial experts consider the Dec. 9-10 visit of Chinese Prime Minister Wen Jiabao to Washington as indicating a dramatic shift in the global financial system. That President George W. Bush publicly urged Taiwan to restrain itself vis-a-vis Beijing, is seen by market insiders as the first public signal that the Bush Administration is losing maneuvering room in foreign policy due to its dependence on foreign capital inflows.

Next to Japan, China has the largest holdings of U.S. Treasuries and other dollar assets—\$383.9 billion as of September—and Wen was coolly playing out this situation during his U.S. visit. On Nov. 23, Beijing's *Peoples Daily* had run an article headlined, “China says it will not dump U.S. Treasuries to retaliate.” The *China Business* newspaper quoted an unnamed official with the State Administration of Foreign Exchange, saying: “The nature of our agency is to manage the national forex assets well. To put it simply, we're looking at profits, and as long as we don't get instructions from the central bank, we won't sell U.S. Treasuries.” Referring to China's vast dollar reserves, the *China Business* article states: “A large part of this money has been spent buying U.S. Treasuries and other debt instruments, helping to keep American interest rates low. If China was suddenly

FIGURE 1
Value of Dollar in Euros

(Euros per Dollar)



Source: Wall Street Journal

Just since the euro officially became the single European currency, the dollar has lost more than a third of its value, and the decline is accelerating now. A similar fall against the yen has been braked only by stupendous dollar-buying interventions by the Bank of Japan—\$165 billion worth during 2003.

to sell off Treasuries, it could potentially cause U.S. interest rates to rise, wreaking significant damage on the U.S. economy.”

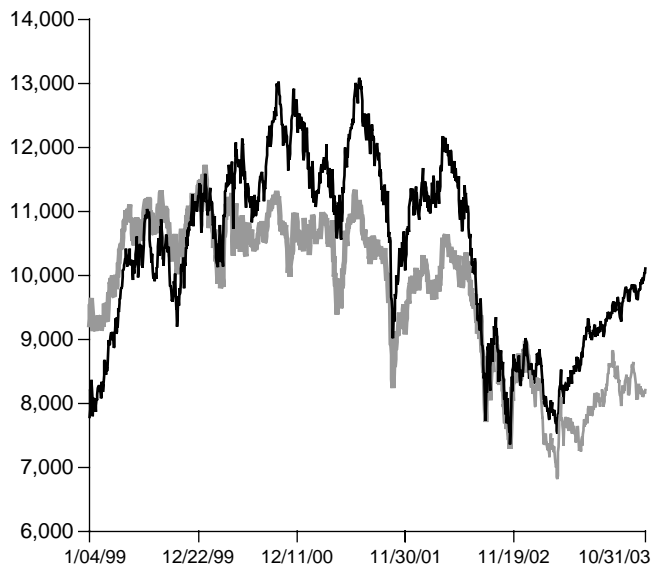
But, at the same time, the Bank of International Settlements (BIS) has reported that Chinese banks have been cutting their overseas holdings during eight of the past ten quarters, through June 30. Funds deposited overseas by Chinese banks were down to \$70.4 billion at the end of June, from \$92.5 billion two years earlier. They repatriated \$9.1 billion in second-quarter 2003 alone. The U.S. Treasury itself reported that China sold a net \$2.8 billion of U.S. Treasuries and agency bonds during September.

Absurd Procedure, Impossible Strategy

In general, then, the procedure comes down to this: the U.S. Federal Reserve prints new dollars, to finance the American trade deficit; and the Bank of Japan attempts, by ever-faster printing of new yen, to buy these new dollars. The example also makes clear how the global financial system is breaking apart at the seams.

Meanwhile, representatives of the U.S. administration and of Wall Street put forward the most absurd arguments, to

FIGURE 2
Value of the Dow Jones Industrial Average, In Dollars and Euros, 1999-Date



Source: Wall Street Journal

The “recovery” on Wall Street looks quite different when measured in euros, making Europeans’ investments in U.S. stocks and bonds still losers. European capital flows into the United States have fallen sharply; will Asia be next?

create the impression somehow that the dollar’s plunge is really no problem, and that the situation is still under control. So it is claimed, among other things, that the falling dollar will strengthen American exports, and thereby further heat up the allegedly furious “recovery” in the U.S.A. But this strategy, as European financial analysts note, will undeniably fail. It could have worked in the 1950s or 1960s. But due to the structural changes—i.e., the post-industrial “consumer society” orientation—of the U.S. economy in recent decades, the dollar would have to sink by 40-60% in order to achieve such an effect, he said. Furthermore, one would have to combine the devaluation with an increase in taxes and interest rates to curtail consumption and imports. But that certainly will not happen in an election year. And, what would be the consequences for the U.S. housing market? As the capital flows into the United States are drying up, the Federal Reserve ultimately will have to print more money to finance the exploding current account deficit.

Official circles in Europe, like those in America, act outwardly as if everything were in good order. But there are exceptions. And in private discussion, government representatives express alarm and helplessness in the face of the global financial and currency crisis, which more and more now is

depressing economic activity in Europe. Even on Dec. 9, German Finance Minister Wolfgang Clement was still claiming that he saw no signs of negative effects of the fall of the dollar on German exports. One day later, the Federal Statistical Bureau reported a drop in exports in October of 6.6% below the previous month, the worst month-to-month export fall in more than a decade. Also on Dec. 10 appeared an interview in *Le Figaro* with Italian Deputy Finance Minister Mario Baldassarri, who warned that the appreciation of the euro threatened the entire European economy, and asked: “Why do the two leading economic regions in the world let their currencies float freely, without any attempt to defend a parity band between 0.9 and 1.1 against the dollar?” Baldassarri insisted that that was the only way “to guarantee the stability of the international system.”

But how could governments carry out such a decision on

today’s global foreign exchange markets? With permanent mega-interventions, Japanese style?

Capital, Currency Controls Necessary

In the Bretton Woods exchange-rate system, which the 1971 decisions of U.S. President Nixon broke up, currency relationships remained stable, because international capital flows lay under rigid limits. Interestingly, the British *Daily Telegraph* reported on Dec. 4 that the European Commission had just clarified the legal basis for the reintroduction of capital controls, which have not been used by European nations since the 1970s. A team in Commissioner Pedro Solbes’ department for economic and currency questions, had decided that current law allowed the Commission in Brussels to publish immediate regulations to control capital flows. And an unnamed official of the European Union had specified that a

Foreign Investment Fell Sharply

The U.S. Department of Commerce reported on Dec. 16 that the country’s current account deficit registered \$135 billion for the third quarter of 2003, remaining at its extraordinarily high level. The third-quarter deficit was virtually the same as the record gap in the second quarter, smaller by only a few billion dollars. A critical new feature of the picture in the third quarter, however, was the sharp drop in the amount of net investment, or net flow of capital, from foreigners into the United States. It is this vacuum-like flow, at a rate reaching nearly \$2 billion per day, which has been financing the huge trade and current-account deficits by which the United States economy has been looting the rest of the world’s goods—importing those goods at cheaper and cheaper prices, and paying for them, in effect, with imported capital.

The total current-account deficits for the first three quarters of the years were \$138.7 billion in the first quarter, \$139.4 billion in the second, and \$135 billion in the third, for a total of \$413 billion with three months of the year remaining.

The U.S. current account balance is driven overwhelmingly by the U.S. deficit on trade of goods and services, which accounted for 90% of the third-quarter current account deficit. (The trade balance is one element of the current account; the other two elements are the balance on investment income, and the balance on unilateral transfers). America’s shift to the “Roman” imperial economic paradigm of a collapsed United States no longer capable of producing its own existence, and exacting tribute—

physical goods imports from around the world—is the principal cause of the current account deficit.

During the third quarter, there was a drop of more than one-half in the net foreign investment into the United States. In the second quarter, on a gross basis, foreign investors had invested \$262.8 billion into American markets; i.e., buying stocks, bonds, real estate, and so forth. However, during the third quarter, foreign investors reduced their investments into the United States to \$128.2 billion, a stark drop of \$134.6 billion in the investment level.

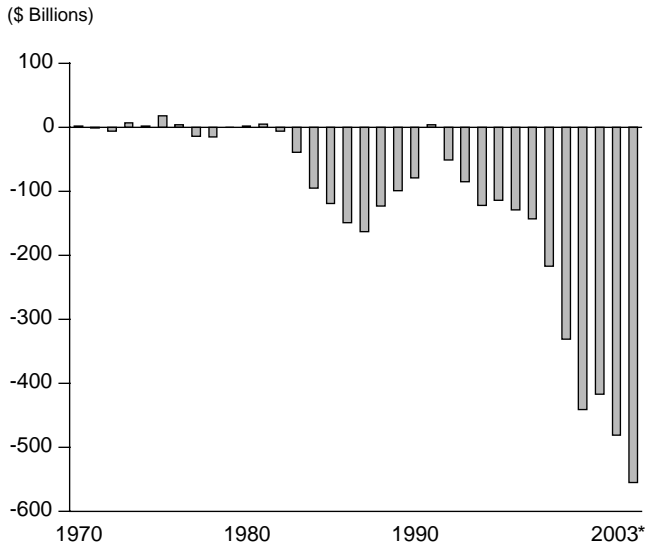
This drop was so sharp, in fact, that it produced a very unusual result: During the third quarter, the level of gross foreign investment, \$128.2 billion, was not enough to cover the same quarter’s current account deficit of \$135.0 billion.

Preliminary reports comparing October and November, and unofficial estimates for early December, have indicated that this process is significantly worsening during the fourth quarter, threatening a systemic breakdown of the dollar-based banking system.

The German central bank, the Bundesbank, warned in its December report that “external geopolitical shocks and strong gyrations on global financial markets” are the biggest risks for the financial system, because “the extraordinary current account imbalances, in particular in the U.S.” could lead to “abrupt movements on foreign exchange markets.”

The Bundesbank also warned of the means of all this purchasing in the United States: The “indebtedness of private households has increased sharply in recent years, and in 2002 reached 110% of disposable incomes, an all-time high.”—*Richard Freeman*

FIGURE 3
**U.S. Current Account Deficit Swells,
 1970–2003**



* Projection of Commerce data, based on first three quarters of 2003.

Source: U.S. Department of Commerce.

The huge American current-account deficit has become a huge problem for Europe, leading to discussion in government circles of reintroduction of capital controls.

euro level of \$1.35 would presumably be the trigger for the introduction of the controls.

While the European Commission subsequently characterized this report as “completely misleading,” and the European Central Bank declined to make any comment, the *Daily Telegraph* did not pull it out of the air. In the *European Union Economy: Review of 2003* report of the European Commission published on Nov. 26, a surprising 45 of the 246 pages were devoted to the theme “Determinants of International Capital Flows.” That chapter contains a detailed compilation of the legal bases or capital controls, both within the European economies, and between them and so-called third countries. It noted that the free movement of capital was made one of the core principles of the European Community already by the 1957 Treaty of Rome. But this principle was limited by a whole series of exceptions. Most definitively, the Bretton Woods fixed-exchange-rate order ruled at that time.

The Commission’s 2003 report stated: “The Bretton Woods system embodied the idea that capital flows posed a threat to monetary and financial stability, and to national and political sovereignty. The experience of the 1930s was taken as proof that international flows of capital destabilized economies. For this reason, in the 1950s and 1960s, capital flows were the subject of exchange controls and regulations, through which cross-border financial transactions were lim-

ited to a minimum.”

The article on exceptions to the free international flow of capital was extensively confirmed in the Maastricht Treaty of 1991, and in the Amsterdam Treaty of 1997. Article 57 of the latter Treaty says expressly that the obligation to allow free capital flows does not affect the power to use any of those regulations “which exist as of Dec. 31, 1993 . . . for capital movements with third countries. . . .” Another article allows the introduction of “quantitative restrictions” of capital flows and “defense measures” against third countries—especially with regard to capital movements, insofar as member countries of the European Union would otherwise suffer serious balance of payments crises.

For the case of the current dollar crisis, Article 59 of the Amsterdam Treaty is most important: “In the case in which capital movements to or out of third countries, under unusual circumstances, seriously disturb or threaten to disturb the functioning of the economic and currency union, a qualified majority of members, on the proposal of the European Commission, . . . can take defensive measures against third countries which remain in force for a maximum of six months, if these [measures] are absolutely required.”

Maneuvers, Not Solutions

It is certainly no accident that the European Commission set forth the existing legal grounds for re-imposing capital controls in its yearly report just at this time. There are other notable developments. Some European governments, including those of France and Germany, have gotten into a serious fight with the European Central Bank. And they certainly propose, in the future European Union constitution, to change decisive elements of the basis for the currency union anchored in the Maastricht Treaty. Article 105, “Currency Politics,” in the Maastricht Treaty begins with the words: “The first-ranking purpose of the European System of Central Banks is to guarantee price stability.”

This one-sided choice of objectives ought to be stricken in the EU constitution. The nations will also have to abolish the formal independence of the European Central Bank, by which it is made into an “organ” of the European Union. Finally, the Italian government has made the proposal for an “emergency clause,” which would make it easier in the future for the European governments to adopt changes in the charter of the Central Bank.

All these maneuvers are signals of the oncoming systemic crisis, but offer no fundamental solution for it. More, they document the searches of governments, seeing the out-of-control spiral of debt and currency chaos, to win back some room for action. But it is far too late for the half-measures being planned. Only a complete change in the monetary system has a prospect of success today—the financial, trade, and economic reform proposed by Lyndon LaRouche as the framework of a “new Bretton Woods.”

Patriotism Wins a Victory Over Populism

by Rubén Cota Meza

With a vote of 251-234, the Chamber of Deputies of the Mexican Congress on Dec. 11 delivered a defeat to the Fox government's proposal for a "fiscal reform" aimed at further looting the country to pay its foreign debt. The process that led to that close vote has forged a new political alignment of forces in the country, involving the first breakaway of the nationalist and patriotic forces who, for the past several decades, have found themselves politically defeated and in retreat, and in many cases allied to historically traitorous forces represented in the ruling National Action Party (PAN).

The Dec. 11 vote also delivered a strategic blow to the plans of U.S. Vice President Dick Cheney, and of "energy pirates" of the international financial oligarchy behind him, to privatize the Mexican energy sector, impose brutal austerity to assure the unrestricted collection of the debt, and to annihilate the nation-state itself in their imperial globalization drive.

Mexico's response to Cheney's financial friends and to the International Monetary Fund was a resounding "no," just as the Russian Duma responded, in its own way, in recent parliamentary elections in that country. Playing a prominent role in that Mexican response was the LaRouche Youth Movement (LYM), which mobilized the Mexican population and institutions against Wall Street's so-called "structural reforms." As a gigantic LYM banner proclaimed at one of many rallies and demonstrations since late November against the tax reform, "LaRouche, ally of Mexico against Cheney and the IMF."

'Devastating' to Fox, Wall Street

The "fiscal reform" proposal, promoted by the Fox government, the PAN party, and a faction of more than 70 deputies of the opposition PRI party headed by Elba Esther Gordillo, sought to tax consumption of food, medicine, and labor benefits, and to create a new tax that would have triggered price increases on a variety of basic necessities to the working and middle classes. In effect, the reform hoped to turn the family expenditures of more than 70 million impoverished Mexicans into government spending money for the year 2004, while making debt payments to the international banks a top priority. Similarly, the fiscal reform would have *reduced* taxes on the multinational corporations and their handful of

Mexican partners, which have been favored by policies of privatization and opening up to foreign investments of the past two decades.

This is the umpteenth failure of the Fox government in getting through various "structural reforms"—the latest fiscal reform, the labor reform, and the decisive energy reform—as demanded by international financial interests that helped put Fox into the Presidency. Months ago, the *Wall Street Journal* was already demanding that Fox resort to "dirty politics" to break the resistance of his opponents. But this time, it didn't work.

The London *Financial Times*, mouthpiece of the City of London financial groups, covered the notice of Fox's latest defeat as a lead front-page item in its Dec. 13 edition, accompanied by a large photo of a depressed-looking Fox, which was labelled "devastating blow." The article says that the Dec. 11 vote "signalled the end of any hope for structural reforms during the remaining three years of Mr. Fox's presidential term," and cites a Mexican analyst complaining that political forces were now pushing Mexico "in the direction of the past, and a nationalistic and populist outlook."

"This is not populism," rejoined U.S. presidential candidate Lyndon LaRouche upon learning the details both of the vote and the *Financial Times*' reaction. "Those who call this 'populism,' in truth are culturally crippled, or mentally underdeveloped. *Cheney* represents populism. What happened in Mexico is a *defeat* of populism; populism was, once again, defeated by patriotism. Of this, there can be no doubt."

For LaRouche, the partisans of right-wing neo-conservative populism, like the recently-deceased editor emeritus of the *Wall Street Journal*, Robert Bartley, have suffered "a second death in Mexico this Thursday."

In the fight against the populism of the PAN (a.k.a. "the party of treason"), the LaRouche Youth Movement has been in the forefront. In the weeks leading up to the vote, the LYM had systematically distributed its statement, entitled "Let Us Built Mexico With Energy!" in cities around the country, and in particular, at the National Congress. During the Nov. 27 "mega-march" held in dozens of Mexican cities to protest the efforts of Fox and allied traitors inside the PRI party to privatize the electricity industry, the LYM succeeded in incorporating LaRouche's call for a New Bretton Woods into the official speeches of the mobilizations in Monterrey and Sonora, while taking over the microphone before thousands of people congregated in Mexico City's main plaza, the Zócalo, for the same purpose.

Pact With the Devil

Pressured by "the markets" which are administered and controlled by the international financial oligarchy, President Fox has placed himself at the forefront of a veritable crusade of political pressures designed to achieve the "reforms" the creditors are demanding, at all cost. He has launched himself



The defeat of the Fox government's tax-the-poor-to-pay-the-debt "fiscal reform" was also a big blow to the government's energy privatization-deregulation scheme. The LaRouche Youth Movement played a recognized catalytic role, here in the large Mexico City demonstration and in others around the country in late November.

against the opposition in the Chamber of Deputies, accusing those who refuse to hand the population, tied hand-and-foot, over to the voracious appetites of the "market," as answering to political "group interests." In his distorted sense of reality, Fox threatened to veto any other Budget Law that "causes distortions in the economy and reduces competitiveness."

In his desperation, and with the grand theatrical gestures that have come to substitute for his intellectual and political incompetence, Fox promised "not to sleep" until midnight on Dec. 31—which is the legal deadline for approving a 2004 budget—and to make "alliances even with the devil" toward achieving the "reform" demanded from abroad.

However, Vicente Fox had already made a "pact with the devil" from the moment he allied with Elba Esther Gordillo. Gordillo, who was deposed from her post of coordinator of the PRI legislative bloc in the Chamber of Deputies following a rebellion of the majority of deputies she commanded, is also the general secretary of the PRI and leader—until now the omnipotent leader—of the powerful National Union of Education Workers (SNTE). In the past months, a judicial investigation had been launched into her suspected intellectual authorship of multiple assassinations of SNTE leaders who had opposed her iron rule. She was exonerated by that investigation.

The political power Gordillo has accumulated is owed to

former President Carlos Salinas de Gortari (1988-94) who, as his first act in office in January 1989, fraudulently jailed the head of the oilworkers union, Joaquín Hernández Galicia, for opposing privatization of the state oil company Pemex. Under threat of the same treatment, the then-leader of the SNTE resigned, and withdrew to private life. Elba Esther Gordillo was thereby invested with the political power she wields today.

Those actions on the part of Salinas de Gortari terrorized political forces within the PRI, forcing them to accept policies over the next dozen years contrary to Mexico's own historic tradition, including approval of the infamous North American Free Trade Agreement (NAFTA), and finally culminating in surrender to the PAN, the historic political enemy of the Mexican nation, heir to the enemies

of Benito Juárez who facilitated the installment of the pathetic Maximilian of Hapsburg as emperor of Mexico, and who gave cover to the Synarchist forces allied to European fascism of the 1920s-1930s. Today, following three years of government by the PAN in shameful alliance with the forces led by Elba Esther Gordillo, there is a new resurgence of the historic current of political forces identified with the general welfare of the population, characteristic of the Mexican Revolution and Constitution.

However, the "instinctive" reaction of these nationalist forces has generated, thus far, a merely defensive reaction. This can be seen in the alternative budget proposal that is currently being discussed in the Chamber of Deputies, oriented only toward making tax collection more "efficient" by reducing tax evasion, while "reducing privileges" in the spending of public officials.

This in no way touches the root of the national economic catastrophe: the bankruptcy of the international financial system which has imposed a heavy and illegitimate debt yoke on the physical economy. Nor is anyone within these circles discussing any viable programmatic alternative for the reconstruction of Mexico—with energy. That is the task of the LaRouche movement and particularly the LaRouche Youth Movement. Its mobilization is increasing after the victory it has helped to catalyze so far.

What's Holding Back A Nuclear Renaissance?

by Jim Muckerheide

Mr. Muckerheide is the State Nuclear Engineer for the Commonwealth of Massachusetts, and a founder and President of Radiation, Science, and Health, an international organization of independent scientists and policy experts knowledgeable about low-level radiation health effects. He is also Director of the Center for Nuclear Technology and Society at Worcester Polytechnic Institute in Massachusetts.

This article is adapted from a commentary the author circulated in response to comments by Sen. Max Baucus (D-Mont.) on the need to include support for nuclear power in the current energy bill.

In a letter to constituents in August 2003, Sen. Max Baucus supported his vote to eliminate the Federal loan guarantees to the nuclear industry from the Energy Bill, claiming that nuclear power is “a mature industry” that did not need or deserve “government subsidies.” At the same time, Senator Baucus acknowledged that the industry has no relevant experience on which to base costs.

We will answer Senator Baucus’s allegations point-by-point, shortly. But first, let’s frame the question as it should be framed: Nuclear power is needed to meet the essential energy and economic realities facing the United States and the world, which will have a population of about 9 billion people by mid-century, with growing aspirations and energy demands in the developing world. The major U.S. corporate and financial institutions must be recruited to lead the effort to construct the cost-effective nuclear power plants that the United States, and the world, need to provide for the future that our grandchildren will inherit. This mission is essential to avoid the potential international conflict and wars over oil supplies, economic strangulation, and environmental degradation.

How do we accomplish that? Senator Baucus’s arguments amount to excuses and failure to tackle the real issue. A response to the arguments in his letter can help us to see what needs to be done and how we can do it.

The Most Efficient Energy Source

Argument One: “Too Expensive, Not Competitive.”

Senator Baucus referred to the failed effort of the WPPSS

[the Washington Public Power Supply System in Washington state], and said it showed that “the nuclear industry” piled “cost overrun on top of cost overrun.” He said that “in the past, construction costs for many existing nuclear power plants have totalled substantially above the levels that would have made them competitive with coal and natural gas fired plants.”

The truth is that even the older generations of nuclear plants produce back *all* of the energy that was used to build them in less than two years. By mass, uranium fuel has 30,000 times the energy in coal. The High Temperature Gas Reactor will improve this energy efficiency by about 50%. And there is even greater potential in the “Advanced High Temperature Reactor,” which proposes to use the ceramic fuel and helium turbines of the gas reactor, with a liquid [salt] primary circuit, to reduce reactor/vessel sizes—using current materials and technology.

Senator Baucus fails to recognize that the costs of electricity from coal, oil, and gas power plants were substantially reduced, because of the competition from the 100 nuclear power plants that were being built in the 1960s and 1970s; and that the low costs of power from those nuclear plants today—providing 20% of U.S. electricity—are a major constraint on the cost of electricity from fossil fuels.

Further, Senator Baucus’s claim that there would be large government subsidies is also wrong. Loan guarantees are not subsidies, except as an insurance premium. But that insurance premium is being taken out against the risk (real or perceived) of a significant possibility that the government will fail to be responsible, that politics would intervene to fail to allow approved designs to be built on approved sites in a timely fashion. Price-Anderson insurance is, similarly, a trivial actual subsidy.

Argument Two: “It’s a ‘mature industry’ that doesn’t need government help.”

Senator Baucus argues that the industry does not produce accurate cost estimates, and on the other hand that it is a “mature industry,” that doesn’t need government help. You can’t have it both ways. Even if his statements about the lack of a basis to produce accurate cost estimates were valid, such factors would be the very hallmark of an immature industry. A “mature industry” is substantially defined by its ability to produce its product with firm costs and schedules.

We are not defending the nuclear industry’s behavior. It is short-sighted and self-serving in many ways. But that does not argue for the industry’s “maturity.” The nuclear industry itself is continually telling the Congress that it has no confidence in its ability to build nuclear power plants on a fixed budget and schedule. The very basis of the industry’s nuclear power campaign is to get government handouts, in order to justify “testing the licensing process,” and to build “first-of-a-kind” nuclear power plants.

Senator Baucus’s comparisons with U.S. cost/schedule experience are not valid, because that’s long-past experience



Muckerheide answers the arguments of Sen. Max Baucus, left, who, among other Senators, sought to knock loan guarantees for the nuclear industry's revival, out of the Energy Legislation now before Congress.

with one-of-a-kind plants. It does not reflect the recent, successful experience of building the two-unit 1,356 megawatt-electric General Electric Advanced Boiling Water Reactors (ABWRs) in Japan. These reactors became operational in 1996 and 1997 in just 51 months—with future plants projected to be built in less than 48 months, with firm costs.

The United States has not started construction on a new nuclear plant for 25 years! And it was often incompetent when it did—with WPPSS only being the worst. But there were some significant exceptions, proving that competence counts. A few utilities succeeded dramatically in achieving cost-effective construction: Duke Power under Bill Lee, which built the Catawba and McGuire reactors; and Florida Power and Light which built the St. Lucie plant, under leadership of Marshall McDonald, who was brought in from the oil industry, where he was building offshore oil platforms. And this was even while weathering the Nuclear Regulatory Commission-led plethora of design change requirements in the wake of the accident at the Three Mile Island plant in Pennsylvania. This so-called “lessons-learned” engineering produced out-of-control costs and schedules in most of the industry, in a period when interest rates were at their highest.

But even though nuclear is not a “mature” industry, the actual cost of subsidies to build new nuclear power plants is very small, compared to what is given to the so-called “alternative energy sources,” and even to the handouts which the oil, gas, and coal giants receive. For example, the Federal government takes out 1.7¢ per kilowatt hour from your utility bill, and gives it to the people who are building/operating windmills—even though in most cases a windmill won’t produce enough energy *in its entire lifetime* to build another windmill. Billions more dollars are channeled to subsidize methanol production.

Beyond the relatively minor significance of the experience of operating existing plants, the only thing “mature” about the nuclear industry could be claimed to be a substantial political presence; but again, the industry is generally and

regularly beaten by the wind industry and renewables, not to mention the oil, gas, and coal industries that have, and use, real political clout in their own self interest to aggressively promote their own industries. (For example, the gas industry’s self-promotion as “the clean energy.”)

The Nuclear Energy Institute (NEI, the nuclear industry lobbying group) has been unable to develop the ability to articulate the clear advantages of nuclear power, and it is seen from all quarters to simply be looking for government handouts, without even being able to articulate the necessity and public advantages of supporting the development of nuclear power, and developing a mature nuclear power industry! The nuclear industry misrepresents its own technology as being unduly hazardous because that produces billions of dollars in funds (and profits) from taxpayers and ratepayers and insurance companies for the industry. By going along with the myth that radiation is dangerous at any level, the industry then gets government contracts to clean up old nuclear production sites, and to treat and dispose of radioactive wastes—to levels of radioactivity that are far below naturally occurring radioactivity.

NEI appropriately reflects the timid and immature nature of the industry it represents, and the profits which public fears produce. Even if the nuclear industry could be considered “mature,” in any sense of the technology, clearly the current industry leaders are mostly timid people who must maximize current profits while shunning all risks. Such “leaders” cannot be expected to propose to build anything without hand-holding and direction from Washington.

We have also to recognize that there is now no established regulatory capability in place, which is a further hallmark of an immature industry.

What Needs To Be Done?

What could be done to take the current weak nuclear industry—and no leadership from government—and turn it around? Some of the steps include improving the current certified plant designs to be more cost-effective; implementing new generation plants, especially gas-cooled reactors based on the inherently safe 40-year-old ceramic fuels; and establishing a government-led effort to engage the major energy-using and producing industries to create the economic framework to develop the nuclear power plants, and other energy facilities, required to meet the economic and environmental needs of the public.

- **Certified plant designs.** We now have the experience to improve existing certified plant designs and develop new certified plant designs, to be built on pre-approved licensed sites. This could be done even now, despite the enormous unnecessary costs and delays that have been undertaken to certify current plant designs. (It is indicative of the immaturity of the industry that it takes more than a year to file for approval for an existing site; that is, a site that already has an operating nuclear power plant; and then a year for NRC review). Even

the current certified plant designs should contribute to our confidence that we can produce accurate nuclear power plant cost/schedule estimates; for example, the recent successful construction experience of the two General Electric certified Advanced Boiling Water Reactors (ABWRs) in Japan, which is now being repeated in Taiwan.

However, although there was substantial emphasis on optimizing constructibility, the design effort for the ALWRs (Advanced Light Water Reactors) did not address the unnecessarily high costs of the Light Water Reactor (LWR) designs. The design bases of these plants still implement the early plant design basis concepts that reflect great science and engineering uncertainties. They do not substantially factor in experience and knowledge that has been developed since.

• **New Generation Reactors.** Inherently safe ceramic-fueled reactors, such as the General Atomics Gas-Turbine Modular Helium Reactor (GT-MHR) and the South African utility Eskom's Pebble Bed Modular Reactor (PBMR), can now be produced. These reactors can operate at higher temperature, more efficiently, and the ceramic-coated fuel pellets provide their own containment, obviating the need for large containment structures. They can be build modularly. There is also a new Canadian design, the CANDU ACR 700.

But there are significant political-economic interests blocking more cost-effective nuclear power plant designs—not the least of which are coal and gas interests, including the railroads transporting the coal. And the nuclear industry itself will work against more cost-effective nuclear power plant designs in a misbegotten effort to defend its current Advanced Light Water Reactor designs.

These political constraints will work against the interest expressed by nuclear utilities Entergy and Exelon in considering the gas-reactor technology, in order to provide pressure to bring down the cost of nuclear power plants. However, while the design effort in Japan has produced estimates of building the next ABWRs at \$1,200-1,300 per kilowatt, the estimates that have surfaced with the proposition that the taxpayer would subsidize nuclear power in the energy bill, have returned to the high cost estimates of \$2,000 per kilowatt.

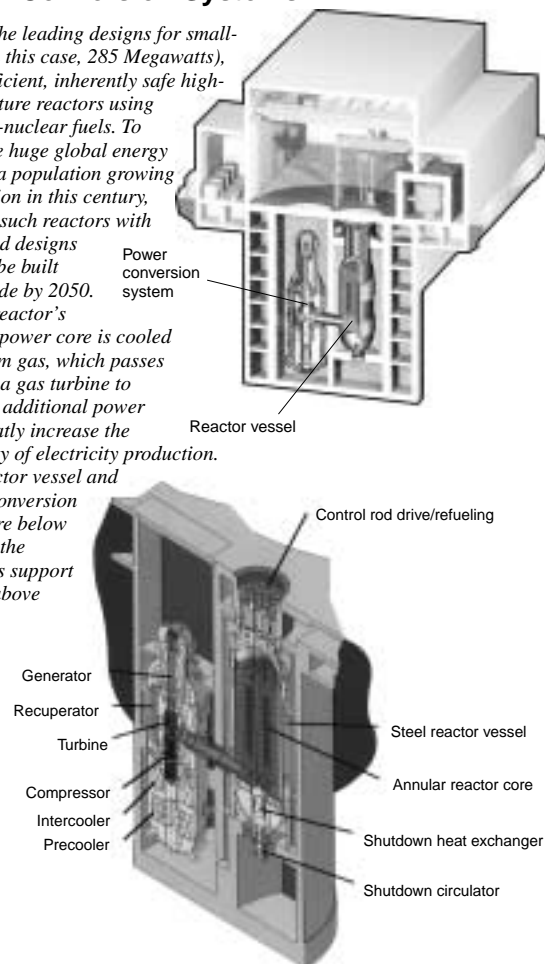
The State of the Nuclear Industry

Consider that the current “nuclear industry” is primarily a very small group (and getting smaller) of people that have mostly spent the last 20 years getting to just being able to operate existing power plants competently. With many other factors, it is clear that Senator Baucus' claim that nuclear power is a “mature industry” is not true. Of course, we could assume that, like Taiwan, the United States would have the good sense to hire the Japanese to build the ABWR in the United States. But unless we make that a matter of national policy and include the Japanese industry in our plans and commitments to build the ABWRs, it does not substantially

Cutaway View of the GT-MHR Reactor and Power Conversion Systems

One of the leading designs for small-sized (in this case, 285 Megawatts), more efficient, inherently safe high-temperature reactors using ceramic-nuclear fuels. To close the huge global energy gap for a population growing to 9 billion in this century, 5-6,000 such reactors with advanced designs need to be built worldwide by 2050.

This reactor's nuclear power core is cooled by helium gas, which passes through a gas turbine to produce additional power and greatly increase the efficiency of electricity production. The reactor vessel and power conversion vessel are below ground, the reactor's support system above ground.



Source: General Atomic

affect the political equation that shows the industry to be immature and unprepared to take the leadership role in implementing nuclear power in the United States.

At the same time, we have to fear that Congress would give a substantive role to the Department of Energy (DOE), which no longer has the nuclear expertise, or the nuclear will, that characterized the Atomic Energy Commission that had the expertise and long-term mission to develop nuclear power!

Unfortunately, the industry is sufficiently naïve to accept such a proposition. After all, the industry pushed Congress to make DOE responsible for spent fuel disposal. Some in the industry were unable to understand that such a proposition would likely be fatal to the future development of nuclear power; but others simply recognized that such future development was not their interest. These nuclear power plant operators do not have a substantial interest in building new nuclear power plants, or in meeting U.S. and world energy needs.

Such decisions are left to policy-makers, with the presumption that if and when any such national leaders were to promote nuclear power, the industry would then also get the support and subsidies that would construct high-cost, more profitable, nuclear power plants. They do not perceive the need to make a national commitment to produce a series of large-scale nuclear power plants, and then to mass-produce modular [smaller] nuclear power plants.

In addition, the nuclear power plant vendors, General Electric and Westinghouse, are shadows of their former selves. They primarily focus their lobbyists on looking for handouts from Congress. They are “cleaning up” with unnecessary billions of dollars being allocated every year to decontaminate, decommission, and remediate old government sites and nuclear power plants, and to undertake extreme, unnecessary, and highly profitable “radioactive waste management” programs. This includes the misrepresentation of radiation as hazardous down to zero doses. (See, for example, the author’s article, “It’s time to Tell the Truth About the Health Benefits of Low Level Radiation,” *21st Century Science & Technology*, Summer 2000.)

Therefore, Senator Baucus and the Congress are leaving the energy security of the nation in the hands of people who cannot implement this essential contribution to the U.S. and world economic and environmental sustainability. But, of course, we no longer have the technology expertise in government, as in the former Atomic Energy Commission (AEC), that actually developed nuclear power. So, in order for Senator Baucus and others to be responsible, the real question they need to address is the issue of how to create a responsible public policy that gets nuclear power built, but is not just Washington-directed hand-holding and/or a “government handout” to what they perceive is an industry, of plant operators with no construction experience, that is just looking for handouts.

In addition, the cost and political fallout on spent fuel storage and radioactive waste disposal is a product of an immature industry that has allowed, and even been complicit in, creating unnecessary political confrontations over issues that could have and should have been shown to be, and managed as, trivial factors, with no urgency for resolution. Unfortunately, the short-term outlook of an immature industry, combined with the enormous financial incentives to “manage” and dispose of spent fuel, has overcome any interests in providing a sound long-term public policy, and has even overcome the financial interests of the corporations themselves, much less the public, to provide cost-effective nuclear power plants as the essential energy source required to meet the needs of the 21st Century economy.

The Real Risk

We are at risk of impoverishing the developed countries, when current resources should have been geared to building the equivalent of 5,000-6,000 nuclear power plants by mid-

21st Century, to meet the needs for economic prosperity of a world with 9-10 billion people in 2050. Instead of fighting to sell and build one power plant at a time, the industry should be planning to produce hundreds of plants per year within the next 30 years.

I would also note that Senator Baucus’s response is especially disappointing because I would have considered him to be above the kind of disingenuous political rhetoric of his letter to constituents, that does not consider our actual energy supply and demand conditions at the beginning of the 21st Century, and the implications for the economic and environmental health, of the nation and the world.

The solution to the current impasse on energy is to have government leadership engage the economic, financial, and technology institutions with representatives of the energy-consuming industries. The charter would be to establish the economic framework in which to develop advanced technology; establish accurate costs and controls to site and construct nuclear power plants; and recommend initiatives in which industry and investor incentives are structured to assure that the U.S. and world economies obtain adequate supplies of energy to displace reliance on, and conflicts over, fossil fuel supplies and environmental costs, at the sufficiently low costs to maintain the international economy, support the developing world, and recover public (taxpayer and ratepayer) investments.

Kepler’s Revolutionary Discoveries

The most crippling error in mathematics, economics, and physical science today, is the hysterical refusal to acknowledge the work of Johannes Kepler, Pierre Fermat, and Gottfried Leibniz—not Newton!—in developing the calculus. This video, accessible to the layman, uses animated graphics to teach Kepler’s principles of planetary motion, without resorting to mathematical formalism.

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‘What’s Needed Is Leadership With a Sense of Mission’

Here is Lyndon LaRouche’s keynote speech to a Presidential campaign webcast in Washington, D.C. on Dec. 12, 2003, along with a selection from the questions and answers. The transcript was released by the LaRouche in 2004 campaign committee.

Since the new European currency was introduced, the value of the U.S. dollar has dropped by almost 50%, most of that directly under the present Bush Administration. In the most recent period, the rate of collapse of the dollar has accelerated, so that the most recent phase, short-term phase, has been a 20% collapse—and it hasn’t stopped collapsing, yet.

Think of it: A nearly 50% collapse in the value of the dollar, in terms of the leading world market. And it’s not stopped yet.

The current account deficit of the United States brings us toward bankruptcy. The insane policies of the present administration, in terms of budgetary policy, tax policy, and so forth, have brought the nation to bankruptcy. It is worse than that: We are now in a crisis, which, fully is as serious as that which Franklin Roosevelt faced in March of 1933.

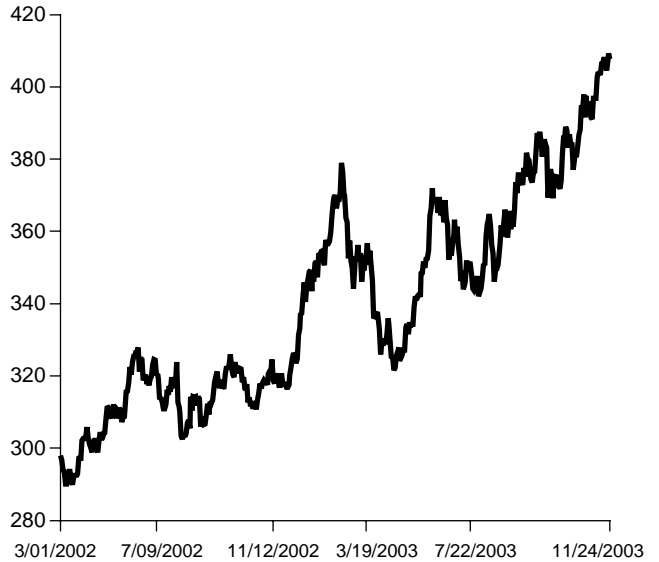
Worse, the structure of infrastructure in the United States: Probably we have a capital deficit of about \$4 trillion, minimal, in basic economic infrastructure. We’ve lost railroads. Where have you seen a railroad recently, outside a museum? We’ve lost power generation and distribution. And where we have it, we have Enron-style pirates, who are mismanaging it. We’ve lost water management. We’ve lost our health-care system, a catastrophic collapse in health-care system, under the combination of recent developments in general, but also simply the collapse of hospitals, as in the willful collapse of D.C. General here in D.C.

We’ve lost an education system: We do not produce qualified students from high schools and universities any more. And there’s a reason for that: We produce people who pass tests, but the tests are rigged. An idiot could pass them—and does,



LaRouche opened his Dec. 12 webcast from Washington with the warning that the Bush Administration is now lying about an economic “recovery” the way Cheney lied about “Iraq’s nuclear weapons”; and that the accelerating dollar collapse shows “We are now in a crisis, which fully is as serious as that which Franklin Roosevelt faced in March of 1933.” Chart shows the accelerating rise in gold price against the dollar.

FIGURE 1
Price of Gold
 (Dollars per Troy Ounce)



Source: New York Comex

often. Because the system is designed that way. We don’t have teachers to teach. We don’t have programs of education that are worth anything, in general, with very few exceptions.

So, that which made the United States once the leading producer society of the world, at the close of the Second World War and beyond, that has gone.

We should remind ourselves of what happened with ancient Rome, following the Second Punic War, that is, the second war against Carthage and Tunisia, and so forth; and the following period, the conquest of Southern Italy, the conquest of Greece and so forth. Rome was transformed from a place which produced, largely farmers—the military system was based largely on farmers, with a volunteer reserve system, essentially. All that ended. Rome changed its character under the Caesars, after a period of civil wars. It introduced large-scale slavery. It reduced the population of Italy to living largely on what’s called “bread and circuses,” *the way the majority of the population of the United States is living today!*

We are in a *post-industrial* society, which is decaying. The situation of the lower 80% of our family-income brackets, since 1977, has been plummeting. There has been no recovery in the U.S. economy! The report of a 7% or an 8% growth recently, *is a lie!* The government, this government, as usual, *lies!* The way they lied, or Cheney lied, with his associates, to get us into an unnecessary war, which we don’t know how to get out of, in Iraq, today.

Soon, this collapse will hit, with full force. Soon, we will

experience events which remind the press of what occurred in 1929 to 1932: We are going into something *worse* than a depression; we’re going into an economic breakdown crisis, globally.

The situation in Europe, or continental Europe, is not as bad as it is in the United States. We’re a parasite nation. Japan prints money for us, to keep our stock market from collapsing! Europe has been investing capital to keep our markets from collapsing. We are a parasite nation! And the people we suck upon, to support ourselves, are running out of the means to continue to support us. The entire world, the entire present world monetary-financial system, is in a terminal state of collapse.

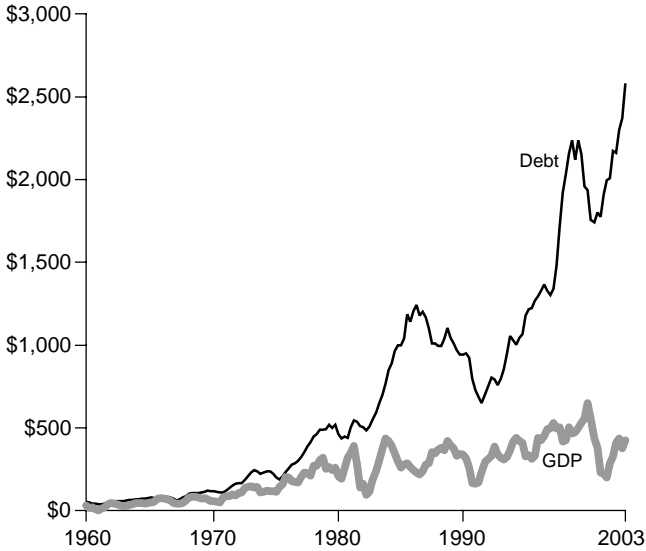
There are solutions for this: In general, the solutions follow the pattern that was followed by Franklin Roosevelt, from 1933 on: the same state of mind, the same policy, the same kind of outlook. The solutions are a little bit different—and the challenge is much greater. The danger is much more severe.

There’s no way that we will get to the November 2004 election, with the United States which continues to represent what most foolish people believe it represents, at this moment today. This will not happen months down the line: We’re on the verge of a total collapse. The breaking point could come at any moment. It could come in your Christmas stocking—or in the hole in your Christmas stocking. It could come later, because the ability to print money indefinitely, and using elec-

FIGURE 2

**Rise in Debt Outpaces Rise in GDP
Year-Over-Year Growth in Debt and GDP,
By Quarter**

(\$ Billions)



Source: Federal Reserve, Bureau of Economic Analysis

The U.S. “recovery” of GDP growth is nothing but indebtedness.

tronic means, as well as printing-press means, does give governments the ability to postpone a collapse which is already onrushing. Such methods of postponing a collapse, however, only make things worse. But, we’re in that period, at which, in a fairly short period of time, in the near term—during the course of the coming year, if it doesn’t happen before Christmas—this thing is going down!

Now, I’ve been discussing this with people in Europe, leading people in Europe—bankers and others—and their view of the United States is much franker, much more accurate, than you get from here: This is coming down. It’s coming down, soon.

And, it’s coming down, among other places, in Washington, D.C., where this primary is now in process. And by Jan. 13, we’re going to have a somewhat different world than you have today, not merely because of the primary.

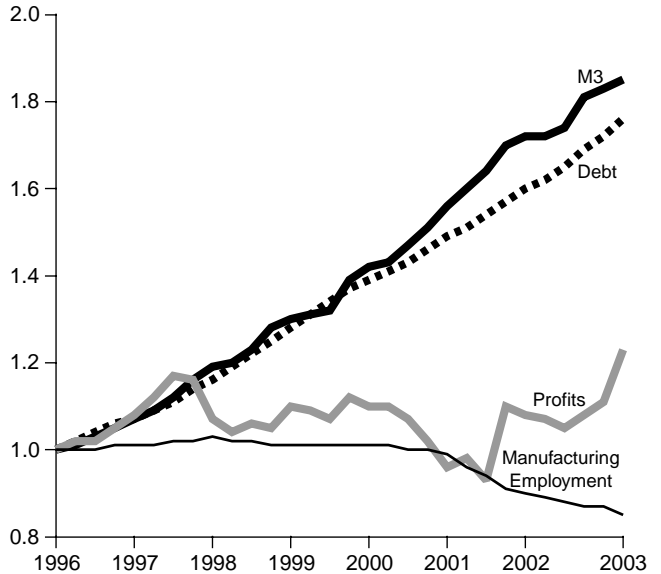
But, let’s look at this world situation, and then turn, at the end, to the solutions, in terms of the experience of Washington, D.C.: both the Executive branch, which is here, or centered here; the legislature here, the Supreme Court—which I don’t know where it is, but it’s supposed to be physically/biologically here.

And look at the thing from these two standpoints: The poor, the massive poor, of Washington. The ones who were told, “Go off and die!” in the Spring of 2001, when they

FIGURE 3

Changes in Triple Curve Components

(Indexed to First Quarter 1996 = 1.00)



Source: Federal Reserve, Bureau of Economic Analysis, U.S. Dept. of Labor

LaRouche’s Triple-Curve “collapse function” of the U.S. economy is shown in these empirical data since 1996: The real economy is constricting, as in employment and profits; while financial aggregates (debt) and money-printing expand rapidly. Worse, since 2002 the money-supply growth needed to sustain the financial aggregates of debt, has been growing faster than the debt itself—a potential for hyperinflation.

shut down D.C. General Hospital. They said, “Go away, and die! Go across to Maryland, to Anacostia. Get outta here! We have a big speculative plan along the river-front. We’re going to use that hospital site, for a big this-or-that.” And the rich fellows in Washington, D.C., who really run the *Washington Post* and run the government, as sort of a private club, will make a lot of money on the speculation, on the kinds of projects we have planned, along the riverside. “And we’ll get the poor people outta here! Where you won’t see them.”

That’s the attitude. And it’s happening in Washington, D.C. On the one side, the government, which is indifferent to the reality that faces the people of this area, the population; and the people themselves, who look at the government with a sense of hopelessness: “We live here. We don’t know where else to go. What’s going to become of us? *Nobody cares.*”

And the government is responsible, because the government put this city into receivership, this District. The Federal government took over the city, through the Congress. They deprived the city of any sort of degree of real self-government. Then, they collapsed the facilities of the city, which are all

being broken down—all the security services, the fire service, the police service, hospital service, and so forth: all breaking down. And they managed it. And they created this mess, insofar as it affects the people of this District. They're going to be confronted by this.

And this primary campaign is the opportunity to *confront* the Congress, with its responsibility, or its *irresponsibility*, in dealing with the situation of the people, who you see, as a foreigner, coming to visit the nation's capital. This is the image of the United States, in the world: A United States, which has, since January of 2002, since the President's State of the Union message, and that magic phrase, "axis of evil," was uttered by him, the attitude toward the United States, around the world, is at a low level not matched in memory! The past two years have been Hell, for the reputation of the United States, in the eyes of the world—and it's getting worse, day by day.

So, that's the situation we face.

Roots of the American Republic

How'd this come about? To understand people, you have to get beyond the usual kind of talk about politics. You have to get serious. You have to look at history. We're talking about essentially—the United States is an essential part of the long span of European history. It goes back to the time that ancient Egypt, through its culture, contributed to a group of people, who later became known as Greeks: the beginning of what became known as Greek civilization, and particularly Classical Greek civilization. That became European civilization, over 2,500 years ago: the time of such figures as Thales, and Pythagoras, and Solon, and so forth. We are part of the continuity of European civilization, which has certain special characteristics.

And to understand ourselves, even if we're immigrants from different parts of the world than Europe, we reflect in ourselves, the transmitted effect of the history of this European civilization, from over 2,500 years ago, to the present time. We live in the shadow of the Great Pyramids of Egypt, as European civilization. And you have to go back to that point, to understand what we are, what our potential is, and what our faults are, and our errors have been.

Similarly, you have to understand the situation here: The United States was created, largely, from the support from Europe. It was created by people who settled here, the Massachusetts Bay Colony, the Winthrops and the Mathers. It was developed around the followers of the Mathers, that generation: Benjamin Franklin.

In the middle of the 18th Century, the British monarchy had defeated the French in a war. This war gave the British imperial power, through maritime and financial power over the world. It had conquered India, in the process, or nearly conquered India, in that period.

The British were then challenged by principally one state in Europe: France. The one power which was just defeated

by the British, in the treaty of 1763. But, at that point, Britain was taken over, the leadership of the British East India Company—the company, which *as a company*, had conquered India! Subjugated India! A company! Not a nation, a company. The army was a *company* army. Like the type they're trying to put into Iraq, today. The company, not the nation, not the national military forces.

Well, this company, which was headed up politically by a fellow called Lord Shelburne, in 1763, made a decision: Number 1, he was determined to prevent the development of the English-speaking colonies of North America. Second, he had a long-term commitment to the destruction of Britain's chief rival, France.

In this process, in this period, leading intellectuals of Europe, including from England, concentrated on the figure of a bright genius, in our country—Benjamin Franklin—and began to give him the support he needed to prepare what became the United States for independence. The greatest intellectuals of Europe participated, through Franklin and similar people, in doing that, created this nation. The nation was led by a youth movement, young people, like the 18- to 25-year age-group here now; were the people who were organized around Franklin, and typified by young Lafayette from France; or young Alexander Hamilton; or Jefferson, or all the other leaders you know of from the history books of the 18th Century: These were all part of a youth movement, led by Benjamin Franklin. And with George Washington somewhere in the middle, there, along the line.

They focussed on, at that time, from Europe, on bringing forth, in North America, a true republic, hoping thereby, by establishing a republic here, that the effect of that would reverberate back into Europe, and help Europeans to free themselves, from the Anglo-Dutch Liberal and Hapsburg tyrannies, which dominated Europe at that time.

So, we were a nation created with a mission. We were given a Constitution, under these circumstances *the only Constitution in the world, which has survived, since the time we adopted ours*. No other nation has been able to create a Constitution, with the durability of our own. And that Constitution is an embodiment of our history. It's a Constitution conceived in the memory of Solon of Athens. It's a Constitution created in the memory of Plato. It's a Constitution, which was shaped by the influence of a then-deceased Gottfried Leibniz, the greatest scientist of the 17th and 18th Centuries; whose book, on the *New Essays on Human Understanding*, was the basis on which the group around Franklin conceived the policy on which our Constitution was premised.

That's what we were.

British Counterattack

But, then, the second phase of the British operation came into place, the British Empire, under Shelburne: the French Revolution. Now, the French Revolution, as taught to you in history books, generally, or by rumor or gossip, is a fake. It

never happened that way. The way the French Revolution happened, it started in the 1770s: The British East India Company, under Shelburne, created around Lyons, France, a group which became known as the Council of Ten; also known as the Martinist freemasonic lodge. This was run from London, and this is the group that made the French Revolution. Philippe Égalité and Jacques Necker, who organized July 14, 1789, were British agents, agents of Shelburne. Danton and Marat were British agents, trained in London, dispatched from London to Paris, who delivered speeches in France, written in London by Jeremy Bentham. It was succeeded by the Jacobin Terror—also a product of the Martinists. That was succeeded, in due course, by Napoleon Bonaparte, who was also a product of the Martinists.

And so, France was torn apart, and continental Europe was torn apart, from 1789 until 1815, with the Vienna Congress, which was a bad system.

We were isolated during that period, which is why George Washington told us not to get involved, entangled, in foreign wars at that time, or foreign affairs. Not because we were against being involved in foreign affairs, but because he understood—as every leader understood—that the situation in Europe was one we should stay away from: It was a sinkhole!

So, we went through a period—slavery was spread, again, in the United States, when we were about to get rid of it. We had Presidents who were traitors: Martin van Buren was a traitor! Jackson was a stupid fool, who worked for him! The Land Bank bankrupted the United States—Martin van Buren's idea, implemented by Andrew Jackson. Polk was a traitor. Pierce was a traitor, President Pierce was a traitor! Buchanan was a traitor. And a few people, associated with our military, with West Point and other places, managed to keep the United States together, centered around a great diplomat, a great statesman: John Quincy Adams. And John Quincy Adams had picked, among his protégés, one young man, who played a key part in opposing the war with Mexico: Abraham Lincoln from Illinois. And Abraham Lincoln didn't go away. He came back, as President of the United States. *And he saved the United States from destruction, by his unique role of leadership.*

We emerged from that war, the Civil War. We emerged as a powerful nation. Britain had repeatedly conducted wars against us, directly and indirectly, trying to destroy us. The Hapsburg interests in Europe, the Spanish and so forth, had attempted to destroy us, in the 19th Century. The Spanish, for example, were the biggest slave-traders of the early 19th Century, and continued that practice until late into the 19th Century. The Spanish monarchy was one of that group in the 19th Century, which supported the Confederacy; which, with the British and the French, invaded Mexico, while we had a Civil War, and put a dictator in there, Maximilian; imposed a tyranny, which was really a fascist tyranny, upon Mexico, at that time.

But, we emerged, in 1865, as a power. Under Lincoln, we had built the railroads, completed the great project of building

the railroads. We had opened up the development of the West. We increased our economic power, and our unification of our nation, from the Atlantic to the Pacific, to such a degree that no power on Earth would ever *dare* to attack the United States, from that time, until recently.

At that point, foreign forces relied upon corruption. Lincoln was assassinated. The actual investigation of the assassination was aborted, because there were U.S. forces, as well as British forces, behind the assassination.

We went on. McKinley was shot—similar process: Get rid of a President. A man who was a product of the Confederacy, Teddy Roosevelt, became President, by the virtue of the shooting of President McKinley. Taft was Taft. But after him, was a man who was an heir of the Ku Klux Klan—Woodrow Wilson, who was brought into power, by aid of Teddy Roosevelt; who gave us the Federal Reserve System. And, Woodrow Wilson, the “great Democrat,” organized the revival of the Ku Klux Klan by an appeal from the White House. That's how the great Klan movement of the period of World War I, through the 1920s, was organized: by Woodrow Wilson, the “great Democrat.” And under these policies, and policies of Coolidge and Hoover, and so forth; and, Mellon, du Pont, and Morgan, the United States was headed into a Great Depression, along with Europe.

And a great patriot, Franklin Roosevelt—no similarity to his cousin: Franklin Roosevelt traced his ancestry to Isaac Roosevelt. Isaac Roosevelt was a banker, a New York banker, who was personally allied with Alexander Hamilton, against Aaron Burr. Roosevelt, from his childhood on, was a devotee of that tradition, of the Hamiltonian tradition of economics. At his graduation processes at Harvard University, one of the papers he delivered, was on that subject.

He was stricken then by poliomyelitis, or something similar. And, in recovering from polio, fighting back, with the aid of his wife, he refreshed his knowledge of his tradition, his American tradition. Becoming the Governor of New York, he prepared to become the President of the United States. And he stepped into the breach, and he brought the United States, like Lazarus, out of its grave, the grave that Coolidge and Hoover dug for it. He made us, again, a great nation, of which we were proud, up through V-E Day.

But we weren't so proud at V-J Day, because of those two unnecessary nuclear weapons dropped on the civilian populations of Hiroshima and Nagasaki. We went into a right-wing turn, under Truman. Truman was leading us toward nuclear war. The policy of this crowd in the United States at that time, was preventive nuclear war. We had developed the first operational nuclear weapons. We didn't have many nuclear weapons, because we'd thrown the last two, which were experimental types, on Hiroshima and Nagasaki.

So, we were occupied in developing the capacity for significant serial production of large numbers of nuclear weapons. The intent at that time was to drop them on the Soviet Union. But we didn't have the dropping means prepared, or the number of bombs prepared. But nonetheless, Truman

went ahead and bluffed. It put us into a great crisis in the United States, a big right-wing turn, which demoralized many of our people; put us through an unnecessary period of recession, in 1946-47; and got us, through tomfoolery, into a war! Because, the Truman Administration had assumed that, because the United States was *going* to have an arsenal of nuclear weapons, which it was *going* to throw on the Soviet Union, in order to bring about world government, under Anglo-American government, that everybody would cringe. But, the Chinese and the Soviet Union didn't cringe.

And while Truman was bluffing, one morning, the North Korean army came stovepiping down the Korean Peninsula, and the United States was left with almost no allies, sitting in Pusan, the Pusan perimeter at the southern tip of Korea. And, we'd probably be still there, if MacArthur, who was opposed to these guys, didn't make the Inchon landing, over the objections of many of the other crew, at the time.

But, about that time, shortly after that, the Soviet Union developed the first operational *thermonuclear* weapon—which meant the Truman policy of preventive nuclear warfare against the Soviet Union was out the window. That's the way we went!

So, then we dumped Truman, which was a good thing. And we brought in Eisenhower, which was a good thing. Eisenhower was opposed to this kind of military adventurism. He was—whatever his shortcomings may have been otherwise—he was a military traditionalist, who followed the American version of the Carnot-Scharnhorst version, of Classical strategic defense: And therefore, he was against the wild-eyed guys, who wanted to make war. He was a traditionalist. And we had eight years of relative security, and peace, and relief from the wildness of Trumanism and McCarthyism, under Eisenhower.

But, then Eisenhower retired, finished his term. Kennedy came in. Good man. A lot of potential, but didn't know the ropes, yet. He was hit by the Bay of Pigs, which really confused him, and put him into a strategic peril. He was hit by the Missile Crisis of 1962. He didn't really know what it was doing. He tried to learn the ropes by doing. Then, he saw MacArthur, at MacArthur's bedside, and he was told what the game was. He went back from that kind of discussion, with MacArthur and others, and told Robert McNamara, the lunatic (who's still alive, unfortunately), got that lunatic into the White House, and told him, we're not going into a war in Indo-China. We're getting out. He made that fool, on the front steps of the White House, give a press conference, and say, we weren't going to go into that war.

Next thing you know, Kennedy was dead. Johnson was terrified. And we went into that war—from which we have never returned. We're still there. We lost it there.

A Cultural Paradigm-Shift

What happened then, as a result of these experiences that the American people went through, our people—both my generation, and the generation which followed, the people

now in their fifties approximately; who are running the United States, largely, including my rival candidates, most of the them! Kucinich is younger. But most of these guys are Baby-Boomers, '68ers. They're running the United States: And there's where the problem lies. We had many problems, up through 1963 and '64. But, we were still the leading producer nation on this planet. We were the model for the recovery of Europe, and other parts of the world. We still had our tradition, with all the blemishes we'd acquired.

But then, *we lost it!*

We lost it, with what was called a “cultural paradigm-shift.” We were going to go from being a producer society, to a *post-industrial society*.

This brought us, of course, into Nixonism, especially after Nixon met with the Klan, in Biloxi, Mississippi. And he reformed the Republican Party, around what was called the “Southern Strategy,” a nice name for “Klan followers.” Under those conditions, with Henry Kissinger as the real President, followed by Brzezinski, another “real President”—the National Security Advisor—we then went to the logical succession: We went through the financial collapse, which was inherent in the ongoing policy, which was called the 1971-72 change from the fixed-exchange-rate system, which had served us very well since 1944, to a floating-exchange-rate system.

Under this system, the United States and Britain, through their banking institutions, began to dictate the value of currencies to other parts of the world. We drove the value of currencies down—like a panty raid: We moved in on a country, to the London market, we made a run against the currency. Then, we would tell the country in question, “You want relief from this run on your currency? Call in the IMF or World Bank to advise you.” What would the World Bank and IMF do? They would tell them to drop the value of their currency, “and then we'll let you out.”

“Okay, fine. We'll pay. We'll accept that.”

“Oh no! It doesn't go that far! See, when you drop the value of your currency, as we tell you, that means your creditors are going to get paid less. We can't have that. You will now create a new debt, which we will negotiate, which you will carry on your back. A debt, not based on what you are paid, but based on our instruction for you to cut your own throat.”

We then turned around, and used the leverage of this debt, to turn other countries, gradually, into slave labor *for us*. We shut down our factories, bit by bit. We shut down much of our farming, bit by bit. We destroyed our infrastructure. We let our infrastructure rot out. We destroyed our power generation and distribution. We destroyed our mass transit system. We destroyed our urban society. We became like the Romans, living off the backs of countries we had subjugated and people we had subjugated. We looted them.

And we let our own production go down. We didn't *want* to maintain our labor force any more. We closed down our factories. We closed down the opportunities for skilled, pro-

ductive employment. We didn't need education any more, real education, because our people weren't supposed to be productive. They were supposed to be entertained!

What's the definition of an industry, these days? Your community is bankrupt? No places of employment any more? Bring in a casino! The casino comes in, robs everybody in the place, and then moves on to the next spot. They specialize in robbing Indians. The Indians have been scalped again—this time by the casino operatives (who are generally gangsters from South Africa, and places like that; they know how to do that).

So, what happened is, that the generation which rose to positions of influence, since about 1963-64, under the cultural paradigm-shift, changed their character. And the older generation began to go along with it, particularly as they got older and more frightened, and said, "You have to go along to get along."

So, our national character changed. Our politicians changed, as younger people replaced older politicians. We became the politicians of a post-industrial America. The politicians of "bread and circuses." We didn't invest any more, in things that made us powerful before. We invested in the stock market! We invested in financial swindles: Look outside this area. Look into Maryland. Look into Northern Virginia. You're about to see the greatest wave of bankruptcy you've ever experienced: It's called a mortgage-based securities bubble, which is about to pop. And fluctuations in the interest rates on the international markets can pop that bubble! One percent change can pop the bubble. People are living in shrink-wrap-built tarpaper shacks, with plastic exteriors to make them fancy. These shacks are going, at mortgages of \$400-600,000 typically, in the area around here. What people are paying for acquisition of residence, as a percentile of their total income, is impossible!

What does it cost to have a place to live? What's the characteristic of homelessness in the United States? Real estate speculation has determined what it costs to have a place to live, a community in which to live. Most people don't have a sufficient level of income—especially if they work at Wal-Mart!—to be able to sustain a living, in a place. The communities are disintegrating.

So, what we're looking at, at \$400-600,000, or \$700,000, or even \$1 million, in terms of these shrink-wrap-built tarpaper shacks, dotting the former cow pastures of Maryland and Virginia, these are not worth that money. This is a purely speculative bubble, like a stock market bubble.

The interest rate goes up; reverse leverage takes effect; and shacks which were listed at \$600,000, soon are probably listed at \$150,000 on a resale market. And the person in it is bankrupt, and they don't throw him out, because they'd rather have him stay, as a squatter, than leave the house to be raided by anybody who happens to come through the neighborhood.

This is the kind of reality we're in!

Look at the real estate situation in this city, Washington,

D.C.—the same kind of thing. We have not designed our cities, as places in which people work, to make a living, and in which people can afford to live! We drive our people—

Look at, around the country, for example: Go into Detroit. The population of Detroit has dropped by almost around a half. Why? No industry. We don't manufacture automobiles any more! We assemble sub-assemblies from all parts of the world, and we don't know what some of the components are in those assemblies.

You used to be able to go to a parts shop, and get a part, specified for that particular vehicle to repair it. If you couldn't repair it yourself, you had a mechanic repair it for you, at the local gas station or some other place. You can't do that any more. He doesn't know what the parts are in that thing: It's an assembly. You want a replacement, you've got to buy the whole assembly.

So, we are no longer a productive nation.

America's Real Power and Potential

So, we've come to the end of that road: Therefore we have to go back to becoming a productive nation. What's going to happen is this: There is no possible way, that the outstanding debt of the world can be paid. It's impossible. If you try to collect the debt, the outstanding debt, of the international financial system, you will have to commit mass murder, because the money doesn't exist. There's no way you can settle that debt; it's too much; it's gone on too long. There's no productive force.

So, we're going to simply have to cancel all that debt. We're going to have to put the world through bankruptcy reorganization, in a way that Franklin Roosevelt did, but it's going to be a tougher one this time. Roosevelt revived the economy with an infrastructure-building program. We have a much tougher problem before us, in infrastructure. We had a sweet dream of a prosperous economy, in '32, compared with what we have today, when it comes to production.

Now therefore, the task is this: The advantage of our system of government, is embedded in our history, and in our Constitution, as the history is embedded in our Constitution. We have the only Constitutional tradition on this planet, which is capable of dealing with this kind of problem; because we have a Presidential system, not an Anglo-Dutch Liberal parliamentary system run by bankers, as they do in Europe. Europeans, today, have some good ideas about what to do; but they don't have a conception in general, a political conception, of a form of government, which is capable of dealing with this kind of problem. We, in the United States, if we recognize our tradition, *do*.

Now, we're bankrupt. Most of the world now *hates* the United States—one of the great accomplishments of the current Bush Administration. We don't have any friends any more. "Good!! Here we are! Got rid of them!! No more friends." You know, the President just affirmed that yesterday, on the case of Iraq: "We have no friends in Europe! We



Capital's Presidential primary in hot phase: Democratic leader Barbara Lett Simmons speaks to one of the ongoing Washington, D.C. town meetings organized by the LaRouche Youth Movement, with only weeks to the Capital District's Presidential primary with LaRouche, Dean, and three others on the ballot. Simmons had the distinction as the only Democratic Elector of 2000 not to cast her vote for Al Gore.

say, 'Go away!' We want to steal from Iraq. It's all ours. We stole it, fair and square!" The President hasn't got much in the way of brains, but he's got a mean spirit, and that stretches a long way. And he's not really responsible for much of the mess; he's not a responsible person, by intellect or other attributes.

But he's still the President, so we'd better deal with that fact. Cheney's another question.

So, this is the kind of situation we face: We have one value, in the world at large. And, I can tell you, with my travels abroad, everything I know about the world, and I'll tell you a few things about where we might be going, optimistically, in the world: We have a great advantage, that we, in our history, have something to contribute, by our history, by the character of our original Constitution—the only one that's survived this long is ours—to prod an element of leadership, among nations brought together to deal with this great international financial crisis, that we, in the United States—a President of the United States—if I am the President of the United States, today *it could happen!* If I were the President of the United States, at this moment, *it would happen right now!*

If I were the President of the United States, right now, with the people I know in Europe and various other places, and I called for an emergency conference of heads of government and state, on the question of monetary reform, they would come on the next plane. And we would have something worked out, on an emergency basis, to control this crisis, within the next 48 to 72 hours.

That is where the power of the United States lies. Not the power of bullying; but the power of what we were created to be. We were created to be a true republic, on these shores of

North America: to become, as Lafayette said, "a temple of liberty and beacon of hope for the benefit of all humanity." Our Constitution, our tradition, has that embedded in it. If we can summon ourselves, in a sense of these forebears of ours, and their intention; and if we understand the world, its problems, and what it can represent positively, we, from the United States—a President of the United States—can, as Roosevelt did in his time, lead the United States out of this mess.

Fortunately right now, we don't have a Hitler. Roosevelt, by the time he was inaugurated in office, Hitler had already been not only inaugurated, but had been installed as a dictator, as a result of what happened with the *Reichstagsbrand* [Reichstag Fire]. We don't have that yet. We had to go to war, over that one, because Western Europe was dominated by the spread of what we called "fascism," then; called "Synarchism," now. It was something that Roosevelt's enemies—the Mellons, the du ponts, and the Morgans—had helped to put into power in Germany. And the only reason that these guys supported Roosevelt, in fighting Hitler—the same reason that Churchill went to Roosevelt, to fight Hitler—is because these English-speaking guys didn't want to be run by a German tyrant. They liked the system, but they didn't want to work under that guy, which is why we had some of the things happen to us, that happened to us.

But, we're now in a situation, where we don't have a tyrant overseas. We do not have a serious enemy, outside the United States. Our biggest enemy, is, fortunately, right here at home! It's here! We, we are the enemy! So therefore, if we can control ourselves, we have no significant enemy on this planet.

I'll tell you, for example, we just had some Duma elec-

tions—parliamentary elections—in Russia. And some friends of mine made it, rather seriously. Now, we’ve been discussing with people in France, in Germany, in Italy, in Russia, in China, India, so forth—I’ve been involved in this for some time. These discussions are very clear. We understand one another! If I were the President of the United States today, *those* discussions, and *those* relationships would come into play, immediately, to get us out of this mess.

Rebuilding the Economy

What we have to do, is create a new monetary system, which will function largely on the basis of the most acceptable precedent, which was the original Bretton Woods system of 1944-45; that would get us through. We have to launch a tremendous infrastructure-building program in the United States. We must earmark \$5-6 trillion, over the coming period, for rebuilding infrastructure. We’re talking about—remember, the U.S. economy is rated at about \$11 trillion a year. So we’re talking about approximately \$6 trillion, at least, for the coming period, of capital investment: in power generation and distribution; in water management; rebuilding the rail system; mass transport, generally.

Build a mass transit system, so we don’t use superhighways for parking lots, at rush-hour time. Use mass transit! You think cars on a highway is an efficient way of transporting, mass transit? Of course not! Efficient rail, or magnetic levitation, or monorail, all of these options, for long-distance, or intermediate- or short-distance, or intra-urban transport, will relieve most of the problems.

Now, remember, what it used to be like in the United States, before this catastrophe struck, before the paradigm-shift came, in the beginning of the 1960s: We used to have cities, and city planning would mean that you think of a city as a community; or a town as a community. Now, people live in that town, so you think of a place where people live. Now, you want to have their occupations, the places they work, and study, and so forth, within convenient walking distance, or some kind of convenient mass transit. So they can, conveniently and in a short period of time, less than a half an hour, preferably, get from one part where they live, to another part, where they work, or they go to school, or so forth.

So, we would organize a city as a community. We would build the infrastructure into it. We would think of having several different kinds of industries, in that city, so people could go from one place of employment to another place of employment. You could keep the family together. You would have dinner together, at night! You weren’t out on the parking lot, called a superhighway, waiting to get home, or running to your second or third job. One job per family, per principal wage-earner. A normal life. A normal school relationship. A normal education. A neighborhood, in which the children would feel safe, because the neighbors are also concerned about your children as well as other people’s children. You

have an implicit security system, in a good city.

We destroyed that! We destroyed it for real estate speculation. We destroyed it, when somebody took the Eisenhower conception of the National Defense Highway System, and decided to move out of the cities, destroy the cities, and move out to super-settlements outside the city; using the national highway system as a way of building up communities, putting up things like Wal-Mart, in the middle of a lot of huts, hmm? Shrink-wrap-built huts, called \$400,000 houses, or something like that.

No. We have to rebuild our society, as a productive society. We have to launch new industries. We have to use the space industry, as a science-driver, actually—not the way it’s being done now, but a science-driver program to develop new technologies: the use of nanotechnology, which is one of the important technologies; other technologies coming along.

So, we will have to employ people on a large scale, as Roosevelt did, in public works, based largely on either government—that is, Federal, or state, or even local government—utilities; or we will have public utilities which are chartered by state governments, like we used to have public utilities, for things like power and so forth: high-volume; certain large-scale government projects, to local public utilities. People can invest safely, their savings, in these kinds of public utilities, because we regulate the system, to make sure these things are safe for them.

So, we have a large scale of investment in this direction.

By going into public works, in this way, you, then, generate the market, which stimulates private investment. Now, one of the characteristics, and destructive features of what’s happened in the recent 40 years, is industry, big industry, is not really where our technological progress came from. Big industry tends to be Wall Street-oriented, corporate-oriented. It’s concerned with profit.

Actual technological progress tends to come from a person who is involved in a smaller industry—maybe 10, 15, 20, 50, 200 employees. These people are generally engineers, scientists, or something similar: just like the independent farmer, or multi-family farm of 200-400 acres, in the days we still had that kind of agriculture.

This is the person who uses their intellect, their creative powers to make an improvement in something. They devote their lives to it. They tend to build up firms, as employees or as owners, with the idea of passing the legacy of this accomplishment on to their descendants. They are the ones who invent things. For example, in Northern Italy, you have a whole stratum of middle-sized industries, which have very little association with large banking, large finances. They’re largely locally financed. They operate rather well, in the export area. They’ll move into a country, and rather than trying to dump a product in the country, they’ll go into the country, find some partners, that is, some prospective partners to work with in that country, work together, to combine the technolog-

ies they know, to produce a *joint* product, something which combines the capabilities in that country, with what they can bring in. And they *design* products to fit this opportunity. That's real entrepreneurship.

If you look around the world today, you used to find, in any large corporation, which produced a good product, you had a whole litany of supporting firms, which were high-tech, which produced the things fairly well, on which the large corporation's product depended for its quality—where the improvements came from. We have in the United States, we have destroyed that. We've done it in Europe—what you see has happened in Germany, in the past 12-15 years. When I was involved in Germany, say, in 1987-88, I was involved, heavily in the aerospace area, which was an offshoot of my involvement in the Strategic Defense Initiative. Many of these firms which existed then, and the supporting small industries which existed then, have disappeared. They've been wiped out as a matter of policy. A company like Daimler-Benz, which used to be a very good company, absorbed other companies, gobbled 'em up, and destroyed them, and then started to destroy itself, with these new kinds of new-fangled policies.

So, what is called the *Mittelstand* in Germany, is disappearing. Similar kinds of firms in France: disappearing. The large industries in Italy are disappearing. In the United States, that kind of industry is disappearing. But that is the *gut* of the way the government functions to provide the impetus of large-scale public infrastructure, together with the opportunity, through credit mechanisms and others, to promote the proliferation of these kinds of independent firms, who come in as bidding on jobs, which are spun out of these infrastructure projects.

We have to rebuild America, with an image of what it once was, when it was a better nation, but around the new technologies which are emerging now. In that direction, we can survive.

Now, on the question of foreign relations—and then, back to health care, again, which is a key one here.

No Need for Wars

We're in a situation where there is no need for war on this planet. Now, that doesn't mean that we shouldn't have a Classical concept of strategic defense. And, as some of you know, I'm committed to restore universal military service. For one reason, as Charles Rangel has proposed, because if your military does not feel that it's a part of the people, and the people don't feel the military is part of it, then, you really don't have a true Classical strategic defense capability.

Also, as we know from World War II, our great ability, relative to, say, German soldiers, was not the combat capability—they were much more skilled at combat than our people were. We improvised; we took people from the streets and farms; in 16 weeks and more, we took them out and made soldiers of them, and threw them overseas. Our achievement,

our power, was logistics. Our power is, implicitly, engineering. A good military force is based on an engineering capability.

And what we need now, is we need to transform a lot of our young people, who have not been qualified for serious work, to upgrade themselves. And therefore, we need various kinds of training and employment programs which will bring these young people into the mainstream of a new wave of production. We've got to get about 10 million people who should be employed, *employed!* The best way to get out of a depression, is have more people working at a higher level of productivity. If you're producing more wealth per capita, in a state or city, you've got the means to pay the bills. If you're cutting down production and lowering the pay-scale, and leaving a lot of people unemployed, you're going to find out that the people don't have the income to pay the bills, for the state and city. We have to do that.

But, around the world, we have a similar thing. A very interesting challenge. You have now emerging, on the continent of Eurasia, between Western Europe, especially France, Germany, Italy, and so forth, Russia in the middle, and South, and Southeast, and East Asia on the other hand. You have, in South, and Southeast, and East Asia, the greatest concentration of population on the planet. The greatest population densities on this planet, inhabited areas. We have in the middle,

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LaRouche told his webcast audience, citing the fight to get Dick Cheney out of office now: "My mission is not my ambition for 20, 50 years from now. I'm uniquely qualified to carry out a mission, the mission of a President of the United States, within the kind of emergency circumstance which we face now. . . . I'm willing and prepared to face the issues, that others are not willing to face. I'm prepared to take the risk, which others will not take."

a vast area, of Central and North Asia, very lightly inhabited, almost uninhabited, but with tremendously important natural resources, mineral resources, in that area. Resources which are needed by the growing populations in East, Southeast, and South Asia, as the population grows.

You have China, which has a policy of moving away from the seacoast, toward inland development, through infrastructure. China is the nation today with the greatest commitment to long-term, large-scale infrastructure projects, starting with the Three Gorges Dam. China is building a national railway system network, pretty much following the lines of Sun Yat-sen's design, almost a century ago. And there are many projects of that type. So, large-scale infrastructure, with the cooperation of North Asia, East Asia, Southeast Asia, India, so forth. Moving across from one side, the Atlantic side, to the Pacific side, across the Eurasian continent, technology flowing from Western Europe, into China and elsewhere, across Russia. With a Russia revived, contributing its knowledge of the area of Central and North Asia, with technologies which have been sitting fallow in Russia since the collapse of the Soviet Union; putting these to work, in partnership with Western Europe and Asia.

We have the great potential for a dynamo of growth, throughout the Eurasian continent.

We should be a partner with that. We have to our south: We have Mexico, and Central America, South America. *We have ruined these parts of the world*, especially in the past 20-25 years. *We have ruined our neighbors!* As our "Bad Neighbor Policy." We loot and suck the blood of Mexico, and

we complain about the fact that the cheap labor from Mexico comes over here to do our dirty work for us, or in Mexico. We have to change that. We have to go back to the kind of policy toward the Americas, that John Quincy Adams set forth in the speech that he wrote for James Monroe, called the Monroe Doctrine. We have to promote the security and development of a set of independent republics to ourselves in the Americas. And we have to, in this process, be partners.

We have to be committed to ending the genocide which the United States, Britain, and Israel are perpetrating against the population of Sub-Saharan Africa, now. They can not do it themselves; they've been looted to the bone. You have children, 10, 12 years old, carrying automatic weapons, fighting mercenary wars. It's a nightmare. You want to talk about their ability to pay, to rebuild their economy? Don't kid yourself. *We have to. We, in the Western Hemisphere, in the Americas; we, in Eurasia: We have to come across with some development capital for large-scale infrastructure to start these countries moving again—the way Franklin Roosevelt proposed in 1942, in Casablanca, when he laid this out. We can do it, and we have to do it. We have to give them the start—get the swine off their backs, the murderers, the genocide architects, off their backs.*

And then, under those conditions, *who needs a war?* We don't need a war. There's nothing we wish to conquer, except space, or ourselves, or our own follies. We need to be able to defend ourselves. The world is not yet quite that civilized!

But we don't need a war. We need to avoid war. We need to use the weapon of *progress, of economic justice, of hope,*

as the tools of diplomacy, to bring about cooperation, even in the toughest areas. Like the North Korea thing: It's not a difficult thing to deal with; not if we're rational. A rational U.S. government could deal with other people in Asia with that problem. It's not a great problem. *There's no reason for these wars.*

Israel, for example: There is no reason for not having *immediate* Palestinian-Israeli peace. No reason. Why? Israel is a nuclear hand-grenade, poised to be thrown at its neighbors. Now what happens to a nuclear hand-grenade when it's thrown? What happens to the hand-grenade? Now, even a hard-core right-winger in Israel knows, that what Israel is committed to doing, means the death of Israel, in the sense that Rabin understood this, and stated that in his time, before he was assassinated.

So therefore, under rational influence of U.S. policy, with cooperation of nations in the region, cooperation from Europe and Asia, we could bring about peace in the Middle East. There is *no* situation I know of on this planet, in which that should not be U.S. policy. The problem is this; the crisis of the United States is this: It's the same thing we faced with Hitler in the 1930s. This time, the Hitlers are here.

What's the problem? The United States has become a great parasite, a great parasite of financier speculation, as a power. Now, that financial system, that monetary system, is bankrupt. The question is, when the firm goes bankrupt, who pays? These fellows say, as they said then, "The people will pay. They'll pay, because we loot another country to pay these bills. Or, we'll loot our own people to pay these bills."

And therefore, the essential conflict is between the national interest and the financiers. Hitler was not a creation of a bunch of dummies in brown uniforms. Hitler was the creation of *bankers*: the head of the Bank of England, Montagu Norman; the banking firms of du Pont, Mellon, and Morgan, in the United States, who were allies of that. The Schröder bank in Germany, and so forth and so on. The bankers of this type, the private bankers, created Hitler, because there was a financial crisis, and under conditions of financial crisis, if the government is accountable to the people, it is the bankers that will pay, not the people. And therefore, the bankers say, "It's the people, it's the government, that has to go."

That's what you have with the Cheney phenomenon. What is Cheney? Cheney is a coup-artist. He's not much intellectually; he's a coup-artist. What's the bunch around him? A bunch of scum! They're fascist scum! Richard Perle, for example. Look at his history. The errand-boy of the Senator from Boeing. These guys are the fascists. They are determined to impose a form of fascism on the United States. They came close with Sept. 11. It didn't quite work. Ashcroft is a good approximation—his appointment was a warning that fascism was intended for the United States at that time. Cheney's the same thing. The people around him are the same thing.

The Democratic Party, the leadership, is either part of the same thing, because they're tied to organized-crime elements or similar kinds of elements—or because they're frightened. Kerry, for example, is frightened. Kerry's an intelligent rival of mine, but he's scared. He won't tell the truth. He won't do the right thing. I could use him in my government, but he shouldn't be President. Howard Dean shouldn't even be in the United States [laughter].

National Health Security

All right, let's get down to this final thing: this health-care situation. At the end of the war, some very wise people used such references as the model of military experience, military medicine, as a model for our health-care policy. We had about 16-odd million people engaged in war, in World War II, and the medical support for this was a lot. A lot of it was just ordinary problems; it was jeep accidents, or plane crashes, or sicknesses—like we had a real amoebic dysentery epidemic, and a strange disease called then "tsutsugamushi," in Burma, during that period. And we had a system, which had been developed by the experience of mankind in warfare from the time of Ambroise Paré back during the period of the Norman wars. So we used that, to say a good medical system can incorporate the private and public practices of medicine, in a single policy.

And you had a wonderful bill, called Hill-Burton, of merely a few pages—that was all that was required—which specified a mission-orientation, centered upon the institutions of hospitals, and similar kinds of institutions, to engage the entire medical profession, private practice and other, in a single effort, to provide a standard for improving the medical care and health security of the nation, on the annual basis, by simply counting the number of beds, and the staffing and support for them, in each county of the United States—each county setting an objective, so that the care would be provided.

This overlaps another area of health care, apart from the care itself—is, preventive health care, which laps into what's called sanitation. And this is an essential part of our security system. Now, right now, say in Washington, D.C., especially since the shutting down of D.C. General Hospital, the security system of Washington, D.C. is in grave jeopardy, increased jeopardy because of the shutdown of D.C. General Hospital. For example, who is most susceptible to infectious disease? Poor people. Who gets the disease? Everybody. Who tends to spread it most easily? Poor people. Therefore, adequate care, sanitation and care, of poor people, is the first objective of health security of any community or nation. It goes together with sanitation.

So therefore, the job of health care, from government's standpoint, is how do we make sure that this provision is met? What we did under Hill-Burton, we said: Well, we have public hospitals, like general hospitals, teaching hospitals; we have



LaRouche campaign spokeswoman Debra Hanania-Freeman show the webcast audience one of the DVDs of LaRouche's webcasts which the campaign is now circulating for meetings across the country. The candidate has presented a dozen major webcast addresses since January 2000.

various kinds of private hospitals, voluntary hospitals, clinics, and whatnot. Well, let's take a budget. Let's see where the money is coming from to sustain these institutions, both as they are, and as they have to be for the coming year. How many beds of what type do we require? What facilities, and so forth? How much is it going to cost? Where's the money going to come from? Well, you've got various health-care plans; you've got Blue Cross Blue Shield, for example; you have other facilities. You raise money by public appeal, as a fund, for a hospital fund, or health-care fund, which they used to do, before 1973.

And how does it work? Do you figure out what it's going to cost? No! You don't. You may do some actuarial estimates on this thing, but you don't do it on the basis of individual paperwork, on how you fund every inch of care!

The classic case is, someone falls down on the street, in the old days in New York, under Hill-Burton: Somebody says, "Call a cop!" Somebody else says, "Yeah, call a cop." So, somehow, mysteriously, a policeman arrives; he calls an ambulance; they take the person who's fallen in the street or somewhere else, and take him to the nearest emergency ward—I guess what you call a trauma center sometimes today. The person is treated, is probably put under observation in the center, and then, perhaps, is probably transferred to another institution for continued care. Somewhere in the process, in the days that follow, someone walks in, and says, "How is all this going to be paid for?" In other words, who's going to pay for it? Well, you got, in a lot of cases, no one's going to pay for it, because nobody can. What are you going to do? You're going to care for them anyway. You let the doctors decide what to do, what that patient needs, and that

patient will get whatever that patient needs. How's it paid for? Well, it's a percentile of the total cost of health care. So rather than trying to negotiate every iota of health-care costs, you have a system which can absorb people who need care, but who can not pay for it. You don't need all the paperwork. You don't need an army of accountants and thieves! HMOs.

But in 1973, under the Nixon Administration, we put through the HMO bill, which looked bad enough at the start; what it resulted in was a rotting out of the health-care system. And during the recent period, there has been an avalanche of *looting* of the health-care system. So, the United States today does not have national health security. We have not even taken up the question of preventive health care.

What do we mean by preventive health care? Just take one aspect of it. There are many aspects to it, but just one illustration, which any layman should understand: You go to a physician. You've got a problem. Now under the HMO system, the physician is hamstrung, because he's got to fill out forms by certain procedures. Then, he's going to make a diagnosis, and on the basis of the diagnosis, there'll be an approval for what kind of various clinical procedures will be applied, and treatment. And that's it!

Now, if the physician says, "Wait a minute. There's something going on here. I want an additional test for this patient, because I think this must be looked into; this must be looked into, because something might be developing here, which is not fully manifest yet. Let's look into it." Now, if you catch something *before* it becomes certifiable, under HMO, the cost of treating that will be a lot less than if you wait till the effect of that problem hits the patient. So preventive health care, and the provision of having preventive health care, is necessary.

How do you do it? Well, you do it with medical institutions, with physicians and other people of relevance. You simply say, do we have the capability of dealing with the kinds of things we weren't able to deal with before? What kind of procedures can we build into this health-care system to provide for this kind of thing? And you provide it. *It's a part of our national health security.* What's the national health security? It's the health of our people. It's just as important as protecting people from being shot. And even that's a problem these days, getting the care. So therefore, what we need is that.

Now, in the case of Washington, D.C., where we have enormous, grinding poverty, at present, among the majority of the population here, the health-care provision for this city, this District, is a matter of prime national security concern. Say we had an attack of something like SARS, hitting New York City. Who's it going to hit? Well, it will tend to hit the poor very quickly, who will be low resistance, probably badly fed, badly housed, and so forth, more susceptible. And then it will spread to everything else, as we saw with this anthrax scare.

So therefore, how do you defend the nation's capital against something which has the effect of bacteriological warfare? It may not be bacteriological warfare, but has an effect like it. You have built into the city, the capability of responding as it should respond, wherever something like this may be breaking out, and promptly dealing with it. That's your security system. This is certainly as important as any other security system, as law enforcement, or anything else, in protection of people. It's a part of our security. You look at the history of disease in European civilization, and that's what we see.

Strategic Issues of the Campaign

So therefore, here's where we are. We're now at a point, here today: We're on the verge of the greatest financial collapse known to any of you. And it's coming on soon. Unfortunately, none of the candidates I'm up against, none of the rivals, so-called, are prepared to even discuss it. They certainly have not discussed it in any of their so-called debates—which are not really debates, more clown-shows than debates, I must say.

So therefore, it has to be dealt with. There is a precedent. The only allusion, apart from what I've said about this, it was an offhand remark, in the course of a debate in New Hampshire, by Senator Kerry, who made a passing reference to the Mt. Washington, the Bretton Woods Hotel, where this famous Bretton Woods Conference was held. We're now at a point where we have to think about an international monetary reform, like Bretton Woods, now. And that should be number-one on the hit parade of any serious politician. The economic well-being of our people, and how we're going to provide for that, ought to be number-one on the hit parade of every politician. Say, "Don't talk to me about your little single is-

sues. About whether your neighbor is doing this or that. We don't want to hear about that. We'll let the local politicians take care of that." A man running for President, a woman running for President, must deal with the issues which are of primary importance for the security and future of the nation, and not get involved in all these little, local, social this and that affairs.

But these issues are not being faced.

The issue of war. Look, we all know now; it's out: *Dick Cheney and his crew faked the figures to get the war Dick Cheney had been trying to get, since 1991!* The war in Iraq did not start on Sept. 11, 2001. It started, essentially, in 1991, when Dick Cheney was pushing for that war, preventive nuclear warfare, as a policy. We all know it. We all know his crowd, the Lutis and the others, lied, bamboozled people, to get us into a war for which there was no reason! On a weekend! The UN Security Council was going to meet again on Monday and Tuesday, to deal with the question of Iraq. The President of the United States was *induced*, on the weekend, to go to the war in Iraq, pre-emptively, over the United Nations Security Council. We're now in there. Everybody knows there was no reason to be there. We're now in exactly what the military warned against. And what others warned against.

Let's give a picture of what this is. What we face is this: Since World War II, what has emerged, is not only nuclear warfare, and what that correlates with, but what's called asymmetric warfare. How does a nation deal, as we saw in Korea, or we saw more clearly in Indo-China, or we're seeing in Iraq now—how does it deal when it's invaded by a power with relative superweapons? The nation says, if it has military planning: Let them invade. Because when they invade, they're here; they're next door. They're down the street. They're a few feet away from me. At that distance, that proximity, *superweapons don't work.* You're going to throw a nuclear hand-grenade at the guy standing next to you?

So, on this kind of basis, what happens, as it happened in Indo-China, in particular, idiots went in there, after MacArthur had told people not to do it; others said don't do it—they went in there anyway. And they found that, aided by the Soviet Union at that time, even though China did not intervene, the attack on North Vietnam failed. Why? Because the Soviet Union advised the North Vietnamese how to fight that war. And the Soviet expertise, apart from superweapons that they'd developed, was *asymmetric warfare.*

Now people say this idea came from China. Well, it did, in a way, but the book that was used, Sun Tzu, was translated by the Soviets. So the Soviet military policy, as a result of the experience of Russia and the Soviet Union, with the First and Second World Wars, was asymmetric warfare.

Now we're talking about, today, about asymmetric warfare. That's what we're faced with in Iraq. *Asymmetric warfare*, which everyone who had fought in Vietnam—commanders and so forth, who had the experience—know about;

and warned against. But these idiots, Cheney and Company, went with them anyway. They went into a war which need not be fought! There was no reason, there was no problem in Iraq that required that attention. But, they went into a situation, where,—for a needless war, which put the United States in jeopardy, in asymmetric warfare.

Now we've got troops sitting there who are increasingly known as *targets*, targets of asymmetric warfare. You're sitting there. You have no place to go. You have no rear echelon. You're there. The enemy is all around you! Behind you, under you, on top of you! At firing distance, at close-encounter distance. You have no place to run for security.

Now, let's take that problem. Now, let's say the United States pushes toward preventive nuclear war, that is, war fought on the anticipation that somebody might *become* an enemy in the future. You're going to kill him now. What happens? What comes into play is not only asymmetric warfare, but asymmetric warfare with sophisticated weapons, including nuclear weapons. Now the guy you're fighting against is using nuclear weapons, or deep-diving submarines, not the big submarines which are targets for that kind of warfare. Missiles may fail, because somebody screwed up the GPS system, at just the time it's about to go off.

That's what we're faced with. An insane warfare for no purpose, except the purpose of these lunatics, and no one in charge, including my rivals in the Democratic Party, *are willing to take that issue on by name, and say, "Let's not do it."* They'll criticize the way the war is being conducted. They'll say it's too soon, or maybe they're second guessing; but stopping it now, before it goes another step? No! Dealing with the danger of the spread of war from the Palestinian-Israeli conflict in its present form? No! Someone has to say: "This stops, now! We retreat."

My Mission

And therefore, my situation is that. My age is not my great impairment. I'm able to function much better than my rivals. At least my brain still works!

So therefore, I have a mission. My mission is not my ambition for 20, 50 years from now. My ambition is my mission. I'm uniquely qualified to carry out a mission, the mission of a President of the United States, within the kind of emergency circumstance which we face now. My mission is rather unique to me, because of my experience, and I've been tested by fire a few times. I'm willing and prepared to face the issues, that others are not willing to face. I'm prepared to take the risk, which others will not take.

Take Kerry, for example. Kerry's problem is, he's like a Hamlet: Senator Kerry. Remember, Hamlet—as he expressed this in his famous Third Act soliloquy. He's a soldier, who puts his sword through somebody behind a curtain without a thought. He's willing to fight, and kill, and die on the battlefield, without a thought. That's his profession. He's a soldier!

He's out there killing. You know, slaughter Pollacks on the ice, and things like that: his favorite sport. But what frightens him? What frightens him, as he said, is the fear of immortality, the fear of what comes after death. He goes to death willingly, knowingly, because he's *afraid* of having to think about what comes after death. And that's the problem with a Kerry. Kerry was undoubtedly a courageous soldier, and probably would function as a courageous soldier, in a situation as a Senator or otherwise. But he would lose his nerve, or he has so far, like Hamlet, when faced with taking the risk of looking at immortality.

Well, an older guy than Kerry doesn't worry about that. And that's what you need. You need a dedication to a mission. And if you're dedicated to a mission, whether you live or not, in the conduct of the mission is not what's important. It's accomplishing the mission. And those who die, as Jeanne d'Arc died, for example, who complete their mission, can be satisfied with having lived: They can face immortality.

Those who do not have a mission, who can not face a mission, can not. And the problem with our politicians now, is they're incapable of accepting responsibility for that kind of mission.

What's needed now in the White House is leadership with a sense of mission. What is the problem? What are the problems, what is the solution? What can we do? What is the potential in our people, and people of other nations, to do it?

And, above all, to follow in Western civilization, which is European civilization, the legacy of Plato, the legacy of the Apostle Paul's *I Corinthians 13*: *agapē*. Out of the mouths of Plato, Socrates, and I Corinthians 13. It's not the law, it's not the rules that are important. It's not what you achieve in this or that which is important. Do you express, in your life, that love for mankind, which gives you a sense of mission, that you are an instrument expressing love for mankind? And that's what these guys lack.

Some of them will be useful, but they shouldn't be President. And by selection, by a process of elimination, I've been chosen to struggle to become the next President of the United States, soon.

Thank you.

Dialogue With the Candidate

A few of the most important exchanges from the hour-long question-and-answer session of the webcast are published here, from the full dialogue with LaRouche which is posted to his campaign website, www.larouchein2004.com.

Question, former Clinton foreign policy advisor: Mr. LaRouche, recent elections in Russia have been described in much of the American press as a setback for Russia. Some leading Americans, including former Vice President Gore,

have said that gains were made by a faction of the former Soviet political spectrum that he has described as reminiscent of national socialism.

One of the representatives of that grouping, a gentleman by the name of Glazyev, has appeared as a guest at conferences that you hosted in Europe. Can you give us a more detailed view of what actually occurred in the Russian elections?

LaRouche: Well, there are always a few caveats in a situation like that. What the process is, is this. Russia has made a transition from being a victim of the Bush Administration, and the Gore Administration under Clinton: Remember, Gore, interestingly enough on this question—and I think the questioner knows this—was involved in 1996 in the election campaign of Boris Yeltsin, then president of Russia; and Gore was involved in a gangster organized crime group called Golden ADA, in arranging the funding of the Yeltsin re-election campaign. So, Mr. Gore has no right to make any criticism of Russia today. Gore is one of the problems of crime, a supporter and accomplice of crime, which is the problem that the present change in Russia is aimed to eliminate. So Mr. Gore should shut his mouth. I think it would be better for all concerned if he'd just do that, once and for all. Maybe he can whisper to Tipper or something, if he feels like talking. But this guy is bad news.

History of the Change Underway in Russia

Anyway, what's happened is this. Russia was systematically destroyed—as the Soviet Union and Russia—actually in a process which goes back to the early 1980s, in which—I was involved in this. I had, from 1977 on, I had become aware—even before then, in 1975—that the Brzezinski crowd was aiming for a provocative nuclear confrontation with the Soviet Union. I got some of the details on what they were up to. And for that reason, I happened to run as candidate for President of the United States in 1976, with an improvised party called the Labor Party—a sort of a Whig party—and I exposed that the plan of the Brzezinski Administration under Carter had staged that provocation.

My exposing that, succeeded in doing several things. First of all, it stopped it, because the exposure caused a chain reaction in various circles that recognized what was going on, and it stopped. It also made me a target of Brzezinski and company. They wanted to get me killed, for doing such things. But then when Reagan became President, because of a certain personal contact I had with him; I met with his people, who were assembling their administration before the inauguration. And the point was for me to make a wish list of suggestions to the incoming government as to what I thought ought to be done. Among the things on my list was a proposal for what became known as the SDI (Strategic Defense Initiative).

I'd been working on this since 1977. The idea was that if the United States and Soviet Union could agree on the

development of certain technologies which existed scientifically, that in itself would not prevent a nuclear attack, but the fact that they had agreed to develop such systems would change the policy away from Mutual and Assured Destruction to a new policy. And this would work, particularly if we would use these technologies—which had multiple uses, shall we say—to help developing countries as well as benefit in terms of military application.

Reagan, who, apart from all his other problems, was actually a Roosevelt Democrat by breeding, was struck on this. On economics, he was unreachable. You couldn't touch him on economics; he was just gone. And also, of course, he adapted to Truman and the right wing, in Hollywood, famously, in the post-war period. But on this thing, the SDI, he agreed. There has to be an alternative to MAD [Mutual and Assured Destruction].

So, I was then put in a situation of back-channel discussion with the Soviet Union on exploring this possibility. Reagan at some point—I don't know exactly what point, I think it might have been around January of 1983—finally decided to go with it, and had a meeting with people to make sure that he would say in his speech—in a five-minute segment of his March 23, 1983 speech—that he would say in that speech exactly what I had been saying to the Soviet government in these back-channel discussions. He said it.

Well, Andropov turned it down. Yuri Andropov, the general secretary of the Soviet Union at the time. It was dangerous. Because Andropov was part of something rotten, and Gorbachov was part of the same thing. The connection to Gore was there already, because Gore was a creation of Armand Hammer, and Armand Hammer was a combination of American, Soviet, and British agent all in the one. Had been ever since something like 1919, or something like that. His father was in the jug for abortion, and he went over to negotiate with Lenin; and he became then a triple agent of the United States—through Morgan—the Soviet Union, and the British monarchy. And Gore was a protégée and a *creation* of Armand Hammer, so Armand Hammer's connection to the old Soviet system and his use in the matter is tied to this. This guy Gore practically qualifies as a Soviet agent. In the old days, you'd put him in the jug as a Soviet agent. But he was actually an Armand Hammer asset.

Andropov was part of a group, like the Gore group, which

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“Day of the Oligarch is ended,” LaRouche noted in answer to a former Clinton advisor’s question. Rodina (Motherland) party candidates who gained 9.1% of the national vote for the Duma, sign of a major shift in Russia: Seated are Gen. Valentin Varennikov and Natalia Narochnitskaya. Standing, Sergei Baburin, Sergei Shishkarev, Sergei Glazyev, Dmitri Rogozin, and Gen. Georgi Shpak.

were out to steal. They set up a system. Andropov, who moved in 1956, from the foreign ministry side of the Soviet system into the KGB side, set up a kindergarten of young Soviet talent—including Berezovsky, for example—who were sent for training by the British, and sometimes by the Americans, but usually the British, in Western financial methods.

These guys already at that time, seeing the Soviet Union as a lost cause, were plucking the chicken. And what happened is the Soviet Union went to hell, step by step, especially from 1985-86 on, because it was being looted from the inside by this apparatus which was associated with Andropov, who in the meantime had died.

Reaction Against the Looters

When the Wall came down and the Warsaw Pact fell apart, the Soviet Union began to fall apart. What happened is, a looting operation came from the British, the United States, and from inside the former Soviet apparatus of these guys, who later became known as oligarchs. Note they were stealing from their own country, and became billionaires. From being proletarians to billionaires, in a short period of time, by looting their own country.

And this has gone on as a power game, up until the recent

time. Russia has been a colony of the looters. But Russia is Russia, and therefore what’s come back is Russia.

Now, there are two Russias today. The Soviet Russia is gone. Communist Russia has gone, and it’s not coming back. The Communist Party is now largely controlled by the oligarchs. I guess like the U.S. Communist Party used to be controlled by the House of Morgan.

What Russia is today, as I know it—and I think I know it very well because of being on a hit list of the Soviet Union in 1976; and today I have many friends in Russia who know all about that, or a good deal about it—and because of my role then, I’ve gained a kind of influence and respect after the Soviet Union collapsed, when they recognized who I was and what I had done. So, the Russia today is essentially a Russian Orthodox Russia, not a Communist Russia, not a Soviet Russia. The typical people I know, including people who are the former heads of the KGB and similar kinds of institutions, are generally Russian Orthodox believers. And you generally get

two directions. One is the Orthodox of the type from Peter the Great, on; and the other is the Old Believers, but they’re Orthodox. That’s the characteristic of the institution. The central characteristic is not Communism, it’s not Marxism, it’s the Russian Orthodox Church and what that implies.

The struggle has been, especially with Putin, to try to make a transition. Remember, he is a former foreign service specialist with the KGB, who specialized in the Dresden and Saxony area on scientific, high-tech operations. He came up through Petrograd to become a significant figure in the apparatus. He’s an apparatus figure, but around him are all the institutions of Russia. The institutions of Russia are generally the scientific academies, the military, and a few other institutions. These are predominantly dominated by the Russian Orthodox believers, close to India, with a special relation to China, and so forth. They have been determined to get their country back.

Russian Policy, LaRouche’s Role

Russian policy under Putin has three directions to it. One, cooperation if possible with the United States. This is a Russian instinct. Once, the Soviet Union was a power, together with the United States. If the two former great powers can get together, maybe the rest of the world will have a change.

Policy number two, is close cooperation with Western Europe, especially Germany, France and so forth, in the development of Eurasia. The China policy, the India policy. That's clear. Third policy: If Cheney remains in power, or what he represents remains in power in the United States, then Russia will be prepared for thermonuclear war with the United States.

Three policies. Now we in the United States have to decide which we want. Do we want nuclear war, fighting against a whole group of nations, including Russia with some very sophisticated weapons, China, India and some other countries? Do we want, several years down the line, such a war? If we don't, what do we do? We talk to the Russian government on those terms.

If you simply tell the Russian government, assure them that I'm going to be the next President, we won't have a problem. It's a simple fact. Why? Because my relationship with this is: I was recognized as a genius by leading circles in Russia because of my work in economics, on what is called the science of physical economy; and they recognize that I have been right, where the Soviets had been wrong. And so a whole section of the scientific academies welcomed me.

For example, in 1996, I was invited to a meeting in Moscow with a group of celebrities of the Russian system. It was a public meeting, it was videotaped at that time, and the purpose of it was to signal to President Clinton that what I was offering as a policy of cooperation with Russia and so forth, was something they were offering to the United States—using me as a figure who represents my own policy, and they were simply endorsing what I'm saying as something they're interested in. And chiefly because of Gore and Gore's influence, things came against me and against that policy approach. Other things developed in the same period. So we lost it.

But that's still the same thing. I was invited by [Sergei] Glazyev when he was Chairman of the Economics Committee of the Duma of the Russian Federation, to give a presentation to the Duma. This was a major event. I laid out there—and in other meetings we had in Europe and elsewhere—laid out my policy. And that policy is the direction in which he's going, his circles are going, which is the direction I propose. That's one example of a number from around the world, of what happens if I'm President, and this is the policy which I tried to, shall we say, persuade people around the Clinton Administration to adopt. It's the right policy today.

In this case, don't sit back and say, what are they going to do? Predict what they're going to do? No. Why don't you take a hand in determining what they're going to do? Why don't you do the thing, knowing you have the options, when they're offering something which is in our interest, why not accept it? And that's the way to look at it.

What's going on, now, between the Duma elections, there will be a change in the composition of Russian politics. It's already started. The day of the oligarchs is gone. And that's what these guys are screaming about. They want to steal it.

Now they're going to a second phase in March, when the Presidential elections occur in Russia, in which Putin will be running for re-election. It looks as if he might make it, the way things are right now. That means that, by the end of March, the world situation will change—for many reasons, including the present financial crisis onrushing. It will also change because the Russian process of change of direction of government, away from the day of the oligarch, will have been completed, and you will now see a new Russia, with new commitments and new orders. And the ideas which Glazyev represents and where I have a lot of agreement with him, will be the ideas coming from there.

The policy of Russia will be, under those conditions, cooperation with Western Europe, based on a relationship to Germany and France, in particular; cooperation relations between Western Europe, China, India, Korea, and Japan and so forth, across Eurasia. This is the Eurasian development orientation. That will be the policy of Russia, as of March of this year. And that's my policy. Why not? I've been pushing it long enough.

A Political Movement in the Primaries

Barbara Lett Simmons: Greetings. Great speech, Mr. LaRouche. More history in that hour and a half than our students get in 12 years in school. I want to thank you for being on my education and learning radio station last week. I think you gave to Americans, to people in particular in D.C., some history in those 12 minutes that they hadn't received in their newspapers in the last six months, to say nothing of the last three years.

My question is one that you answered on the show, and that had to do with the primary in the District of Columbia, the first primary in the 2004 election year. We all know that the Democratic Party is resistant to change. Who knows it best is Senator Levin from the state of Michigan, who tried desperately to get some consideration of a resolution in the DNC meeting, to simply *revolve* the first primaries, so that no one state cast in concrete, such as New Hampshire and Iowa, would always be the first primaries. Those two states, as any of us know looking at the demography, are not at all typical of American states in general; and why they would use these two unique ones to always be the kind of cast in stone, is illogical, imbecilic, and I haven't figured out why, when you've got a dumb idea, you keep perpetuating it.

Anyway, Senator Levin got absolutely—they wouldn't even consider it. It wasn't even up for discussion! You know, Levin is a very respected Senator. And, as Senators go, in our present Senate, we all know that he's one of the better ones.

The D.C. primary has been legislated by our city government. Now, we all know that there may be some questions as to whether elected officials have any right to introduce legislation that will, in fact, bear upon a party's official program. They did it; and we know that the national Democratic Party did not approve of it.

I believe that it was done for the same reason that I did not cast my Electoral College vote, in 2000, for Mr. Gore. Because all of us, as educators, know that there is a window—a particular window that may never open again—for information and knowledge to take place. The master of that is Mr. LaRouche; and he's always seeking to fill that window when it occurs—because it occurs for different people at different times. . . .

I was trying to seize upon that brief window to educate people, not only here in the District, but across this country, that the District of Columbia is a colony—has been; continues to fulfill all the responsibilities of citizenship, but fails to receive the privileges of citizenship, such as having representation. . . .

So the Primary will be held. And I think it's terribly important that people participate in that primary. That voting—we have to put this in the context of what black people in this country, in particular; and all people in this country, in general, know: that the vote is a terribly significant weapon.

The mission of the Primary on Jan. 13, in which Mr. LaRouche will be one of the candidates—there are only four others out of those nine, that will be participating, because you know what the others have decided. They've opted to ingratiate themselves with the *status quo* and the leadership of the DNC, rather than to take a principled stand and participate in an opportunity which is given to them, to show that we aren't proud, as the greatest democracy on planet Earth, to have, in fact, a colony as its capital! There's a great paradox there!

I would like for Mr. LaRouche to just speak briefly, if he would. He did it on the show. I think it's important that people know how a man with a mission feels about democracy, and the kind of economy that will give us a humane and just world; and who wants to start it here in America.

LaRouche: There is something I would like to say to that, in addition to what I've said. In the case of Philadelphia, where we were invited to help the mayor defeat John Ashcroft there, in the mayoral election: What happened was that Harold James, on [Oct.] 22, in the evening when we had this meeting, discussed this. He asked me if I was committed to do something. I said, "Absolutely. It's a go for me." So he put together, with others, a package; and I sent my requested statement on the matter to a meeting that was held in Philadelphia.

Now, the bringing together of these forces, aided by the participation of members of my youth movement, had the effect of crystallizing the situation, to transform an "If—no—maybe so" election into a landslide victory for Mayor Street over John Ashcroft, which is sort of a fun thing to happen—a very good thing to happen, these days.

The difference is this; and it's a difference in politics. From populist politics to real politics. The function of politics is to get the people of a country—or at least, a large number of them—to understand that they, as an individual, as an im-



Democratic National Committee Chairman Terry McAuliffe: Will he continue to try to exclude LaRouche? "Reality is going to strike. Any part of the Democratic Party that doesn't get with reality is doomed. Not by my hand, but by their own. . . . So what happens then to the Democratic Party if it continues to exclude me? It dies."

mortal person, have a stake in the future of humanity in that country. And we express this in terms of an idea. They say, "This *idea* is needed for this country (or this locality) at this time." And the way they go at it, is not to try to get the number of votes to say "yes" or "no"; because "yes" or "no" doesn't mean anything. Many people, when they vote, go into the voting booth, and they don't know what they're going to vote for until they get in there! And they're surprised at what they did after they get out of there.

So the casting of the vote is not, in itself, a sacred act. It's often, of itself, a disgusting one, when you see the result. What is important is that you organize people, individually, around *ideas*. And what you then have is a movement for ideas. The most famous case in recent history, of that, is Martin Luther King. Martin Luther King understood, as others in the Civil Rights movement, in leading positions, *did not*

understand, the principle of a movement. Martin said, repeatedly and in many ways, “I’ve been to the mountaintop.” That is, they may kill me, but I’ve been to the mountaintop, and what we are doing will never die.

It’s that quality of leadership, which he expressed and got others to echo, which represented real leadership; which created, not people saying “yes” and “no,” raising their hand or not raising their hand; but a movement, a movement around an idea, dedicated to a mission. And what was the mission? Was it the mission of freeing people from oppression? No, it was a higher mission! It was for the cause of humanity! The kind of world we want to live in.

And the key thing here: We’ve got a lot of poor people in the Washington, D.C. area and around it. Very poor people; very abused and demoralized people. What does their vote count? Well, we want their vote to count. But what should the vote be? Just a vote? Or should it be an affirmation of their humanity? Saying, “Hey, buddy, we’re human! You’ve got to pay attention to us.”

And we are coming out as a movement, not as a bunch of voters to be polled outside the poll, but as a movement, to move in and let them know we’re there. We are a movement. We are no longer going to be stepped on. We are a movement! And that’s what we need in politics in this country today. We need a sense of mission. And the test of the ability to do something with this country, is to go to the poorest people in the country; the ones with the least; the have-nots; and if you can not make them a movement, you have not touched the heart of the country.

And what we want, is we want a real mob-scene. Not a violent scene, but a real mob-scene. Where you get the heaving of a movement, coming out of that part of the city; the heaving of a movement that will not be suppressed. This movement gets out there and heaves on Election Day. It moves in on the polls!

Moderator Debra Hanania-Freeman: Lyn, the last question comes from a Democratic consultant.

Mr. LaRouche, I’ve watched you deploy young people in two slightly different campaigns; one in California, and one in Philadelphia. In each place they were deployed against a Republican opponent, and they did a very effective job, so effective that some people think that it was part of a clandestine cooperation between you and the Democratic National Committee. [laughter] I wish that were true, but I know that it’s not!

It appears to me that the tactic you are deploying now in the D.C. primary—and I would assume in future primaries—is that what you are saying is that, if the DNC doesn’t come around and do the right thing, and include you in the discussion, that you simply plan on turning this election upside-down. Is that what you plan on doing?

LaRouche: No, what’s going to happen is this. Reality is going to strike. Any part of the Democratic Party that

doesn’t get with reality is doomed. Not by my hand, but by their own.

Look, in terms of what counts—not deep-pockets’ money, but in terms of contributions and support from individual citizens; that is, in terms of street support—I am second-ranking among the Democratic candidates of the whole field right now.

Now, I also represent nothing but, from the standpoint of the Democratic Party, a revival of the Franklin Roosevelt approach to a crisis of a similar type. That is supposed to be the Democratic Party. That is what most people believe the Democratic Party more or less corresponds to, despite the so-called “suburban strategy,” which is really the sewer strategy—but anyway, “suburban” is a nice term for sewer.

So what happens then to the Democratic Party if it continues to exclude me? *It dies!* Because there is no one—if I’m not running as an acknowledged candidate of the party by the party machine, then none of the candidates will ever make it.

That’s why this strange poll said, of the candidates who are running—acknowledged by them, by name, by the Democratic candidates—each and all would be defeated by Bush; but an unknown candidate would beat Bush.

That’s what it amounts to. If they don’t vote for me or don’t include me in the process, *they are dead meat.*

Have fun.



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LaRouche's Iraq Exit Strategy Under Scrutiny in Arab World

by EIR Staff

Presidential candidate Lyndon LaRouche's Nov. 28 statement of a strategy for rapid U.S. exit from its occupation ("Restore Iraq's Constitution," *EIR*, Dec. 12) has been widely reported and explained in the Mideast press during the first two weeks of December, indicating its discussion throughout the Arab world—including within Iraq. Some examples:

- LaRouche's "Restore Iraq's Constitution" was published in full on Dec. 12 in the daily *Al-Arab International*, with additional notes on Iraq's 1958 Interim Constitution as the reference point, and a clarification on the ecumenical nature of LaRouche's call for the release of former Iraqi Foreign Minister Tariq Aziz.

- The Iraqi daily *Al-Sa'a*, in Baghdad, published "Restore Iraq's Constitution" in Arabic on Dec. 16. The daily, distributed in the capital and in other cities and towns throughout Iraq, belongs to the newly established United Nationalist Movement, a group which demands national unity and resistance against the U.S.-British occupation through peaceful means.

- The Cairo-based newspaper *Al-Shaab* published the Arabic text of the LaRouche statement on Dec. 15. *Al-Shaab* is the publication of the opposition Islamic Al-'Amal (Labor) Party.

- The Dubai-based leading daily *Al-Bayan* published an interview with Lyndon LaRouche, and *EIR*'s "Cheney-Gate" article in Arabic (see below for excerpts), in a special political weekly supplement for the end of the year. This special supplement, "Al-Malaf Al-Isbou'i," is dedicated to U.S. foreign policy in 2003 and the near future. The interview is titled: "The 'Unnamed' Democratic Presidential Candidate Lyndon LaRouche: Current U.S. Foreign Policy Intends To Loot the world," and was posted on *Al-Bayan*'s website with the article.

The effect of the Dec. 13 arrest of Saddam Hussein by the U.S. Armed Forces in Iraq, has been to increase pressure from the Mideast countries, and forces in Iraq, for the early end of the U.S.-British occupation of the country—the point of LaRouche's Nov. 28 statement. Members of the Iraqi Governing Council (IGC), such as Adnan Pachachi, are saying that now the time has come to discuss a fast time-table for U.S. withdrawal and ending the occupation. It is widely forecast, that the latest developments will fuel a general Iraqi move against the occupation, whether in the form of stepped-up military resistance, or in the form of political demands, even by the U.S.-appointed IGC members.

The American position, however, seems to be quite different so far. The Egyptian de facto government daily *Al-Ahram* on Dec. 14 reported remarks by U.S. commander General Sanchez, who was asked about the future of the coalition forces in Iraq, after the formation of a government. He stated, "We expect an invitation from the government to retain the coalition forces, as per agreement, to establish stability and security." He said this would be a permanent arrangement; and, asked about the number of forces, he said it would be the current troop strength; i.e., 130,000 soldiers.

Dubai's Al-Bayan Interviews LaRouche, Dec. 14

Al-Bayan: Where is U.S. foreign policy heading at this moment? What is the impact of special right-wing political and financial lobbies in determining U.S. policy?

LaRouche: In effect, the current foreign policy of the U.S. today is that which then-Secretary of Defense Dick Cheney had proposed, then unsuccessfully, during 1991-92. The pol-

icy is one which aims at U.S. imperial world domination, and looting of victim-nations, through a world government brought into being through what Cheney et al. defined as “preventive nuclear war.” China is on the list of intended targets.

This was a qualified revival of the original “preventive nuclear warfare” doctrine formulated by Bertrand Russell during the 1940s, which was set into motion during the period from August 1945 until the beginning of the 1950s. The Soviet development of the world’s first deployable form of thermonuclear weapon, caused the dumping of preventive nuclear warrior President Truman and his policies, with the installation of anti-utopian President Dwight Eisenhower for two terms. The collapse of the Soviet Union was seen by so-called “neo-conservatives” as the foreseeable end of “thermonuclear detente”; consequently, Russell’s nuclear warfare policies of the 1940s were revived by these neo-conservatives.

Thus, this policy was revived by Cheney as a proposed way of exploiting the opportunity created by the 1989-2001 collapse of Soviet power. The administration of President George H.W. Bush rejected Cheney’s proposal at that time. The present revival of that policy, which had been Cheney’s continuing commitment during the course of the 1990s, was successfully foisted upon the current Bush Presidency, by Cheney, following the events of Sept. 11, 2001. It has been overtly U.S. policy since President George W. Bush’s January 2002 State of the Union address to the U.S. Congress.

At first glance, from a military standpoint, what Cheney proposes is not merely incompetent, but insanely so. The fact that it is insane does not mean it could not, or would not be carried out by the U.S.A., if Cheney were not to be removed from office soon. Hitler’s policies were also insane, especially at the point, in June 1940, that Winston Churchill decided to prevent Britain and its navy from joining forces with a Hitler who seemed victorious over western Europe at that time. The continuing war remained inevitable, but, virtually, so was the U.S.-led defeat of Germany and Japan. . . .

Al-Bayan: Has the “war on terrorism” produced any results? What is the alternative to this policy?

LaRouche: It has promoted the growth and spread of terrorism beyond anything which would have been possible prior to the combination of U.S. successive attacks on both Afghanistan and Iraq, and Israeli Prime Minister Ariel Sharon’s brutal and deliberately provocative exploitation of his influence over U.S. policy.

Worse, this spread of terrorism brought about by current U.S. policy, has pushed the perspective for the world of the immediately coming years in the direction of a form of globally spreading asymmetric, nuclear-armed warfare, beyond anything seriously considered probable in the entire period since 1945. The security policies of nations today must now put that growing danger foremost in diplomacy and related matters of policy-shaping.

Al-Bayan: How was the “Iraq war” intelligence produced? How could this be corrected to avoid further wars?

LaRouche: The fraudulent intelligence crafted to dupe the U.S. Congress and others into violating the U.S. Constitution with the present warfare, was coordinated through the influence of Vice-President Dick Cheney and his I. Lewis Libby—all done in concert with both Ariel Sharon and British Prime Minister Tony Blair. The evidence is, that it was all essentially fraudulent.

Al-Bayan: What is Lyndon LaRouche’s position on the Geneva Initiative for Palestinian-Israeli peace; his view of the religious fanatics both Christian and Jewish; and, how this religious factor could be dealt with, in regards to the Palestinian and Middle East situations?

LaRouche: Israel is a nuclear hand-grenade poised to be thrown at the Islamic world. Hand grenades are not known to survive their own detonation. This latter fact is well known to the Israeli professional military and other relevant parties. Therefore, since the middle of the 1970s, there has been an ebb and flow in the strength of the Israeli alliance for a peaceful relationship between Israeli and Palestinian.

There are two principal components to that peace factor among pro-Zionist Israelis. One is in the tradition of Nahum Goldman; the other, chiefly, those circles of Labor Zionism associated with David Ben-Gurion which came to recognize the limits of Israeli aggression against the Arab world. Today, there are even some members of the Likud who share the practical view of the need for peace.

My own approach to this is premised chiefly on the precedent of the 1648 Treaty of Westphalia: the principle of “the advantage of the other,” which I see as the only approach which could be workable under the present, historically determined circumstances. Whether as two states, or one, there must be agreement for peace based on that principle. Everything different has failed. If I am President, I shall use the full influence of the U.S. to bring such an approach to bear.

Naturally, I am in support of the Geneva Accord, and of former U.S. President Jimmy Carter’s address on that subject. It is not yet a perfect solution, but it is an indispensable and good step in a useful direction.

Al-Bayan: Can you comment on the issue of double standards in the West regarding the question of economic and political reform in the Middle East?

LaRouche: “Double standard” is too mild a condemnation. It is the same kind of sophist’s duplicity—then, by the rulers of ancient Athens—which caused the Peloponnesian War. The perpetrators of such duplicitous diplomacy are governed . . . by a Hobbesian outlook in world affairs. This means rule by the diplomacy of threat, in which the hypocritical interest of the would-be powerful is the submission of those intended to be subjugated.

Moderate Islamic Voices Shock U.S. Imperialists

Two speeches in December by leading spokesmen for what is called “moderate Islam” by the West, have sent out shock waves, especially hitting the neo-conservative war faction in the United States. Both speeches are excerpted below: the first by Indonesian Foreign Minister Hassan Wirayuda on Dec. 8 in Jakarta; the second by Shirin Ebadi, the Iranian fighter for civil and human rights, especially those of women in the Islamic world, as she accepted the 2003 Nobel Peace Prize in Oslo on Dec. 10.

The neo-cons may well have anticipated speeches which would lend credence to their imperial policies, by demanding “change and modernization” in Iran and the Arab nations. Indonesia has been championed by Paul Wolfowitz and his synarchist circles as the model of Islamic “moderation”—opposed to the supposedly radical Arab world. Ms. Ebadi, known for speaking out against aspects of the Islamic regime in Iran, was expected to put the glint of the Nobel Peace Prize on the neo-con threat of pre-emptive war against her nation. As you will see below, both Foreign Minister Wirayuda and Ms. Ebadi did quite the opposite, denouncing in no uncertain terms the destruction of international peace and justice brought on by the illegal war of aggression in Iraq.

Ms. Ebadi’s speech in Oslo was broadcast internationally. In a subsequent interview on French television, Ms. Ebadi said that Islam did not need reforms: “What it needs is to be better understood, and to be interpreted more intelligently.”

Foreign Minister Wirayuda’s speech in Jakarta was presented to a conference sponsored by the Australian Council for Security Cooperation in the Asia Pacific, whose audience included ambassadors from Britain, France, and India, as well as U.S. Ambassador to Indonesia Skip Boyce and Deputy Assistant Secretary of State Matthew Daley, who both gave half-hearted defenses of American policy in Iraq in response to the Foreign Minister’s indictment.

Shirin Ebadi: Today coincides with the 55th anniversary of the adoption of the Universal Declaration of Human Rights, a declaration that begins with the recognition of the inherent dignity and the equal and inalienable rights of all members of the human family. Yet disasters distance humankind from the idealistic world of the authors of the Universal Declaration of Human Rights. In 2002, almost 1.2 billion human beings lived in glaring poverty, earning less than one dollar a day. More than 50 countries were caught up in war or natural disasters.



Iranian human rights campaigner Shirin Ebadi’s courageous Nobel Prize acceptance speech was not what western observers expected.

AIDS has claimed 22 million lives, and orphaned 13 million children.

And some states have violated the universal principles and laws of human rights by using the events of Sept. 11 and the war on terrorism as a pretext. Several United Nations resolutions have underlined that all states must ensure that any measures taken to combat terrorism, comply with their obligations under international law; in particular, international human-rights and humanitarian law. However, regulations restricting human rights and basic freedoms have been justified under the cloak of the war on terrorism.

Worse, these principles are also violated in Western democracies; in other words, countries that were themselves among the initial codifiers of the United Nations Charter and the Universal Declaration of Human Rights. Hundreds of individuals who were arrested in the course of military conflicts have been imprisoned in Guantanamo, without the benefit of the rights stipulated under the international Geneva Conventions, the Universal Declaration of Human Rights and the UN International Covenant on Civil and Political Rights.

Why is it that some decisions and resolutions of the UN Security Council are binding, while other council resolutions have no binding force? Why is it that in the past 35 years, dozens of UN resolutions concerning the occupation of the Palestinian territories by the state of Israel have not been implemented, yet, in the past 12 years, the state and people of Iraq were twice subjected to attack, military assault, economic sanctions, and, ultimately, military occupation?

‘All Human Beings Are To Uphold Justice’

I am an Iranian, a descendant of Cyrus the Great. This emperor proclaimed at the pinnacle of power 2,500 years ago that he ‘would not reign over the people if they did not wish it.’ He promised not to force any person to change his

religion and faith and guaranteed freedom for all. The Charter of Cyrus the Great should be studied in the history of human rights.

I am a Muslim. In the Koran, the Prophet of Islam has said: 'Thou shalt believe in thy faith and I in my religion.' That same divine book sees the mission of all prophets as that of inviting all human beings to uphold justice. Since the advent of Islam, Iran's civilization and culture have become imbued and infused with humanitarianism, respect for the life, belief and faith of others, propagation of tolerance and avoidance of violence, bloodshed, and war.

The luminaries of Iranian literature, such as Mowlavi [known in the West as Rumi], are emissaries of this humanitarian culture. Their message manifests itself in this poem by Saadi: "The sons of Adam are limbs of one another/Having been created of one essence." . . .

Some have mooted the idea of a clash of civilizations, or prescribed war and military intervention for this region. One must say to them, if you consider international human-rights laws—including a nation's right to determine its own destiny—to be universal rights; and if you believe in the superiority of parliamentary democracy over other political systems; then you cannot selfishly think only of your own security and comfort. . . .

I have spoken of human rights as a guarantor of freedom, justice and peace. When human rights are not manifested in codified laws or put into effect by states, then human beings will be left with no choice but to rebel against oppression. If the 21st Century wishes to free itself from the cycle of violence, and avoid repetition of the disasters of the 20th Century, there is no other way except by understanding and putting into practice every human right, for all mankind irrespective of race, gender, faith, nationality, or social status. I anticipate that day.

Indonesian Foreign Minister Hassan Wirayuda: Great is the impact of the Iraq war. It will take several years before it is possible for us to fully assess the enormity of its effect on the global political landscape, on the global economy, and on the sensibilities of the human race. . . .

'An Arbitrary Pre-Emptive War'

There is even the question of whether the Iraq war is really over. It well may be that the Iraq war has been merely transformed from a conventional war in which one side had a prodigious superiority of arms and logistics, into a nationwide guerrilla war in which superiority of arms and logistics do not count for much in a hostile and unfamiliar social terrain. . . . There is the dreadful prospect of the Balkanization of Iraq, with boundaries drawn on ethnic and sectarian lines.

With Presidential elections fast approaching in the United States, and as the guerrilla war intensifies, the occupying power is resorting to precipitate "Iraqization." But the political infrastructures necessary for carrying out such a policy



*Indonesia's
Foreign Minister
Dr. Nur Hassan
Wirajuda.*

cannot be built overnight. And if Iraqization were implemented without the necessary political infrastructures, the result could be a deadly power vacuum.

The various rival factions in Iraq today could be sucked by that power vacuum into a new and terrible round of internecine violence—a civil war. That would bring about even greater chaos and more enormous suffering to the Iraqi people.

Such dire developments would pose threats to the entire Gulf and Middle East region. It would be a setback to the cause of global peace. That is not what we wish to see in Iraq. . . .

An arbitrary pre-emptive war has been waged against a sovereign state—arbitrary because it is without sufficient justification in international law. Does that mean that any state may now individually and arbitrarily decide to use force pre-emptively against any other state perceived as a threat? . . .

Though we listen hard, we do not hear any renunciation of the doctrine of arbitrary pre-emptive war. Unilateralism therefore is by no means dead. It may just be waiting for the next opportunity and plausible pretext for leaping, with guns blazing, on the next perceived threat.

'A Debacle to the Cause of Global Security'

The events of the Iraq war have also clearly demonstrated the limits of military power in solving the security problems of the world. But we do not hear any acknowledgements of these limits. . . .

The war against terrorism is a struggle for the hearts and minds of populations. That struggle calls for wise policies, not smart bombs. In Iraq, it calls for the safety of citizens when they walk on the streets, for the availability of fuel, electricity, and water, and for the assurance that their dignity is respected.

If the purpose of the narrow coalition in invading Iraq was to make their countries and the world safer and more secure, it is not at all clear that they have attained that goal. If the purpose was to liberate Iraq, today we are witnessing an Iraq occupied by foreign troops.

The coalition ousted the regime of Saddam Hussein because it supposedly threatened the region and the world with weapons of mass destruction. But until this late day, these weapons of mass destruction have not been found.

If those weapons have not been found because they do not exist, then an entire country has been leveled to the ground for no good reason.

In any case, after the war in Iraq, a keen sense of grievance has become even more pervasive all over the Muslim world. That can only be a setback in terms of global stability. For the issue of Iraq should not be viewed in isolation. How this problem is addressed will have repercussions on the longer-standing issue of Palestine and the challenge of terrorism.

Moreover, by rushing off to war without allowing the United Nations weapons inspection mission to run its full course, it is possible that the coalition has seriously damaged not only the UN inspection regime, but also the international community's nonproliferation regime.

That would make the war in Iraq a debacle to the cause of global security and peace. . . .

Korean Monthly Features LaRouche, Silk Road

by Kathy Wolfe and Kwang Huh

The December issue of Seoul's popular glossy *Mahl Magazine* features a 14-page spread on Presidential pre-candidate Lyndon LaRouche, his battle against the Cheney neo-conservatives, and the New Silk Road plan for Eurasian development. It is headlined "World Economic Crisis and Peace in Korea: Interview with the spokesmen for Lyndon LaRouche, American presidential pre-candidate for the Democratic Party," with the prominent quote: "We Will Expel Cheney and Rumsfeld *Before* the U.S. Election."

There are photos and several maps of the Eurasian Land-Bridge-New Silk Road plan; a six-page interview in Seoul Nov. 5 with Jonathan Tennenbaum and this author; and an eight-page excerpt from Tennenbaum's Oct. 31 Korea World Trade Center speech, warning of global financial breakdown and proposing the Eurasian Land-Bridge as the way out of the crisis. The interview and speech are also on *Mahl's* website at www.digitalmal.com/news/news_read.php?no=7729, now being widely read and discussed in Seoul.

"Kathy Wolfe, whose article 'Demand for Korean Troops to Iraq Is a Trap to Destroy President Roh' appeared in November's *Mahl Magazine*, and Dr. Jonathan Tennenbaum, leading economist of *Executive Intelligence Review (EIR)* magazine, visited Korea October 31-November 8," it begins. "As spokesmen for Lyndon LaRouche, Democratic Party pre-candidate in the U.S. Presidential election, they engaged in a wide range of energetic activities, starting with presentation of the Eurasian Land-Bridge project at the international trade symposium by the Korea Trade Research Association (KTRA) on October 31 at the Seoul World Trade Center. They also held heated discussions with prominent figures in Korean political, academic and NGO citizens' lobby circles, about Korean-U.S. relations and the world economic crisis."

LaRouche: The Real Democrat

"What we learned from Mr. LaRouche's statements in Dr. Tennenbaum's presentation at the international trade symposium and in *EIR*, shocked us," *Mahl* writes. "One LaRouche proposal, to constrain the neo-cons from provoking war, by connecting the Trans-Eurasian railways with Pyongyang to promote a peaceful atmosphere, was not so surprising. [Former South Korean President] Kim Dae-jung had also similarly proposed this. But LaRouche's additional call for a 'New Bretton Woods' re-design of the world financial system, by pinpointing financial hot money as the main culprit causing

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EIR's Kathy Wolfe and Jonathan Tennenbaum (right) meet Mahl Magazine's editor and reporter on Nov. 5 in Seoul.

today's world economic crisis, was amazing to us, from a candidate of the U.S. Democratic Party. So when we met them Nov. 5, we questioned as follows:

Mahl: "Many Koreans regard the U.S. Democratic Party as the spokesman for 'trans-national finance capital,' after our terrible experience in the IMF crisis. Therefore when we heard your viewpoint, at first we could not believe you come from the Democratic Party."

EIR: "The IMF policy which destroyed the Korean economy was steered by Wall Street and, as with most recent U.S. administrations, there was also a Wall Street group inside Clinton's government. Mr. LaRouche will never permit such a thing."

The interview goes on to a broad tour of the Six Power Talks on North Korea, LaRouche's proposal to put the Eurasian Land-Bridge at the center of the talks, and a debate about U.S. policy on North Korea, for example:

Mahl: "Some Korean experts guess that the Bush Administration may take a hard line policy to deliberately isolate North Korea. They predict Bush will drive them into a situation in which it's impossible to negotiate, by making demands which are known to be unacceptable to North Korea, just they did in the case of Iraq."

EIR: "That depends on what the LaRouche movement can do. To change U.S. policy, LaRouche is demanding that Vice President Cheney and his neo-cons resign. LaRouche called for Cheney to resign already more than a year ago, due to his 'preventive first nuclear strike' policy."

Mahl: "But many Koreans worry about the re-election of George Bush."

EIR: "Will there be a 2004 U.S. election? The Bush Administration is failing. So LaRouche warns that we can not exclude the possibility of a second Sept. 11 or a new

war somewhere, to gain sympathy. We need 'regime change' in America! And growing numbers of Democrats are acknowledging that the real obstacle to changing the Bush regime, is the leadership of the Democratic party itself, which has the same policies as Bush. Many Koreans say 'dump Bush.' But if we impeach Bush, then Vice Cheney is President—and Cheney is the man who wants to bomb North Korea. Therefore we can not wait for the 2004 election. We will expel Cheney and Rumsfeld before the U.S. Presidential Election."

There is also discussion of the neo-con push for "regime change" in not only North Korea but also in South Korea, America's ally. "South Korea is now facing constitutional crisis," *EIR* said. "In such a circumstance the neo-cons are demanding Roh send Korean soldiers as hostages to Iraq.

Don't they know, this could overturn Mr. Roh's government?"

The second half of the interview is a detailed discussion of LaRouche's warning that the world monetary system is disintegrating, and that the Eurasian Land-Bridge must be constructed now. "Dr. Tennenbaum explained Oct. 31 at the symposium of the Korea Trade Research Association, the structural breakdown crisis of the world economy, the closure of industries and production, and instead the rise of financial speculation," *Mahl* writes. "This has taken place also in Korea after the IMF crisis. The investment rate for industries is falling, but a lot of financial activities are bubbling up." Tennenbaum debunked the "post-industrial" paradigm, the shift from production to consumption.

There followed a question about LaRouche's New Bretton Woods proposal, which Tennenbaum explained in full.

Another question, "Please explain, what do you mean with calling for a 'national banking system'?" allowed this author to explain LaRouche's distinction between national banking and central banking. Until the late 1980s, "in fact South Korea and Japan had almost this kind of a true national banking system until very recently. . . . The Bank of Korea and Bank of Japan still used [Alexander] Hamilton's credit method, calling it 'window guidance,' as the way to make intelligent judgments about where shall we loan the money." Unfortunately, this "Asian System" was then blamed (wrongly) by the IMF for the 1997-2000 economic crisis, which leads some reformers today in Korea to support trying to use the stock market, instead, as if it were a more "democratic" mechanism.

The interview concludes with a long description of the Eurasian Land-Bridge proposal, with two large maps of the project, as the future way out for Korea.

Neo-Cons Work Overtime To Divide Europe

by Rainer Apel

The failure of the European Union (EU) summit in Brussels Dec. 12-13, on the draft all-European constitution package, was a striking illustration of the extent to which certain potentials for sabotage inside the EU are massively exploited by the Cheney faction of U.S. politics. This faction does not want a unified Europe, with a strong Franco-German alliance at the center, they want a Europe split into numerous interest groups from which a neo-imperialist United States could select its allies for specific strategic projects like the Iraq War.

The way the Cheneyites operate, which has been clear in the destabilization of the Schröder government in Germany, became visible on the scale of Europe on Jan. 30, 2003, when—only one week after the signing by Iraq War opponents France and Germany of the updated version of the 1963 Elysée Treaty for Franco-German cooperation—a pro-war “Letter of the Eight” was placed in Europe’s leading newspapers: the signatories were Britain, Spain, Italy, Poland, Portugal, Hungary, Czechia, and Denmark. Granted, this alliance of governments, most of which later supported the United States in Iraq with either troops or militiamen, has shrunk continuously, so that on the eve of the Dec. 12-13 Brussels EU summit, only Poland remained as the nay-sayer. But the Polish “no” sufficed to block the constitution project for the time being. It was noticed in other European capitals with interest, that shortly before the Brussels summit, none other than top Cheneyite Douglas Feith arrived in Warsaw, with promises of upgraded U.S. financial and military engagement in Poland.

Just before the summit, Spain had deserted the “no” camp—because, among other things, of considerations about the continuation of substantial payments from the EU, of which the Spanish economy is the biggest single net recipient inside the EU, with 7.5 billion euros in 2003. Whereas officially, “financial blackmail does not exist in the EU,” everybody knows that it does, because getting or not getting 7.5 billion euros is not a trifle. As far as Poland is concerned, it will receive about 3 billion euros from Brussels when it joins the EU as a full member in May 2004, and the financial issue came up on Dec. 15, two days after the failed constitution summit, when France, Germany, Britain, Sweden, the Netherlands, and Austria sent a “no” to the EU Commission’s plans for increasing the total EU budget to make more funds available for the new Eastern and Southeastern EU members—like Poland.

But the financial bait alone will not make the pro-Bush Europeans more European. France and Germany must expend some *thought*, to resolve these frictions with the Poles for the sake of European cooperation and integration.

Euro Defense Initiative Succeeds

What is called the “Core Europe” around France and Germany, became visible on Dec. 12, when all EU governments passed the European Security Initiative. This calls for a real EU defense capability independent from the U.S.-controlled NATO structure. The initiative was launched in April 2003, by France, Germany, Belgium, and Luxembourg—four opponents to the Iraq War—and originally mocked by the U.S. and Britain as a “chocolates summit” because it took place in Brussels, center of European chocolate production. But the initiative prevailed, and even pulled the British on its side after several months. Why Britain joined, has to do with the increasing domestic opposition that British Prime Minister Tony Blair has been facing to his pro-war course.

The new European Security policy proclaims a real difference from the present U.S. doctrine of preventive interventions; its preamble states that “European countries are committed to dealing peacefully with disputes and to cooperating through common institutions,” a clear reference to bodies like the United Nations. And although America’s role in Europe during the Cold War is appreciated, the defense paper also stresses, with reference to the American “dominant position as a military actor” since the end of the Cold War, that “no single country is able to tackle today’s complex problems on its own.” The enlarged European Union, with 25 member states and 450 million people (by May 2004), “should be ready to share in the responsibility for global security and in building a better world,” the paper adds.

At present, the paper notes, poverty and the spread of diseases pose “global challenges” that cannot be fought by military means, but rather, by “conflict prevention and threat prevention. . . . We are committed to upholding and developing International Law. The fundamental framework for international relations is the United Nations Charter. The United Nations Security Council has the primary responsibility for the maintenance of international peace and security. Strengthening the United Nations, equipping it to fulfil its responsibilities and to act effectively, is a European priority.”

Europe wants to activate “the full spectrum of instruments for crisis management and conflict prevention at our disposal, including political, diplomatic, military and civilian, trade and development activities.” The alliance between Europe and the U.S.A. will endure, the paper states, but other strategic partners of the Core Europe are Russia, Japan, China, and India.

As long as the Cheneyites are in power, they will continue sabotaging Europe—which is a prominent reason Europeans must hope that Lyndon LaRouche succeeds in forcing Vice President Cheney out of the Bush Administration.

Sharon Peace Maneuvers To Avoid Prison?

by Dean Andromidas

Speculation was rife on Dec. 18 in Israel that Prime Minister Ariel Sharon's promise to issue a new "peace initiative"—which is expected to offer nothing acceptable to the Palestinians—is really aimed at drawing attention away from the numerous police investigations into his allegedly illegal campaign financing and other criminal activities. Amir Oren, senior correspondent for the Israeli daily *Ha'aretz*, writes that Sharon is preparing a diplomatic surprise to overshadow his own pending indictment. "The rumbling sounds being generated by the approaching earthquake, by the thunder of the legal bombshell, are already audible to finely attuned ears. Quiet cannot swallow noise; only a very loud noise can contain within it a loud noise. It will be the thunder of the bombshell on the diplomatic front that will shunt the criminal headlines into second place and give Sharon a bit of political time."

There are three ongoing criminal investigations of Sharon which surfaced at the end of last year. The first is of the financing of his 1999 primary campaign, where he is alleged to have illegally raised \$1.5 million from Likud Party supporters in the United States. The second is the way he paid back those contributions after the Israeli Comptroller General threatened legal action. This is the so-called Cyril Kern Affair. The third involves alleged bribe-taking from Israeli contractor and Likud Party financial backer David Appel. Now, according to Israeli press reports, Sharon could be interrogated within the next few weeks by the official fraud squad, as new evidence has been discovered over the past year.

The Sharon Crime Family

As the saying goes, "The crimes of the father will visit the sons," and the police have also been investigating Sharon's sons Omri and Gilad, as co-conspirators with their father. Another possible conspirator is Dov Wiesglass, Sharon's bureau chief and attorney, who also functions as his contactman with U.S. Vice President Dick Cheney.

On Dec. 14, Omri was interrogated by the police on his role in the illegal campaign financing, while Gilad lost a Supreme Court appeal, in which he hoped to avoid turning over potentially incriminating documents to the police. The police hope that these documents will shed light on where the \$1.5 million came from, which Cyril Kern, a near-bankrupt British businessman living in South Africa and close Sharon family friend, gave Sharon, to pay back the illegal campaign funds. Police are particularly interested to know the source of nearly

\$3 million which flowed into Gilad's bank account. This was the bank account used to pay off the illegal \$1.5 million in campaign loans; yet, according to the police, another \$1.5 million, the source of which remains a mystery, remains in Gilad's coffers.

It is believed that this money came from Austrian businessman Martin Schlaff, another close friend of the Sharons. Schlaff is a millionaire with holdings in Austrian banks and casinos, and part owner of the Jericho Casino in the West Bank, which has been shut down since the al-Aqsa Intifada began in 2000. Sharon's aide Dov Wiesglass is also Schlaff's lawyer. The fact that Schlaff has applied for a casino gambling license in Israel, has raised speculation that the \$1.5 million was indeed a bribe.

The most immediate threat to Sharon comes from the recent indictment of Likud Party financial backer David Appel, who is allegedly one of the most corrupt real estate contractors in Israel. He was indicted for bribing several lower-level government officials; but the indictment might be "corrected" to include Sharon as one of the recipients of the bribes. The question is, will his name be added as a co-defendant, or as simply one of Appel's targets. In the latter case, Sharon would not be indicted himself, but would nonetheless be suspected of knowingly taking bribes, which could force his resignation. This could happen before the New Year.

Deputy Prime Minister Ehud Olmert's name could also be added to such a "corrected" indictment. The bribes for which Olmert and Sharon allegedly received millions of dollars involve the so-called the "Greek Island affair." This affair started in 1999, when Benjamin Netanyahu was prime minister and Sharon was foreign minister. Its purpose was to get Sharon to pressure the Greek government to change zoning laws, so that Appel could construct a holiday resort on a Greek island. Olmert was mayor of Jerusalem at the time, and invited a Greek government delegation to make an official visit to Jerusalem. The visit occurred, and Sharon was on hand to meet them as well.

The suspicion that Sharon was receiving bribes was raised when police discovered that Gilad Sharon had signed a multi-million-dollar contract with Appel to supply consultancy services in support of the project (Gilad was paid \$20,000 a week!). Gilad, who is reputed to be the "slow one" of Sharon's two sons, is not a high-flying businessman, but a farmer who manages Sharon's ranch in the Negev Desert. His expertise is cattle breeding, not real estate consultancy. Not only are copies of this contract in the hands of police, but also videotaped discussions among Gilad, Omri, and others, discussing the details of the contract.

If Sharon's and Olmert's names appear on the "corrected" Appel indictment, even if not as co-defendants, it would be a major political setback and possibly make it impossible for Sharon and Olmert to remain in office. Thus there is the potential that, in one blow, the top leadership of the Likud could be overturned, and the Sharon government could collapse.

Gangland Wars

On Dec. 11, a bomb exploded in a money exchange in Tel Aviv, killing three bystanders. The bomb, which police said was as powerful as the worst of those used by Palestinian suicide bombers, was intended to kill Israeli mobster Zeev Rosenstein. Although he escaped serious injury, this was not the first attempt on his life. Police believe the bombing was in revenge for Rosenstein's ordering the killing of two members of the rival Alperon gang. Rosenstein had recently been arrested and released by the police as a suspect in those earlier killings. This attack was followed by the killing of another gangster, as well as a serious attempt on yet a third.

With the death of innocent bystanders, the mob war has created an outcry in Israel, as yet another sign of the country's disintegration—but one which leads to the Sharon family.

No one has dared to make the connection between this gangland war and the brawl now going on within Sharon's Likud Party. But sensing that his days are numbered, Sharon's rivals for the party leadership are making their moves. This includes Olmert, who could end up in the same courtroom as Sharon. Also in the queue are Foreign Minister Silvan Shalom, Defense Minister Shaul Mofaz, and above all, Finance Minister and former Prime Minister Benjamin Netanyahu. All are positioning themselves in various corners of the political arena.

In this context, two aspects of the current mob wars bear a closer examination. First of all, according to an Israeli source, Rosenstein is linked to the Russian mafia. One of the bosses of the Israeli crime family he is allied with, Felix Abutbul, was gunned down in front of his hotel-casino in Prague in November 2002. The source said that these gangland killings are part of the fallout from the demise of the "oligarchs" in Russia, who are the real godfathers of these crime families. "The *sabra* [native Israeli] gangs are taking advantage of the trouble [Russian President Vladimir] Putin is giving to the oligarchs," he added.

Although it is not known which Russian mafia bosses Rosenstein is linked to, the fact that the Russian mafia is active in Israel is well documented. It has also been shown how some of these bosses have backed the Likud and other right-wing Israeli parties, particularly the National Union. Most recently, Russian oligarch Michael Chernoy, who is wanted for various crimes by the Russian authorities, has been accused of being



Israeli Prime Minister Ariel Sharon (center), with U.S. Secretary of Defense Donald Rumsfeld (left). Sharon is offering a grand-standing "peace initiative" in hopes of diverting political attention from his own growing legal difficulties, which could land him in jail or at least collapse his government.

a Russian mafia kingpin. Whether this is true or not, Chernoy now resides in Israel, because if he tries to leave he could be arrested under an international warrant issued by the Russian government. Chernoy enjoys the most friendly relations with the Israeli right wing, especially with Avigdor Lieberman, the head of the fascist National Union Party. He is also close to certain figures in the Likud. Through his Chernoy Foundation, he most recently sponsored a conference in Jerusalem where key neo-conservatives from the United States were featured, including Defense Policy Board member Richard Perle (see *EIR*, Oct. 24, 2003).

One of the bosses of the Alperon crime family, Moussa Alperon, is a central committee member of the Likud Party. One of Moussa's reputed sidekicks is Shlomi Oz, another Likud central committee member, who is good friends with Omri Sharon. Oz, who has spent time in prison for extortion, was caught up in what was called the "airport tender" scandal. This involved the fact that a security company, of which he is one of the owners, won a tender to provide security for several Israeli airports, despite the fact that they did not meet the minimal qualifications of the tender. The tender, which was subsequently withdrawn, was approved by the head of the Israeli Airports Authority, who happens to be the brother of Israeli Foreign Minister Silvan Shalom.

It is highly unlikely that Sharon will actually choose the "road of peace" to avoid the road to prison. But he can be expected to use all the powers of the state he thinks he can get away with, in order to fend off indictment.

Asian Nations Celebrate 30 Years of Cooperation

by Gail G. Billington

Over the past two years, as the Japanese economy has walled in financial crisis, China has asserted an extremely positive role in investment and political cooperation across East and Southeast Asia. While Japan's investments in Asia remained critical, Japan was to a certain extent replaced by China as the spark, the driver for economic development in the region. Now, Japan has moved dramatically to reassert its commitment to the region, while also asserting the importance of cooperation with China.

On Dec. 12-13, Japanese Prime Minister Junichiro Koizumi joined with the heads of state and government of the ten-nation Association of Southeast Asian Nations (ASEAN) in commemorating 30 years of economic and political relations. Japan's initiative in convening the meeting was celebrated in the signing of the "Tokyo Declaration for the Dynamic and Enduring Japan-ASEAN Partnership in the New Millennium" and the Japan-ASEAN Plan of Action, which includes a list of some 120 items for implementation. In keeping with the dual themes of peace and prosperity, Foreign Minister Yoriko Kawaguchi also signed a statement of intent for Japan to sign ASEAN's Treaty of Amity and Cooperation in Southeast Asia, a non-aggression pact crafted in 1976; China signed the pact at the annual ASEAN summit in Cambodia, earlier this year.

The participating governments in this anniversary summit adopted the term "special relationship" to describe their 30-year collaboration, an ironic variation on the much-ballyhooed U.S.A.-British "special relationship."

Japanese Prime Minister Koizumi pledged his nation would contribute a total of \$3 billion for projects in Southeast Asia over the next three years. This includes \$1.5 billion for human resource development programs, including 40,000 student and technical expert exchanges, and another \$1.5 billion for the development of the Greater Mekong region, and assistance to the Brunei-Indonesia-Malaysia-Philippines East Asia Growth Area (BIMP-EAGA), a major growth area for Asia as a whole. Further underscoring the point that Japan's initiative is emphatically *not* a "counter China" move, Prime Minister Koizumi and Indonesian President Megawati Sukarnoputri, in her capacity as current Chairman of ASEAN, jointly addressed a press conference at summit's close on Dec. 13, where both leaders directly commented on China's role in the region. Prime Minister Koizumi reaffirmed, "I have always said that China's growth is not a threat, but rather an

opportunity. China's growth will also benefit the growth of Japan and ASEAN countries." President Megawati told the press that China's growing influence should not be treated as a "zero-sum game," but rather, "Both close ASEAN-Japan and ASEAN-China relations are for the good of all." Only Singapore Minister of Trade and Industry George Yeo challenged the leaders' comments, grumbling, "China's advance to ASEAN is a chance, and threat."

On Dec. 16-17, South Korean President Roh Moo-hyun hosted the inaugural meeting of the East Asia Forum, including the ten ASEAN nations and their "Plus 3" partners, China, Japan, and South Korea, along with 50 government representatives and scholars, to discuss further strengthening cooperation among Asian nations. Former heads of state and government attending included South Korean President Kim Dae-jung, Vietnamese Prime Minister Vo Van Kiet, Japanese Prime Minister Hata Tsutomu, and Malaysia's recently retired Tun Dr. Mahathir bin Mohamad, who summed up the proceedings: "If we can progress to the stage when the wars and the massacres of the past no longer fill our minds when we meet each other, then peace would become more possible in the region."

Simultaneously on Dec. 16 in Bangkok, Thai Foreign Minister Dr. Surakiart Sathirathai hosted a brief, three-hour meeting of ministers and senior officials from ten Asian and European nations to discuss a plan for peace and national reconciliation in neighboring Myanmar, which plan could lead to the end of one of the longest-running internal political conflicts in Asia since World War II. Dubbed the "Bangkok Process," Myanmar Foreign Minister Min Aung outlined a plan to convene a national convention in 2004 that would draft a constitution, with the participation of all "eight groups" of Myanmar society, including multiple ethnic minorities, academics, and political parties. This includes the opposition National League for Democracy, led by Aung San Suu Kyi, whose father, Gen. Aung San, was the father of independent Burma.

Foreign Minister Surakiart termed the meeting a "breakthrough," telling reporters the proceedings had exceeded his expectations: "The meeting agreed that if there is tangible progress in implementing the process, then international support can be tied to that. . . . This is the beginning of the process to support national reconciliation. I view this as a very successful confidence-building process." Participants in the meeting included UN Secretary General Kofi Annan's special representative to Myanmar, former Malaysian Ambassador Razali Ismail; senior diplomat Ali Alatas, who was long-time Foreign Minister of Indonesia; and representatives from China, India, Japan, Australia, Singapore, Austria, France, Italy, China, and ASEAN.

Glaring by its absence was any representation from the United States, which is a regular participant in the ASEAN Regional Forum, but has imposed severe sanctions on Myanmar.

Brazil's Global Diplomacy Builds Bridges, But to What?

by Gretchen Small

President Lula da Silva's historic Dec. 3-10, 2003 visit to the Middle East—the first by a Brazilian Head of State since 1876—was the fitting conclusion to a year of bold international diplomacy by the Lula government. The Brazilian President paid a state visit to five Arab nations, addressed a plenary session of the Arab League (becoming the first Ibero-American Head of State ever to do so), and met with Palestinian Authority Foreign Minister Nabil Shaat. On the agenda were the pressing issues of creating peace, restoring Iraqi sovereignty, reestablishing international law, and the potential for increasing trade and investment between their countries.

At each stop, Lula extended an invitation to his counterparts to attend a summit of Arab and South American Heads of State, a first-ever summit which Brazil proposes to host in 2004. The proposed summit was warmly endorsed by Lula's Arab hosts.

President Lula traveled extensively in 2003, his first year in office, visiting the United States, Europe, Russia, five Southern African nations, and various Ibero-American countries, as well as the Middle East. Upon returning from his latest trip, he announced that he would most likely visit China in May 2004; intends to visit India at some point during the year; and would try to persuade Russian President Vladimir Putin to visit Brazil. As he explained to Brazilians on his bimonthly radio program on Dec. 15: "We want to build new trade relations with developing countries. I've made a decision. Instead of staying here in Brazil waiting for things to happen, I've decided to make them happen by setting foot in Arab and African countries. Brazil is a big country. We cannot stick around waiting for somebody to buy from us. We have to go there, and try to sell what we make best."

A Role in Shaping World Affairs

More than trade drives the Lula Administration's diplomatic offensive. It has not escaped the attention of the neo-conservatives in Washington, that Brazil is out to create alliances which it hopes can counter-balance the Bush-Cheney regime's drive for world imperial hegemony. Brazil's efforts in this regard run from laying the groundwork for an integrated South American community, to the establishment last June of a mechanism for regular trilateral consul-

tations between Brazil, India, and South Africa, to coordinate foreign policy and build economic ties, particularly in high-technology areas. Brazilian officials have repeatedly stated they would welcome China and Russia as participants in these consultations, which could function as a new "Group of Five."

In his speech Dec. 9 before the plenary of the Arab League, Lula spoke of the need to create a "new political and commercial geography in the world," in which close political cooperation between Brazil and Arab nations would be a centerpiece. Brazil does not seek a confrontation with the United States, Foreign Minister Celso Amorim commented after that meeting, but it must maintain an active and bold foreign policy. Countries that lack their own independent foreign policy "will not be called on for anything."

At Brazil's initiative, Russian Foreign Minister Ivan Ivanov attended the most recent summit of the Common Market of the South (Mercosur), held in Montevideo, Uruguay, on Dec. 16. A joint communiqué was issued from that meeting, announcing that Russia, the four Mercosur core members of Argentina, Brazil, Paraguay, and Uruguay, plus Associate Members Bolivia and Chile, aspire to establish a "Mechanism of Political Dialogue and Cooperation" among them, in order to better cooperate in multilateral forums on matters of international peace and security, and to foster trade, investment, and scientific and technological cooperation among them.

At the Mercosur summit, Peru was officially accepted as an Associate Member, and a Mercosur-Andean Community "Agreement on Economic Complementarity" was signed with Ecuador, Colombia, and Venezuela. A communiqué from Brazil's Foreign Ministry characterized the Andean Pact accord as "a fundamental step in the process of creating an integrated space in South America."

A 'New Boat' Must Be Built

Missing thus far, however, in Brazil's diplomatic strategy, is discussion of the one issue which will ultimately determine the questions of war and peace, development or depression, globally: What must be done to survive the rapidly accelerating disintegration of the world financial system?

When he visited Brazil in June 2002—invited to receive an honorary citizenship from the City Council of São Paulo—

Democratic Party Presidential pre-candidate Lyndon LaRouche warned Brazilians that there is *no* solution that can be found within the existing system. Not for the United States; not for Brazil. You must help replace the system, because both our nations are heading towards a blowout no different than what collapsed Argentina, he told the hundreds to whom he spoke during his week-long visit. When that blowout will occur is unknown; but that it will occur, is a given.

“Governments must act to put the system into bankruptcy reorganization. . . . We require an emergency monetary conference among leading countries, using the implicit emergency powers of government, to immediately negotiate a general reform and bankruptcy reorganization,” LaRouche told a luncheon organized by the São Paulo Commercial Association. LaRouche’s host thanked LaRouche for his discussion of what Brazil will face internationally, and urged everyone present to reflect upon LaRouche’s words. “As he said: Either we organize ourselves another boat, or we are going to have to fix the boat,” his host noted, adding cautiously that he preferred, at that time, “to stay in the boat, and try to seek the best solution.”

That is the same decision made, thus far, by the Lula government. Its refusal to squarely face the global reality addressed by LaRouche, will doom Brazil’s efforts to build “a better place” for itself within the dying system of globalization. Into what markets will Brazil export, when an implosion of the dollar blows out the basis for international trade altogether? Argentina, Bolivia, the Dominican Republic, and others stand as gruesome examples of the disintegration to which the continuance of the International Monetary Fund (IMF) system is leading. With which nations, then, will Brazil be able to ally?

This failure to take up the urgent task of building alliances to replace the international monetary system, is consistent with the Lula government’s fear-driven belief that it has no choice but to continue implementing the IMF policies which destroyed Brazil’s domestic economy under the eight years of the Fernando Henrique Cardoso government which preceded it. On Dec. 15, the IMF announced that its executive board had approved a one-year extension of the IMF package negotiated with the Lula government. The agreement makes \$14.8 billion in loans available to Brazil, should it need them (\$6.6 billion in new money and \$8.2 billion unused from the August 2002-December 2003 package), and reschedules \$5.8 billion of the \$34 billion which Brazil owes the IMF in 2004, into 2005 and 2006.

In return, the IMF requires Brazil to maintain a 4.25% primary budget surplus, which means that it must ensure that government revenues are 71.5 billion reals—approximately \$25 billion—greater than all its expenditures, debt service excluded. That \$25 billion “surplus” must be used to pay the debt.

Yet, even the IMF statement announcing approval of the package acknowledged that Brazil is financially “vulnera-

ble,” if “market sentiment” turns “negative” globally—as it is doing even now. That is to say: At the moment that investors pull their money out, as they did en masse in 2002, Brazil, for all its current semblance of “stability,” would face Argentine-style bankruptcy.

Time for Brazil To Step Forward

Brazil is well situated to play a leadership role in the construction of the needed New World Economic Order, were the Lula government to take up the fight for a New Bretton Woods agreement, as LaRouche has outlined such a program. In introducing Lula to the Arab League plenary on Dec. 9, Arab League Secretary-General Amr Mussa underscored that “Brazil carries enormous economic and political weight.”

Lula brought five Cabinet ministers, four state governors, and some 40 businessmen with him to the Middle East. He also took the unprecedented step of inviting former Argentine President Eduardo Duhalde to accompany him, in his capacity as the upcoming president of the Mercosur Permanent Commission.

On the eve of his departure, the Foreign Ministry issued a communiqué which reasserted Brazil’s opposition to the U.S. neo-conservatives’ attempts to provoke a “conflict of civilizations.” Brazil places a priority on developing ties with the Arab nations, with which it has varied links and “common values,” the statement said. Its links extend back to Brazil’s roots in the Iberian peninsula, where Islamic influence was strong; and forward to the fact that Brazil is home to the more than 2 million immigrants from Syria and 6-7 million from Lebanon (Brazil is home to the largest community of people of Lebanese descent in the world, outside of Lebanon).

Lebanese President Emile Lahoud, who met with Lula on Dec. 8, praised Brazil for rejecting “allegations by the United States that members of the Lebanese community in Brazil are financing terrorist activities in Lebanon.”

Throughout the trip, Lula and his hosts discussed the urgency of accelerating the transfer of power to the Iraqi people, ending the U.S. occupation of that nation, and giving the United Nations the leading role, so that the Iraqi people can exercise their sovereignty, choose their government, and guarantee their territorial integrity. In a joint communiqué issued following Lula’s meeting with Syrian President Bashar Assad, Brazil recognized the “essential role of Syria to reach peace and stability” in the Middle East.

Palestinian Foreign Minister Nabil Shaat, when he met with Lula in Cairo, Egypt Dec. 8, extended an invitation from Palestinian President Yasser Arafat and Prime Minister Ahmed Qureia, for Brazil to join a task force attached to the so-called Quartet (UN, European Union, United States, and Russia), to help move forward the “Road Map” for peace between Israel and Palestine. Foreign Minister Amorim reported that the Palestinians also want to involve India and South Africa in this task force. Lula reportedly responded positively to the invitation.

The Road in Afghanistan Is Still Torturous

by Ramtanu Maitra

On Dec. 14, the much-awaited process began in Kabul to finalize the draft constitution prepared by the interim Afghan government; 502 delegates, including 100 women, assembled to finalize the constitution through a traditional Afghan deliberative process, known as the Loya Jirga (Grand Council of Elders). Observers point out that considering the differences among the delegates, the process may extend to as long as three weeks.

The Loya Jirga is the second milestone set up by the UN-brokered Bonn Agreement of early 2002. The Agreement had set up the framework for an interim Afghan regime and the timeline for Afghanistan's political transition after the Taliban was ousted in late 2001. The country reached one major milestone in November 2003 with the completed draft of a new national constitution to pave the way for popular elections. The adoption of the constitution will set the stage for the country's first direct presidential election—most likely in June—and then formation of a two-house national assembly a year later.

Kabul-Kandahar Road

Another milestone of sorts was reached on Dec. 16, when the reconstructed road between Kabul and the southern city of Kandahar was formally completed, as President Bush had promised President Hamid Karzai more than a year ago. The resurfacing of the road, which has reduced the travel time for its approximately 300-mile distance, from as much as 30 hours to six or less, has become the most visible sign of Afghanistan's reconstruction, which many Afghans say has otherwise been frustratingly slow. The United States provided \$190 million to complete the highway, the first phase of an effort to rebuild the entire road that circumnavigates Afghanistan, originally built with American financing in the 1960s.

But the dedication of the Kabul-Kandahar road was marred by the fact that not everyone feels secure enough to use it. As construction proceeded, so did attacks by a resurgent Taliban, which killed four Afghans guarding the road and seriously wounded 15 people.

Some delegates to the Loya Jirga who attended the opening said they had been flown to Kabul for the meeting, avoiding the road out of concern for their safety.

Those who oppose President Karzai's interim government in Kabul, and consider it as a U.S. Trojan horse, have

verbally attacked the Loya Jirga as an "American drama" to prolong the "occupation." They have also threatened death to delegates attending the council. Besides the Taliban, the Hizbe Islami group, led by the 1980s American asset against the Soviets, Gulbuddin Hekmatyar, has given a call to disrupt the proceedings. The council is taking place under intense security, with hundreds of soldiers lining the roads and helicopters hovering overhead. Three rockets struck some six miles north of the council site before dawn on Dec. 16, damaging a mud house but causing no injuries.

But beside those Afghans who consider the Karzai regime as a mere extension of the Bush Administration, there are many among the delegates who note the constitution might lack widespread legitimacy because it has been drafted in a secretive and unaccountable manner and therefore, be unacceptable. The Brussels-based International Crisis Group (ICG), in its recent report, highlighted these problems and pointed out that "a unique opportunity to create democratic institutions and ensure the future stability of Afghanistan will be wasted, unless far greater efforts are made to consult with the population on the development of the new constitution."

Elections in 2004

On the other hand, the objective of both the Karzai and Bush administrations at this point is to push through the constitution and set up a date for general elections in the Summer of 2004. The draft constitution has recommended a strong President elected by the people. Karzai pressed, on the opening day, for a strong presidential system that officials hope will be able to stand up to the resurgent Taliban and make the country safe enough for aid workers and foreign investors. He also made clear that his participation in the presidential elections in the future depends entirely on the endorsement of this clause. Justifying his refusal to share power with a powerful Parliament, Karzai opines that a strong parliament would only interfere in making decisions. The opponents claim that to institutionalize a strong Presidency in Afghanistan through the constitution, would be helping to prepare the breeding ground for dictators.

The concept of a strong President elected by the people will bring into play other complications as well. Since the Pushtuns are in majority, the minority communities like the Tajiks, Uzbeks, Hazaras, and others believe that Afghanistan will have strong Pushtun Presidents—who then would seriously undermine the minority communities' interests.

Since the present interim government, led by the Northern Alliance, heavily represents the Tajiks in particular, it is likely the issue of strong Presidency will be a major sticking point at the Loya Jirga. The Alliance's commander in chief, Mohammed Fahim, is Karzai's deputy and the country's defense minister. But analysts say Alliance leaders are worried they could be marginalized by Karzai, a Pushtun from the south.

In addition, the Loya Jirga will also have to deal with the issue of the rights of women. The opening celebrations over

Afghanistan's constitutional council hit its first controversy on Dec. 15, when female delegates denounced their colleagues for trying to shut them out of leadership positions. After a day of procedural back-and-forth, delegates selected three men—Mirwais Yasini, Mohammed Ahzam Dadfar, and Mawlawi Qiamuddim Kashaf—to fill deputy chairman positions. Another man, moderate former President Sibghatullah Mujaddedi, was selected chairman on the council's opening day.

This pattern of voting produced outrage from many of the women who are delegates. One woman was granted a deputy chairman's position, but some still expressed anger over second-class treatment.

Fears of More Unrest

But beyond reaching another milestone if it is merely completed and adopts a constitutional draft, the question most Afghans ask is whether the Loya Jirga will be able to usher in peace. It is widely acknowledged that President Karzai's power barely extends beyond the capital because of the power of warlords in the provinces. By many reports, the violence worsened over the course of the year. The London *Times* recently quoted international aid workers as saying at least five of Afghanistan's 32 provinces are now virtually off-limits to foreigners. Since March, 13 aid workers have been killed, hampering the delivery of assistance in some areas.

Time magazine, quoting its sources in Pakistan and Afghanistan in its Dec. 15 issue, said the Taliban commander Mullah Shehzada, who was among 16 Afghans freed from the U.S. military base in Guantanamo, Cuba, in July, is reportedly back in Afghanistan and is in charge of attacks against U.S. forces there. He masterminded a jailbreak in Kandahar in liaison with prison guards in October, in which 41 captured Taliban burrowed under prison walls.

Asked why Shehzada had resumed attacks on U.S. forces, Taliban spokesman Hamid Agha said, "Once a Taliban, always a Taliban. Now he wants revenge." The Pentagon declined to comment on the report, the weekly said.

Marina Ottaway of the Carnegie Endowment for International Peace in Washington says the unrest in Afghanistan is in areas where local power holders or the Taliban refuse to accept the authority of the Karzai government. "The problem of insecurity really comes in areas that are contested, and above all, in those areas where the local powers that are trying to assert their hold are not acceptable to the Karzai government and to the United States. That's why you have a lot of problems now in the Pushtun areas, because if there was no outside intervention, the Taliban would reconsolidate its hold over those areas," Ottaway said.

Ottaway says the big challenge in the months ahead will be to cope with a possible further increase in unrest once the country moves toward presidential elections. Regional power brokers intent on protecting their interests are likely to regard a directly-elected government as considerably more threaten-



Afghan interim President Hamid Karzai (center) told the Loya Jirga he would only accept a new constitution with strong presidential powers. But so far, the power of his presidency has consisted almost entirely of U.S. military and economic support.

ing than Karzai's current administration, because it will have a stronger popular mandate.

It's Security, Stupid!

Similar views were heard in June in Kabul when Prof. Kenji Isezaki, Tokyo's special representative in Kabul for Disarmament, Demobilization, and Reintegration (DDR)—a Japanese-sponsored program to disarm former *mujahideen* fighters and reintegrate them into society—spoke at a conference held in Kabul's Inter-Continental Hotel about the planned 2004 elections. "Free elections without disarmament are impossible," Isezaki said. The conference was titled "Elections 2004 and Security" and was organized by the National Democracy Front of Afghanistan (NDFA), an umbrella of almost 50 newly emerged pro-democracy groups established in March this year.

Professor Isezaki was the first official representative of the international community in Afghanistan who hinted at a possible delay or even a cancellation of the 2004 elections. It was also evident that Isezaki is not the only one who thinks along those lines. The United Nations Assistance Mission in Afghanistan (UNAMA), led by special representative Lakhdar Brahimi, a former Algerian foreign minister, seems to recognize now that the warlords in Afghanistan are a part of the problem rather than the solution. "Continued insecurity and the absence of effective judicial institutions remains the rule, rather than the exception," Brahimi told the UN Security Council during a briefing on Afghanistan in early May. "Those conditions not only enable local commanders and government officials to act with impunity, but also threaten to undermine the still-fragile peace process."

Even within the Karzai Administration, there are those who consider the security situation as a definite hindrance to

Russia Having 'Velvet Revolution,' Not Georgia

Dr. Goguadze is a well-known scientist, author, and politician in Georgia. A former Speaker of Georgia's Parliament and former Deputy Director of Tbilisi State University, Prof. Goguadze was involved in founding the parliamentary system in Georgia and co-authored the Constitution of the Republic. Today, he heads the Georgian-Russian Friendship Association. Dr.



Vladimir Kilasonia interviewed Dr. Goguadze on Dec. 8, just two weeks after the overthrow of President Eduard Shevardnadze (see EIR, Dec. 5, 2003).

EIR: There is great interest in Georgia in the 2004 U.S. Presidential elections.

Goguadze: Unfortunately, the political process indicates that the road to the election of the next President of the United States is very dramatic, or even tragic, for the entire world community.

Mr. Bush has committed a number of naive, childish mistakes. His is a policy of muscle power, not the power of reason. "If I'm strong, I don't need to think," as they say. There is no other explanation for the tragedy in Iraq. The whole world has witnessed how Bush and Blair "made the Iraqi people happy." And in doing it, they exposed a lot of other misdeeds, which had been hidden. Bush also has to answer to the American people for the failed and hopeless actions in Afghanistan.

EIR: What do you think was George W. Bush's worst mistake?

Goguadze: His most fatal error was committed with respect to Georgia, in making this coup d'état, cynically labeled "a revolution of roses." When [Secretary of Defense] Donald Rumsfeld, satisfied with the result, arrived in Tbilisi, he was met at the airport by a unit from Georgia's Defense Ministry in parade dress, well-equipped with American-made uniforms and boots. Up front were the handsome U.S. officers, the instructors, looking rather gloomy for some reason. But Rumsfeld smiled at each of them with a kind of plastic smile, and a kind of mysterious fear—perhaps about whether his compatriots in uniform were going to forgive him the great

elections. Afghan ministers and the United Nations make plain that security must improve—with the aid of more foreign troops—for the vote to be fair, and it must include all the country's bitterly divided groups. "I don't think incomplete elections will be acceptable to anyone," Karzai's interior minister, Ali Ahmad Jalali, said recently.

Anwar al-Haq Ahadi, the president of the Afghan Central Bank and leader of the Afghan Mellat (Afghan Nation) party, who is considered to be close to Karzai, agreed that the election process still mainly consists of question marks: Who will be allowed to vote? Which electoral system will be applied? Will there be party lists, or the British "winner-takes-all" approach, or a combination of both, as in Germany? Will the country be parliamentary or a presidential democracy? Last but not least, Ahadi criticized the fact that the draft of the new constitution has been "kept secret" from the Afghan population.

NATO and Opium

It is evident, however, that it would be darn difficult to get more foreign troops into Afghanistan. U.S. Secretary of State Donald Rumsfeld, who was in Afghanistan in early December after his meeting with the NATO Defense Ministers in Brussels, had voiced some of that frustration earlier in September. He said NATO members have been slow to volunteer troops for an expanded International Security Assistance Forces (ISAF), but did not explain why.

This time, while in Kabul, he did not have anything new to add, either. "I certainly agree that an expansion of ISAF would be a good thing, [but] for whatever reason, there have not been countries lining up to expand ISAF," Rumsfeld complained.

The experience of Afghanistan also poses some serious questions about the effectiveness of the intervention and regime change in which the Bush Administration believes so strongly. For one thing, the doctrine does not give any clue to just how states can be reconstituted effectively. While the world in general recognizes that the removal of the Taliban was commendable and encouraging, what has transpired subsequently confirms that the new regime, hand-picked and molded from Washington, may co-exist with the country's continued role as the world's source of opium and heroin. Since September, Rumsfeld has several times dismissed the idea that NATO could do anything effective against the opium traffic. While it may well be a gain for international order that the Taliban regime is no longer in power, it also disturbs all that their removal had little, if any, immediate effect on the country's greatest and most corrosive contribution to global society, its production of opiates.

Not only does the flow of narcotics undermine the authority of whatever new regime emerges from the Loya Jirga; it is also causing domestic and international problems in post-Soviet Eurasia and raising uncomfortable questions about how effective the tools of intervention and regime change really are.

number of American soldiers in coffins lately. The way he smiled and shook hands was reminiscent of Hitler in the Spring of 1945, dispatching young Germans to the last front. . . .

EIR: Still, hadn't you hoped until quite recently that Bush and [Russian President] Putin would find a common language, for the benefit of the whole world? In this case, your hopes and your forecast did not come to pass, did they?

Gogvadze: That's partly true. My thinking on this subject was based on what *should* happen. That's what he *should* have done. I sent my thoughts to Mr. Putin and to Mr. Shevardnadze, as recommendations. Since they were published in the mass media, they were also designed for the public. Putin himself was hoping that his "friend George" would act pragmatically, in the interests of the United States itself. But little ploys are useless in big policy. Putin bases his policy on a moral and legal foundation. He doesn't deceive. Whereas Bush, unfortunately, plays by double standards.

EIR: Last year you commented ironically about Russia's influence on NATO, calling it "Nato" [the Georgian diminutive of the popular woman's name "Natalia"; the Russian diminutive is "Natasha"]. You made the surprising assertion that NATO was no longer a formidable military organization, and that it would be nice if it would become as charming as Natasha Rostova in Tolstoy's *War and Peace*.

Gogvadze: Yes, I said this after the events around Iraq. A military organization is based upon a strict system of commands, which are not discussed; they are obeyed. But Bush and Blair, with sweet expressions on their faces (Tony likes to show off his good, white teeth) were inviting their allies to the carnage, as if it were a wedding party. Ultimately, only two of the 19 members, the United States and Britain, got themselves stuck in the desert sands. Though they had promised mountains of gold to those who joined, telling them that they would get oil, while the skeptics will get nothing. But man supposes, God disposes. The Alliance is coming apart at the seams.

EIR: But you were disappointed in Mr. Bush?

Gogvadze: Do you think I could ever have been charmed by that cowboy? But since you want to know what kind of hope I placed in him, let me tell you about a radio interview with Lyndon LaRouche, which I received two and a half years ago. The interviewer wondered why Mr. LaRouche was so generously handing good advice to the younger Bush, though Bush, Sr. had thrown him in prison, and the son was not favorably inclined towards him, either. And LaRouche replied, "As a person, George W. Bush is a real idiot, but he is President. Do you want him to wreck the country?" The journalist asked LaRouche what he would advise Bush. LaRouche answered, "He should find a common language with Vladimir Putin's Russia, with China, France, Germany, and other countries."

So, Bush the Father and Bush the Son (only the Holy Spirit is missing) have been unable to carry out a reasonable policy towards the rest of the world. Iraq is a vulnerability for them. But the ultimate stumbling block, it turns out, was Georgia. Just look at Shevardnadze's devotion to them, and how that was repaid. Their haughtiness and conceit do not sit well with "old Europe," either, not to mention Asia. As for our little country, it has become a battlefield for dinosaurs, an arena of imperial ambitions and a tribune for exposing secrets.

EIR: Let us look again at the November events in Georgia, which have been the object of global mass media attention for a month.

Gogvadze: Like the Sun in a drop of water, the Georgian events may have been a rehearsal for next year's U.S. Presidential elections. George Soros has already trumpeted that his success in Georgia is a prelude to victory in the U.S. elections; i.e., that Bush will not be re-elected. . . .

The United States should conquer other countries not with dollars and bullets, but with the humanism, love of peace, and spiritual qualities they have. If the U.S.A. were to develop Lyndon LaRouche's concept, it would have a great future.

EIR: In our civilized, but still not very literate world, even some Presidents wonder where Georgia is. The Georgia of the Caucasus, a Christian country since the Third century, has been carrying its heavy cross through the ages, and now is on the verge of collapse. How do you view this national tragedy?

Gogvadze: I am completely convinced that if Georgia ceases to exist, then Judgment Day will be at hand, in its most ruthless version, known as the Apocalypse.

Let's return to the sinful Earth. Georgia has become an arena for a simple scenario, which resulted in a serious shakeup. With financial and consulting support from Soros, the opposition revised the rolls of voters under the pretext of checking them, and they included a great number of people who were dead—some of them since the 19th Century. This caper led to the coup d'état of the "revolution of roses." . . .

Shevardnadze realized that something bad was being prepared for him. He was ready to give them the Parliament. But the opposition wanted a coup, and Soros wanted even more—a bloodbath, a civil war for the destruction of Orthodox Georgia. Some philanthropist! Without Russia's timely intervention, Shevardnadze would have been killed. [Russian Foreign Minister] Igor Ivanov, his former deputy as Foreign Minister of the U.S.S.R., saved his life. . . .

EIR: We have just heard about the results of the parliamentary elections in Russia. How do you see them?

Gogvadze: That was a genuine velvet revolution, with reasonable people coming in. I wish them success, and I hope that fraternal relations with Georgia are restored.

I thank you, Mr. Kilasonia, for the possibility to address Lyndon LaRouche's readers. His ideas are very popular in Georgia. The future belongs to them.

Cheney's Halliburton Becomes The 'Enron' of War Profiteers

by Carl Osgood

Vice President Dick Cheney's Halliburton Corporation has been caught, once again, ripping off U.S. taxpayers. This time, it's not just overcharging for gasoline or other contracted items; it's the very food being fed to American soldiers in Iraq; and it's not just taxpayers, but U.S. troops being exposed to filthy mess halls and rotten food, according to official Pentagon inspection reports.

According to a Dec. 12 NBC "Nightly News" investigative report—confirmed to *EIR* by other sources—a Pentagon audit found dirty and unsafe conditions in four mess halls that Halliburton's KBR subsidiary operates in Iraq. NBC also reported that KBR's promises to improve its food services "have not been followed through," and that the Pentagon warns that "serious repercussions may result" if the contractor does not clean up its act. The auditors reported finding "blood all over the floor . . . dirty pans . . . dirty salad bars . . . rotting meats . . . and vegetables" during a series of inspections in August, September, and October—including of the mess hall that President Bush visited during his Thanksgiving visit to Baghdad. (No wonder he was parading around with the decorative turkey. He wouldn't want to touch the real thing.)

For this "service," Halliburton charges \$28 for each meal that it serves to over 100,000 troops each day. The day before the NBC report, Defense Department officials had also reported that KBR had proposed a charge of \$220 million for cafeteria services, about \$67 million more than it was paying its subcontractor.

Representative Henry Waxman (D-Calif.), who has been relentlessly pursuing his own investigation of Halliburton's war profiteering since last April, said that the revelations in the audit add up "to a company that arrogantly is overcharging when they can get away with it and not providing the quality of service that they agreed to do."

The same day that the NBC report came out, Secretary of

Defense Donald Rumsfeld was questioned about the services that Halliburton provides to American troops in Iraq, by a Midwest legislator at a conference of the National Conference of State Legislators—indicating that it was already becoming a national scandal. Minnesota State Sen. Becky Lourey, who has a son serving in Iraq, told Rumsfeld that "I'm very upset about the services to our servicemen that Halliburton is providing. Not only could we save a lot of money if they weren't overcharging as much as they are, but the services that they are providing now for our servicemen are not as efficient as, for instance, they were in Bosnia, when my son was in Bosnia, and the Army was responsible for that. . . . It is a great concern when our servicemen and women are over there, and an entity, non-bid, such as Halliburton, is not doing the job that our own Army had always done much better."

Rumsfeld acknowledged that the Defense Department has "moved from uniformed military personnel providing food services" for deployed military personnel, to private contractors, but claimed, "they've done a very good job. To the extent they don't do a very good job, they get let go as a contractor and it gets changed." Rumsfeld protested, "What you're reading about in the paper is not an overpayment at all, it is a disagreement . . . as to what ought to be charged."

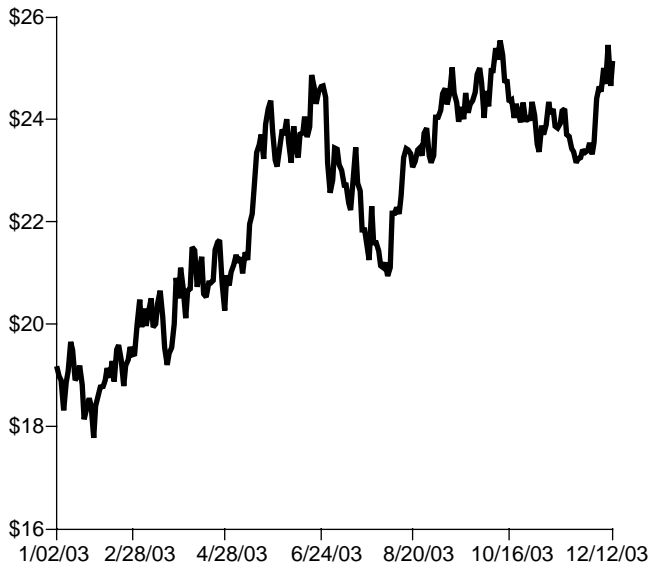
Making a Stock Rise by War

Halliburton has the two largest contracts in Iraq, one for \$8.6 billion under the Pentagon's Logistics Civil Augmentation Program (LOGCAP) for providing logistical services to the U.S. military, and a second one for \$7 billion for rebuilding Iraq's oil infrastructure. In a May 2 letter to Representative Waxman, Lt. Gen. Robert Flowers, the commander of the U.S. Army Corps of Engineers, revealed that KBR was selected on Nov. 11, 2002 to develop a contingency plan for the repair and continuity of operations of Iraqi oil infrastructure

FIGURE 1

Halliburton Stock Price, 2003

(Dollars per Share)



Source: National Association of Securities Dealers

Halliburton's stock price had nosedived to a low in early 2003, just before the Cheney-driven invasion of Iraq—but the stock has done just fine since then.

under the LOGCAP contract, which it had been awarded in December 2001. On March 8, 2003, the Army awarded the second contract to KBR “to carry out the contingency plans it had developed,” without any competitive bidding, and in secret. The only acknowledgment of the contract was a pair of press releases issued by the Pentagon, during March, announcing that KBR had been hired to help fight oil well fires in Iraq. According to an April 27 report on CBS’s “60 Minutes,” while all this was going on, another company, GSM Consulting, expert in stopping oil well fires and rebuilding petroleum services, had been told in a Defense Department letter dated Dec. 30, 2002 that “it was too soon to speculate” about Iraq “in the event that war breaks out in the region.”

It appears, then, that the Cheney chicken-hawks had already secretly decided on war and were lining up their cronies to get the profits.

In response to Flowers’ May 2 letter, Waxman wrote back on May 6, saying that the contract with Halliburton’s KBR is “considerably broader in scope than previously known.” He noted that the contract “can include ‘operation’ of the Iraqi oil fields and ‘distribution’ of Iraqi oil,” and said that an earlier letter from Flowers indicated that Halliburton’s contract could stay in place until January of 2004.

It did not end there, however, as Waxman’s continuing investigation uncovered, in October, that Halliburton was

charging up to \$2.65 per gallon for importing gasoline into Iraq from Kuwait. Halliburton’s pricing, Waxman wrote to National Security Advisor Condoleezza Rice on Dec. 10, raises “serious questions,” including: Why is Halliburton paying \$1.17 per gallon of gasoline when the average wholesale price in the Mideast is 71¢? Why is Halliburton charging \$1.21 for transporting gasoline from Kuwait, when the Defense Department and the state-owned Iraqi oil company are paying a fraction of that? Why is Halliburton being paid the 24¢ mark-up plus the 2¢ “other” charge, when their main function is to hire a subcontractor to actually purchase and transport the gasoline?

“We do not understand the White House’s seeming indifference to this evidence of overcharging, nor why the White House has not responded to our previous letters,” Waxman wrote. He reported that more recent data indicated that Halliburton was shipping gasoline at a cost of as much as \$3.06 gallon.

The Pentagon’s Dec. 11 admission that indeed, Halliburton may have overcharged for gasoline imports by as much as \$61 million, spurred even President Bush to say on Dec. 13 that the Pentagon had “put the issue right out there on the table for everybody to see. . . . And if there’s an overcharge, like we think there is, we expect the money to be repaid.” The following day, Rep. Jim Gibbons (R-Nev.), a member of the House Armed Services Committee, called the overcharge allegation “an absolute outrage” and called on the committee to hold hearings on Halliburton early next year. “If these allegations which were found by a Pentagon audit of government contracts are true, then it’s time for Halliburton to break out its checkbook and refund American taxpayers,” he said.

Gibbons was the first Republican member of Congress to call for Congressional hearings on the company.

The Pentagon’s audit agency is also accusing Halliburton of withholding internal documents that show that the company was aware of accounting problems relating to the fuel overcharges. A Dec. 10 letter from the agency to Halliburton’s KBR, charged that the agency “has been denied access to” key documents concerning the fuel contract.

Cheney’s Continuing Interest

Halliburton’s war profiteering is intimately tied to its relationship with Vice President Cheney, who largely created Halliburton’s present government contracting business from the ground up. Cheney’s relationship with Halliburton goes back to at least 1991, when the company received contracts from then-Secretary of Defense Cheney to rebuild facilities in Kuwait that had been destroyed in the first Persian Gulf war.

Cheney subsequently commissioned Halliburton to do the original secret, Pentagon-funded study which has led to the ballooning of its war business in the decade since! The study—whose fruits Rumsfeld was referring to in “defending” Halliburton—was on replacing the U.S. military’s logistics in-depth with the present, bloated, mercenary model of privatization. When Cheney joined Halliburton as its CEO in

Chicken-Hawk Hunts Tame Pheasants

On Dec. 8, Vice President Dick Cheney made a quick round-trip to Western Pennsylvania for a game-shoot at the Rolling Rock Hunt Club, associated with the home estate, "Rolling Rock," of the Mellon Family in Westmoreland County east of Pittsburgh. The logistics of Cheney's private trip and the pretense of his "hunt" have raised ire in the region. His motorcade shut down Route 30, the Lincoln Highway, for a time, and involved contingents of state, county, and local police as well as Secret Service. The day began with two Gulf Stream V jets—one of them being Air Force 2—arriving at Arnold Palmer Regional Airport before 8 a.m.; then a convoy of several Chevy Suburbans and a Humvee proceeded to the private club in Ligonier Township in the Laurel Highlands.

The "hunt" was arranged in the same way as the famed Mellon fox hunts: The prey are pen-raised, and released at points along the way of the "hunters," so they will be sure to bag something, regardless of how drunk they might be. Details of the arrangements for Cheney were kept secret, but reports are that some 500 pen-raised pheasants were released, and several dozen ducks for the morning hunt. Cheney and his party of nine killed 400 of the pheasants. Cheney is said to have killed 70 ringnecks himself, and more mallards than they could count.

This is Cheney's second trip to a private hunt on the

Mellon lands; he was there in November 2002. The *Tribune-Review*, published by Richard Mellon Scaife, reported that Cheney's "press secretary at that time said hunting and fishing are among Cheney's favorite activities, and that his previous visit included breakfast, lunch, and cocktails after the hunts. Cheney was accompanied on that outing by a group of companions from Texas." His companions this year were kept secret. The Rolling Rock Club's manager said, "We are a private club, and we do not talk about our members." Cheney's spokesman, Kevin Kellem, refused to release photographs, or give any details. He said, "The birds don't go to waste, they go to hunger-relief charities," but he would give no locations nor names.

Cheney's fundraising jaunts usually involve private meetings with fat-cats, but no public appearances. He doesn't meet any constituents, no-hand-shaking, no mixing with the people. But his motorcades tie up traffic; the cost of extra local police is borne by local taxpayers; and the cost of his travel is carried by national taxpayers. All this is raising considerable ire, as well as money—\$12.9 million for the Bush-Cheney ticket since June, with 32 stops:

- *Rocky Mountain News* (Denver), Nov. 7: "Cheney Motorcade Stalls Traffic."
- *Buffalo News*, Nov. 19: "Cheney's Lucrative Visit Comes at a Cost to City." A columnist demanded that Cheney's campaign should pay the \$10,000 extra cost for police overtime, since all he did in the city was to steal in and steal out with the money.
- *Cleveland Plain-Dealer*, Nov. 25: "Cheney Visit Raises \$750,000, Along With Voices of Protest."

1995, he aggressively sought out more government business from this lucrative spigot he and Halliburton had teamed up to turn on, and is credited with nearly doubling Halliburton's government contracts during his five-year tenure that ended in 2000.

Cheney has falsely claimed that he severed all ties with the company in 2000. "I have no financial interest in Halliburton of any kind and haven't had, now, for three years," he said, on the Sept. 14 edition of NBC's "Meet the Press." Sen. Frank Lautenberg (D-N.J.) showed Cheney's claim to be a lie, with a Congressional Research Service report demonstrating that the stock options and the deferred salary that he is receiving from Halliburton, in fact, constitute a substantial financial interest. The CRS report, released by Lautenberg on Sept. 25, states that a deferred salary "is a not a retirement benefit or a payment from a third party escrow account, but rather an ongoing corporate obligation paid from company funds. If a company were to go under, the beneficiary could lose the deferred salary." Cheney also holds 433,333 unexercised Hal-

liburton stock options, on which he has signed an agreement to donate any profits to charity. The report says, "Should Halliburton's stock price increase over the next few years, the Vice President could exercise his stock options for a substantial profit, benefitting not only his designated charities, but also providing Halliburton with a substantial tax deduction."

The CRS study reports that "deferred salary or compensation received from a private corporation in the reportable year is considered as among the 'ties' retained in or 'linkages to former employers' that may 'represent a continuing financial interest in those employers, which makes them potential conflicts of interest,' and must be disclosed as employment relationships and outside earned income." The study shows the same is true of "benefits . . . such as deferred compensations."

Senator Lautenberg had, very presciently, charged on Oct. 2 that Halliburton was not only winning huge Iraq war contracts, but padding them. He said that Halliburton had had "a September to remember," with their contracts doubling from \$700 million to \$1.4 billion just before the bidding process

opened up (they have since nearly doubled again). Lautenberg charged then that Halliburton's contract padding "would make [Enron chairman] Ken Lay proud."

'Drives Me Nuts'

Cheney is not simply engaged in profiteering off of war, however. He has been promoting a policy of "perpetual imperial war" for the United States after the collapse of the Soviet Union, since about the same time he began his financial relationship with Halliburton in 1991. Cheney's faction of "chicken-hawks," many of whom have similar conflict-of-interest problems, pushed the hardest for war against Iraq—unsuccessfully before Sept. 11, 2001, and successfully since then.

However, Cheney is beginning to feel the heat. In an interview with right-wing commentator Armstrong Williams, reported in the *Washington Post* on Dec. 17, Cheney lashed out at "cheap-shot journalism" about himself and the Bush Administration, complaining that "it drives me nuts. . . . People don't check the facts." The Vice President was particularly incensed about press coverage of Halliburton, complaining that journalists have not tried to find out "the real facts" when writing about his favorite company. "There are an awful lot of people in the press who don't understand the business community. I think our political opponents have spent a lot of time hammering away on trying to find some allegation that Halliburton got favoritism on contracts, or trying to make some kind of connection they've never been able to make. There's no evidence to support anything like that, but if you repeat it often enough, it becomes sort of an article of faith."

Washington sources have told *EIR* that Cheney has become obsessed with Lyndon LaRouche's campaign against him, and that he blames LaRouche for the attacks on his war and profiteering policies, which have been picked up repeatedly in elements of the mass circulation media, most notably in a series of articles by investigative journalist Seymour Hersh in the *New Yorker*.

LaRouche's commented on Cheney's outburst: "What about that stinking dead meat that Cheney and Halliburton are sitting on top of? This stinking dead meat that he's trying to feed to U.S. soldiers? While Bush is parading around with an imaginary turkey, they're feeding rotten meat to the troops."

WEEKLY INTERNET
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The LaRouche Show
EVERY SATURDAY
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LaRouche Ballot Drive Is On Target

by Marla Minnicino

Already qualified for the primary ballot in one-third of his campaign's 36 target states, Democratic Presidential candidate Lyndon LaRouche is now considered one of the "major" Democratic candidates, though the Democratic Party would still prefer not to admit this ironic truth.

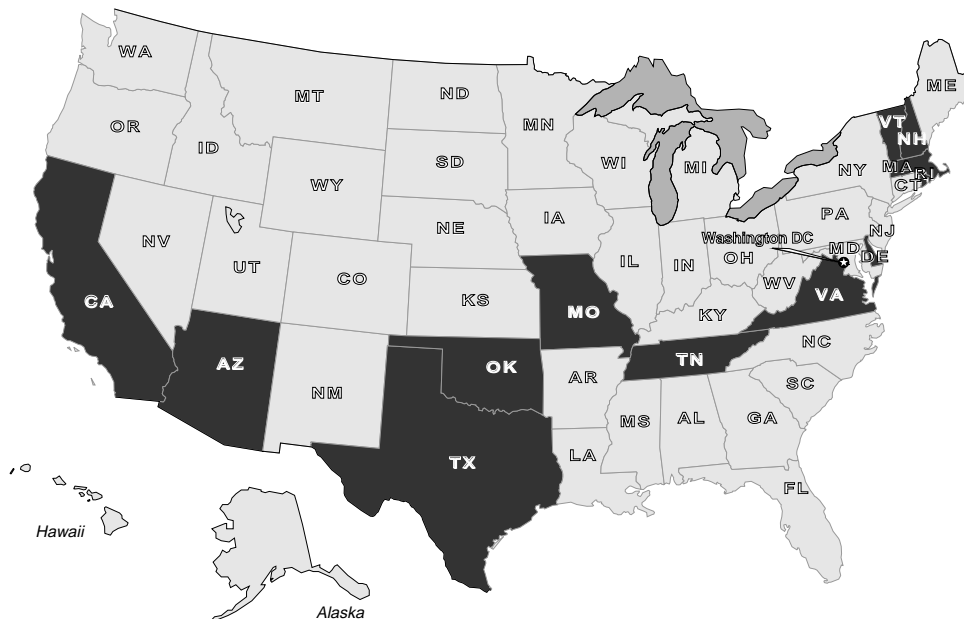
On Dec. 17, when LaRouche was certified for the Feb. 10 Virginia primary ballot by the state Democratic Party, wire services reported: "Dems certify nine candidates for February primary." In fact, the Democratic Party had no choice but to certify LaRouche along with Lieberman, Kerry, Edwards, Kucinich, Gephardt, Clark, Dean, and Sharpton



"D.C. stands for Dump Cheney!" The LaRouche Youth Movement has been everywhere, from the city buses, to the Congress, to the neighborhoods, mobilizing for a primary victory for LaRouche in the nation's capital—a strong shove to get Cheney's neo-cons out of office.

LaRouche On Presidential Ballot in Highlighted States

(As of December 18, 2003)



(Carol Moseley Braun did not qualify), because LaRouche surpassed the state's requirements by submitting 22,000 signatures, gathered from voters in every Congressional district in Virginia.

In Texas, where LaRouche youth movement members submitted LaRouche's filing documents and fee to the Texas Democratic Party on Dec. 18, a party official showed them a letter from the Democratic National Committee (DNC) stating that the national Party intended to attempt to exclude delegates won by LaRouche in the primaries, but said pointedly: "We are happy to have LaRouche on the ballot." Similarly in other states, the Democratic Party has reluctantly admitted that LaRouche has a political machine which must be reckoned with. The DNC letter notified state Democratic parties that they should not attempt to exclude LaRouche from the ballot in any state-run primaries.

LaRouche's drive for ballot status in at least 36 states is intersecting a fight within Democratic Party circles over how to respond to LaRouche. He is already on the ballot in 12 states (California, Missouri, New Hampshire, Delaware, Tennessee, Vermont, Massachusetts, Oklahoma, Arizona, Virginia, Rhode Island, Texas) and in Washington, D.C. Volunteers are petitioning in Wisconsin, New York, Oregon, Indiana, and Ohio to place LaRouche on the ballot, and he will be qualified for the ballot in 20 states by mid-January. He has qualified so far in every state where he has applied to be on the ballot, including California where the Secretary of State placed him on the ballot as a "nationally recog-

nized" candidate.

Meanwhile, LaRouche's youth movement is shaping the political environment in the nation's capital—with its Jan. 13 primary—and in early primary states, with their innovative and creative style of campaigning, which includes taking the campaign directly to the streets—especially in the poorer areas of the District—and inviting people young and old to join the campaign to Dump Cheney and bring in LaRouche.

To this end, LaRouche has announced a multi-pronged offensive to further ramp up the "hot phase" of his campaign. On New Year's Day, the campaign will launch an intensified buildup for a prime-time TV broadcast in Washington, D.C., just prior to the Dis-

trict's Jan. 13 Democratic Party primary election.

In New Hampshire, where the primary is Jan. 27, expansion will also center on a major TV broadcast by LaRouche, coupled with three weeks of intensive campaigning involving public events and aggressive youth organizing.

Whether or not the Democratic National Committee and its chairman Terry McAuliffe still intend to treat LaRouche like the plague and bar his delegates—going back to the days when Donald Fowler and Joseph Andrew ran the DNC—the LaRouche Youth Movement intends to change the rules of the game. They intend that not only will LaRouche win the Washington, D.C. primary, but their organizing will transform the political geometry in the country so that the Democratic Party will wake up and realize that LaRouche's voice must be heard.

As LaRouche said in his Dec. 12 webcast, "We are coming out as a movement, not as a bunch of voters to be polled outside the poll, but as a movement, to move in and let them know we're there. We are a movement. We are no longer going to be stepped on. We are a movement! And that's what we need in politics in this country today."

As the youth plan new flanking actions to expand the campaign in ways never before thought possible, LaRouche himself laid out the stakes in answer to a question from a Democratic consultant at his Dec. 12 Washington, D.C. webcast: "If I'm not running as an acknowledged candidate of the party by the party machine, then none of the candidates will ever make it."

Ashcroft and His Policies Are Hit From Many Sides

by Edward Spannaus

The police-state policies of Attorney General John Ashcroft and the Bush-Cheney Administration were slammed in a number of court rulings in mid-December, while Ashcroft himself was personally rebuked by a Federal judge in Detroit, and his campaign committees fined for illegal campaign contributions.

In the latter case, the Federal Election Commission found four violations of the Federal election laws, involving an illegal contribution of a valuable fund-raising list from Ashcroft's "Spirit of America" political action committee, to Ashcroft's (unsuccessful) 2002 Senate re-election campaign committee.

Detention of U.S. Citizen Unconstitutional

The most stunning blow to Ashcroft's and the Administration's "war on terrorism" policies was the Dec. 18 ruling of the U.S. Court of Appeals for the Second Circuit in New York, which held that the President cannot detain an American citizen, seized on U.S. soil, as an "enemy combatant." The ruling involves Jose Padilla, who was arrested at O'Hare Airport in Chicago in May 2002 amidst great fanfare by Ashcroft, who proclaimed: "We have disrupted an unfolding terrorist plot to attack the United States by exploding a radioactive dirty bomb." (In the months following Padilla's arrest, law enforcement and intelligence officials said that they had found no evidence of such a plot, and that Padilla was a "small fish" with almost no ties to Al-Qaeda.)

On June 9, 2002, faced with a court hearing at which prosecutors would have been compelled to state whether or not they were bringing criminal charges against Padilla, he was designated by the President as an "enemy combatant" and transferred to a military brig in South Carolina—where he has been held incommunicado ever since.

In what has been almost universally described as a "major setback" to the Administration policies, the Second Circuit ordered that Padilla be released from military custody, at which point he could be transferred back to the civilian court system.

The Appeals Court stated, contrary to the arguments put forward by Ashcroft's Justice Department, that the President does *not* have the inherent authority to detain a combatant within the United States. "The President's inherent constitutional powers do not extend to the detention as an enemy

combatant of American citizens without express Congressional authorization," the ruling stated, while declaring: "Padilla will be entitled to the constitutional protections extended to other citizens."

Even the dissenting opinion in the 2-1 ruling, which said that the President does have such power, challenged the government's contention that "Mr. Padilla can be held incommunicado for 18 months with no serious opportunity to put the government to its proof." Referring to the Constitution's provision for *habeas corpus*, the dissenting judge wrote: "No one has suspended the Great Writ."

The ruling stated explicitly that it would not apply to the case of any U.S. citizen who was captured within the zone of combat in Afghanistan (which is the case with Esam Hamdi, who was picked up in Afghanistan, sent to Guantanamo, and then sent to a military brig in the United States, when it was discovered he had been born in Louisiana).

The ruling placed emphasis on a 1971 statute, the "Non-Detention Act," passed in connection with the repeal of the Emergency Detention Act of 1950. The 1971 law bars the detention of U.S. citizens without explicit Congressional authorization. The ruling noted that this was passed with specific reference to the detentions of thousands of Japanese-Americans during World War II.

A second ruling on the same day, by the San Francisco-based Ninth Circuit U.S. Court of Appeals, held that all prisoners being held in the Guantanamo Bay military prison should have access to lawyers and to the U.S. legal system. This is the first such ruling.

"Even in times of national emergency—indeed, particularly in such times—it is the obligation of the Judicial Branch to ensure the preservation of our constitutional values and to prevent the Executive Branch from running roughshod over the rights of citizens and aliens alike," Judge Stephen Reinhardt wrote for the majority in the Ninth Circuit ruling. "We cannot simply accept the government's position," Reinhardt continued, "that the Executive Branch possesses the unchecked authority to imprison indefinitely any persons, foreign citizens included, on territory under the sole jurisdiction and control of the United States, without permitting such prisoners recourse of any kind to any judicial forum, or even access to counsel, regardless of the length or manner of their confinement."

The Ninth Circuit stayed its own decision, pending a ruling from the U.S. Supreme Court in two cases which the high court has already accepted for review, pertaining to 16 Middle Eastern, British, and Australian detainees at Guantanamo who were denied access to the courts by an earlier ruling of the D.C. Circuit of the U.S. Court of Appeals.

The Second Circuit ruling is considered by many observers to be the more significant of the two, both because it is a much more highly-regarded court than the somewhat maverick Ninth Circuit, and because the issue in the Ninth Circuit case is already before the Supreme Court.

Federal Judge Rebukes Ashcroft

On top of these court rulings, which constitute a serious rebuff of the policies championed by Ashcroft, the Attorney General was personally rebuked with a public admonishment in Federal court in Detroit on Dec. 16; this was in response to Ashcroft's having twice violated that court's order barring attorneys from making any public comments on an ongoing terrorist trial.

"Two serious transgressions committed in this case are simply one too many for the court to abide with no response," said U.S. District Judge Gerald Rosen.

In April, Ashcroft had publicly praised the government's star witness, Youssef Hmimssa, a self-described scam artist from Morocco, saying: "His testimony is, has been of value, substantial value. Such cooperation is a critical tool in our war against terrorism." Ashcroft went on to declare that this should put potential terrorists on notice that there are informants among them.

Judge Rosen responded at the time by saying, "I was distressed to see the Attorney General commenting in the middle of a trial about the credibility of a witness who had just gotten off the stand," and warning: "The Attorney General is subject to the orders of this court."

Then, in August, Judge Rosen had issued an order directing Ashcroft to explain why he had violated the court's gag order. In response, Ashcroft sent a letter to the judge stating: "I regret making those statements. . . . I made a mistake in making statements that could have been considered by the court to be a breach of the court's order." The judge declined to take the more serious step of instituting criminal contempt of court proceedings against Ashcroft.

Meanwhile, two witnesses who were in jail with Hmimssa have told the court that Hmimssa bragged that he had made up his story about the defendants in the case, four Arab immigrants, being involved in terrorism. The judge heard arguments on Dec. 12 as to whether he should throw out the convictions, because prosecutors had withheld additional evidence that Hmimssa had fabricated his story. In this instance, prosecutors failed to turn over a letter from a notorious drug dealer, Milton "Butch" Jones, who had been in jail with Hmimssa, and who said that Hmimssa had bragged about lying to the FBI and Secret Service.

Ashcroft has become notorious for hyping the importance of arrests and convictions in "terrorism" cases, and, true to form, he and the Justice Department have touted the Detroit convictions as an important victory in the war on terrorism.

Phony Statistics

Further evidence of the degree of hype around Ashcroft's "war on terrorism" comes in a newly-issued report which shows how little the Justice Department has actually accomplished as a result of its dragnets. In the two years since the 9/11 attacks, Federal investigators have recommended the prosecution of more than 6,400 people on charges related to terrorism. However, actual charges were filed against only 2,000, and of these, 879 were convicted. But, for those categorized as "international terrorists," the median prison sentence was only 14 days! Only five were sentenced to 20 years or more.

In fact, says the new report from Transactional Records Access Clearinghouse (TRAC), the number of individuals sentenced to more than five years in prison on terrorism charges actually *fell* after 2001. What has risen, is the number of individuals convicted, but sentenced to little or no prison time—meaning that people picked up on "terrorism" charges are being prosecuted for minor infractions and violations.

"This punches a huge hole in the hype the Justice Department has been engaged in," said a spokesman for the American Civil Liberties Union (ACLU). "They are calling people terrorists, on a massive scale, who aren't terrorists."

The latest example of such Justice Department overreaching, came in a Federal courtroom in Alexandria, Virginia on Dec. 19. (This is the Justice Department's favorite venue for such cases; the TRAC study showed that almost 20% of all terrorism prosecutions are brought in this court, known as the "rocket docket" for its speed and pro-prosecution bias. The next highest in ranking among the nation's 90 judicial districts, in North Carolina, had fewer than 4% of all prosecutions.)

In this case, called the "Virginia Jihad" case, prosecutors are trying to piggyback terrorist allegations on top of a garden-variety immigration-fraud case. Although the immigration violations involved would merit only a six-month sentence, prosecutors claim that because the defendant did business with "terrorists," he should be given a ten-year sentence. Judge T.S. Ellis III called the government's argument "nonsense." Ellis also criticized prosecutors for arguing that the defendant had a "social relationship" with a Hamas leader. "It's not a violation to socialize with a specially-designated terrorist," Ellis said. "It may be bad judgment and bad taste and all the rest, but it's not a violation."

And, in what is becoming a well-known pattern in "terrorism" cases, Federal prosecutors admitted that they were seeking a longer sentence to pressure the defendant into "cooperation"; i.e., giving information through which they could link others to alleged terrorists.

National News

Schwarzenegger Moves Quicker Than Hitler

One month into his gubernatorial term, California Gov. Arnold Schwarzenegger gave himself emergency powers on Dec. 18, to impose austerity spending cuts without the legislature's approval. It took Adolf Hitler about six weeks after coming to power in January 1933 to invoke emergency measures.

The state is facing an estimated \$12-24 billion deficit for the coming fiscal year. Schwarzenegger will use his emergency powers to impose an immediate \$150 million in spending cuts, which will come largely from social service programs. Schwarzenegger, whose first act in office was to respond to populist pressures to eliminate increases in the car tax, will make up for some of the lost \$300 million in tax revenues by squeezing the poor. Immediate massive cuts in police, fire, parks, and library services loom. City governments are threatening lawsuits, and police groups have appealed to the governor.

Defending his move, the Terminator said, "I was elected by the people of this state to lead. Since the legislative leadership refuses to act," he lied, "I will act without them." Schwarzenegger's action is exactly along the lines of what austerity fanatic George Shultz and others threatened: that if the legislature doesn't go along with what he wants, they'll become irrelevant.

Blumenauer Calls For Probe of Wal-Mart

Speaking on the floor of the House of Representatives on Dec. 8, Rep. Earl Blumenauer (D-Ore.) detailed several of the destructive practices and crimes of Wal-Mart, and said, "Congress ought to start now, investigating the practices of America's largest retailer, particularly as it relates to labor and employment."

This is the first known call by a Congressman for a Congressional investigation

of the company. Attacks and actions against Wal-Mart have escalated since Nov. 1, when 2004 Democratic Presidential pre-candidate Lyndon LaRouche launched an international boycott of the company, which is the biggest company in the United States and the kingpin of the "globalization" mafia.

Blumenauer denounced Wal-Mart as the leading force in a drama which is deciding "the future, not just of America's economy, but of the global marketplace." The company is destroying U.S. communities and jobs, he said. "It appears that the communities lose far more jobs with Wal-Mart than they gain. Depending upon that community and whether or not those jobs are unionized, the jobs that they do get are \$2 to \$10 an hour less than those that are destroyed."

Further, Representative Blumenauer stated, "Last year in Oregon, a jury found that company managers had coerced hundreds of employees to work overtime without compensation, as Wal-Mart managers were tampering with time cards, and forcing employees to work off the clock. This appears not to be an isolated example."

The Congressman stated that Wal-Mart has used illegal workers to clean its stores in the United States, and has been unwilling to make its suppliers follow the law, inclusive of labor laws. "Wal-Mart is the only major retailer that refuses to allow independent auditing of its factories overseas."

Drug Czar Walker Blasts George Soros

The Director of the White House Office of National Drug Control Policy, John P. Walters, lashed out at financier and drug legalization advocate George Soros on Dec. 18, for promoting lies about drugs and refusing to debate the issue publicly. Walkers spoke in response to a question from this news service, at a meeting of the American Bar Association's committee on national security law.

EIR asked about Soros' efforts to buy up the Democratic Party, pointing out that Soros is not only the leading promoter of drug legalization in the United States, but that his organizations back drug producers

in Ibero-America, and worked to undermine Colombian President Uribe, whom Walters had just praised in his remarks.

Walters answered that he did not want to get into partisan politics, and that Soros can do whatever he wants in politics, but that in the area of drug policy, "he is extremely detrimental." Walters noted how the financier has been funding ballot initiatives over the past five years, and uses "misrepresentations" about the "miraculous medicinal value of marijuana," and about the effects of drugs.

Walters said that he had repeatedly asked Soros, both privately and public, to debate, but that Soros has always refused.

Walters pointed out that he, for the first time for someone in his position, had gone into the states where Soros was financing ballot initiatives, to fight against what Soros was doing. "At the end of the day," he said, "the fundamental thing is, that he has to push a huge lie uphill, that more drugs in a child's life, or an adult's life, or in the family, or in the community, or in the country, is okay. You can't push that lie uphill for very long in this country."

Hans Blix Says Cheney Tried To Armtwist Him

Former UN weapons inspector Hans Blix was interviewed by BBC-TV's "Hardtalk" program on Dec. 16, charging that Vice President Dick Cheney tried to armtwist him on the issue of alleged Iraqi WMDs. "It was a very unpleasant affair, indeed," said Blix.

Blix said that the arrest of Saddam Hussein will not be of any help for the search of WMDs in Iraq, because "both we UN inspectors and the American inspectors have come to the conclusion that there aren't any."

Blix was in Stockholm for the inauguration of a new international commission on weapons of mass destruction, which has been established upon an initiative of the late Swedish Foreign Minister Anna Lindh, who was assassinated several months ago. The new commission will not carry out any inspections, but will concentrate on political campaigns against proliferation.

The Collapse of the World Economic System, and What To Do About It

The following is the second of a series of documentary comparisons of the views of the 2004 Democratic Presidential contenders. The topics are those raised by Lyndon LaRouche's candidacy since Jan. 1, 2001, and therefore we place him first. The other candidates are listed, by topic, in the order of the number of their itemized campaign contributions. (LaRouche is number two by this count.) Part 1, in EIR of Dec. 12, dealt with the Iraq War and the Cheney neo-conservative coup.

The IMF Financial/Economic System in Breakdown Crisis

Lyndon H. LaRouche, Jr.

On Dec. 12, 2000, at the time of the Electoral College impasse on the selection process for the Presidency, LaRouche held an international webcast in Washington, D.C. to stress the necessity of citizens and government facing the epic nature of the financial and economic breakdown crisis now unfolding. He said:

“The problem is, essentially, that the world is gripped by the worst financial crisis in three centuries. . . . Let's take one little fact. Presently, according to my best estimate, the current account deficit of the United States is running to about a rate of \$600 billion a year. In other words, as an economy, we're operating at a big loss, building up a big debt, with no prospect of ever repaying it. In the meantime we're taking in trillions of dollars each year, or have been until recently, into the United States, to prime the pump on the Wall St. and other markets.

“What happens when the U.S. dollar collapses? And a 40% collapse in the dollar is a possibility, in the market—it's a possibility, a real one. Look at what happened to the NASDAQ. The NASDAQ has gone down about 50% in its index value, in a recent period, and it's going to go down a lot deeper. The Dow is also going to go down, because banks



are in trouble. And you've got a prosperous economy, because the market feels good today? Because some jerk from Wall St. told you the market feels good? . . . The other problem is, we're in what we call a post-industrial society. The United States went into a post-industrial society, about 1966. . . .”

Since that webcast statement, LaRouche has repeated his warnings, documenting the breakdown crisis, and acting internationally and at home, to mobilize for emergency action.

On Dec. 5, 2003, at a press conference in Paris, he said, “We're in a breakdown of the presently existing international monetary-financial system, especially the system as it was established between 1971 and '72.”

The history of LaRouche's current evaluation goes back ten years, to his June 1994 paper (published in *EIR*, June 24, 1994), “The Coming Disintegration of Financial Markets,” stating that the test for policymakers over the coming period was, “that the near-term disintegration of the presently bloating global financial and monetary bubble is unstoppable by any means, alternative to governments acting to place the relevant institutions into bankruptcy reorganization”; namely dealing with worthless debts, stopping speculation, and maintaining essential economic functions.

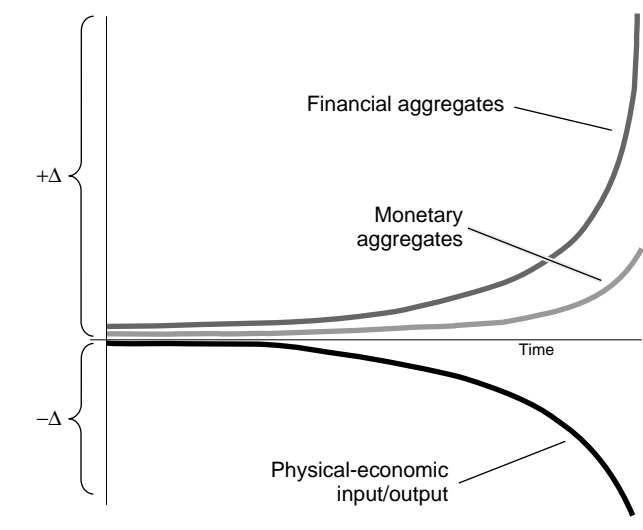
This 1994 warning of the danger of financial blowout and economic breakdown, was the ninth such forecast of LaRouche's 40-plus years as an economist, beginning with his first forecast in 1956 of the imminence of a major recession, which broke out in February 1957 and continued through 1958; and seven more such accurate forecasts of key economic events, through his 1992 warning of the process of “financial mudslides” taking down key sections of national economies during that decade. LaRouche committed himself to mobilizing forces internationally, as well as in the United States, against the economic disaster.

In December 1995, at a seminar on health care in Rome, sponsored by the Vatican, LaRouche released a now-famous schematic, called the “Typical Collapse Function,” or “Triple Curve” (Figure 1) to illustrate the dynamic of the breakdown threat. As events proceeded, without government intervention to stop the collapse process, his forecast was borne out, where even gross statistics (Figure 2), from 1996 to 2002, show that the collapse function is under way.

In February 1997, he spoke at an international confer-

FIGURE 1

LaRouche's Typical Collapse Function



LaRouche's "Triple Curve" schematic diagram, first presented in 1995, shows how the cancerous rise of financial and monetary aggregates destroys the physical economy at an increasing rate.

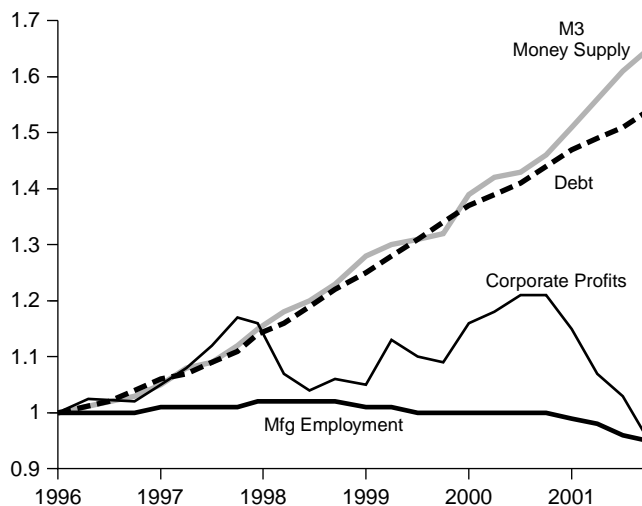
ence near Washington, D.C., calling for a worldwide mobilization for a "New Bretton Woods," because the International Monetary Fund (IMF) system was so bankrupt and destructive. Within months, a series of global financial shocks began, first manifest as the mis-named "Asian" crisis, then proceeding in various blowouts to the present day.

On Jan. 3, 2001, LaRouche held an international webcast in Washington, D.C., to brief U.S. citizens and leaders around the world, on the context of the financial and economic collapse, in which elements of the incoming Bush Administration could pose the potential threat of resorting to a dangerous "crisis-management"/emergency rule response to the crisis. LaRouche's views were then included in testimony provided to the U.S. Senate Judiciary Committee, for the record of a hearing, Jan. 16, 2001, on the issue of the nomination of John Ashcroft for Attorney-General:

"[There is an] extraordinary global financial and monetary crisis that will be the first and overriding order of business confronting the incoming Bush Administration, as even President-elect Bush and Vice President-elect Richard Cheney have limitedly acknowledged in public statements. The scope of the onrushing world financial and economic crisis, however, goes far beyond anything that anyone in the incoming Administration now anticipates, and it will require a dramatic reversal of most of the policy axioms that have governed U.S. official policy over the past 35 years, if the United States is to survive in its present, albeit weakened, Constitutional form. Unlike the so-called 'Asia Crisis' of 1997-98, and the so-called 'Russia' and 'Brazil' crises of 1998-99, the epicenter of

FIGURE 2

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



Source: EIRNS.

the current phase of global monetary and physical economic disintegration is the advanced sector, specifically the United States, with our skyrocketing balance of trade deficit, negative household savings, and collapsing real industrial output. Thus, the crisis phase that we have now entered has the most profound implications for the well-being of the American population, and goes to the heart of our domestic tranquility and the common good."

In April 2002, the LaRouche campaign published a 140-page special report, *Economics: At the End of a Delusion*, with documentation, and LaRouche's extensive review of the crisis.

Howard Dean

Dean gives no evaluation of the condition of the U.S. and world economy, except references to an "economic downturn," loss of jobs, the "plight of states," and wrongness of Bush tax cuts in addressing this. Instead, Dean ignores the scope of collapse, stressing a few chosen points (such as "fiscal conservatism," and the interests of the "middle class"), and by presumption, viewing the economy as fundamentally intact. In particular, he likes to praise how economically successful Vermont has been.



From a July 30, 2003 speech, on the Dean website: "I have a well-deserved reputation as a fiscal conservative. Ver-

mont is the only state that does not require a balanced budget, but I balanced the budget every year of my 11 years as Governor. I'm a thrifty person, and I hate waste and inefficiency. So I'm not afraid to say 'no' to spending plans that don't make sense.

"I cut some taxes—both income taxes and sales taxes—but when we had good fiscal years, I set up a rainy day fund, and put money away against the hard times sure to come. The banks and investment houses liked Vermont's fiscal situation so much that they raised our credit rating and reduced the cost of our borrowing."

Dean was a supporter of the North American Free Trade Agreement when he was Governor, and attended a NAFTA signing ceremony.

John Kerry

On **Dec. 10, 2003**, Kerry made a reference to "Bretton Woods" in New Hampshire, which by implication—because that was the location of the 1944 conference to establish a new monetary system, after the wartime devastation—raises the point that we face a crisis of global proportions today. Speaking at Durham, N.H., at the Democratic Party candidates' debate, Kerry said, "This is an extraordinary moment in world history. When you think back to New Hampshire and what happened at Bretton Woods and the capacity to bring people together and change the world, this is a moment to change the world." He added, "This President is making worse the potential of a clash of civilization."



Apart from this instance, Kerry does not address the international breakdown crisis overall. Over 2003, he has singled out Japan and China for "manipulating their currencies." This appears, for example, in his **Aug. 28, 2003** "Plan to Fight for America's Economic Future," where he calls for steps so that "other countries, such as China, do not manipulate their currencies to gain unfair trade advantages." He has charged them with undermining U.S. exports. For example, this charge appears in his new proposal, "Plan to Create Manufacturing Jobs," which he unveiled in Salem, N.H., on **Oct. 21, 2003**. In it he stresses how steps should be taken on international trade, "to assure America has a level playing field."

A search of his website for "monetary system," turns up a single reference, where the candidate has said, "our monetary policy is exhausted."

Moreover, Kerry has implicitly backed the speculative practices and policies contributing to the current crisis, by praising the 1993-2001 years of the Clinton Administration, spanning the info-tech "New Economy" and other bubbles.

At the **Oct. 27, 2003** Democratic Party candidates' debate in Detroit, Kerry wrapped himself in the mantle of President

Clinton. "If you liked Bill Clinton's economy for eight years, you're going to love John Kerry's for the first four years," he said, citing Clinton's protection of the middle class, how "we grew the economy," and how Clinton was able to cut the deficit in half after four years.

John Edwards

Edwards' website contains no overall characterization of the severity of the international and national economic crisis.



Joseph Lieberman

Lieberman has no criticism of the dysfunctional global monetary system. His backers and controllers include prominent members of the circles cashing in on speculation, corporate fraud, and outright black market practices. On **Nov. 30, 2003**, on Fox News, Lieberman was asked about billionaires George Soros and Warren Buffett "betting against the dollar" to make new fortunes, but Lieberman chose to change the subject and blamed China: "What we really should be worrying about is the way the Chinese and some of the Asian economies" are "artificially" fixing their currencies to the dollar."



Lieberman's consistent statements on the international economy are focussed entirely on how other nations are treating the U.S. unfairly on trade. His campaign website states that there are countries "breaking the rules—like China, which is keeping its currency artificially low to gain an unfair advantage on world markets, and ripping off American copyrights, patents and products."

Dick Gephardt

Gephardt does not address the international financial crisis, and economic breakdown, except in terms of global impoverishment associated with "unfair trade," and "currency manipulation" on the part of China. He thus expresses the presumption of the continuation of globalized trade, the floating-currency system, and the soundness of the bankrupt International Monetary Fund and associated



agencies, by advocating that they should be the means to implement his proposal for an International Minimum Wage (described below).

On currencies, he states that China “is getting a free ride. Under international law, currency manipulation is an actionable offense. Well, it is offense alright. And it is time we took action and held China accountable.”

On the global economy, he states in an undated speech on his website: “We have a new global economy and we need new trade policies to meet those new economic challenges. . . . The trade imbalance is both an American crisis and a global tragedy. Around the world, millions of workers have no choice but to work for meager wages under inhumane conditions. In the race to the bottom, multinational corporations have thrown morality to the winds and sought out those countries where exploitation knows no bounds.”

He states, “I believe in free trade. Open markets can create good jobs for our people and others. But I have been to China, India, and Indonesia, places where the most sophisticated, high-tech labor is now done for a few dollars a day. American workers cannot compete with that. And we should not. Without basic standards and rules, it has become simply a race to the bottom.”

Gephardt opposed NAFTA, and stresses that “on the issue of NAFTA, I took on my own President, Bill Clinton, a President I supported on almost every other issue.” At the Detroit candidates’ meeting on **Oct. 27, 2003**, he repeated this and said that candidates Kerry, Edwards, Dean, and Lieberman now say they would never sign a treaty like NAFTA with China, which doesn’t have proper protection for labor and environment. “I was against those treaties when it counted. It’s easy to say now that we shouldn’t have done that, but when the treaties were in front of the Congress, they voted for them.” We’ve got to stop exploitation of workers around the world, he said. “We need consumers [abroad], not just producers.”

But Gephardt is not an opponent of free trade, and was a strong supporter of U.S. membership in the World Trade Organization. The bill in the House that authorized the United States to join the WTO bears his name.

Wesley Clark

Clark concedes that we are in a severe economic crisis—which he blames on the Bush Administration—but he discusses this purely in terms of domestic policy, as a “cyclical” phenomenon. “We’re at a crucial turning point in American history,” he said at the Detroit candidates’ debate on **Oct. 27, 2003**. “We are in trouble. We’re in war abroad, and we have a failing economy at home.”



According to his website, Clark says that the Bush Administration’s record on job losses is “the worst since the Great Depression.” But he does not draw from that the conclusion that we are in a global systemic economic breakdown; nor does he identify the speculative bubble in financial and monetary aggregates. He says that the Bush Administration’s economic record—“the worst on job creation of any President since Hoover, matched by the largest budget deterioration in history—is a disaster of economic proportions. Economic downturns may be part of the normal business cycle, but the Bush Administration’s reckless policies have taken a bad situation and made it far worse.” Apart from taking swipes against China’s refusal to upvalue its currency, he does not discuss any international aspects of the economic crisis, or cooperation with other nations to solve it.

Dennis Kucinich

Kucinich is a consistent opponent of NAFTA and the free-trade ideology that, as he says, is destroying American jobs and the manufacturing sector. Occasionally invoking the precedent of Franklin D. Roosevelt, he calls for infrastructure projects to provide jobs. While devoting most of his attention to domestic economic policy and trade issues, he recognizes that the crisis is of a global nature. He calls for the United States to “fully fund efforts to eradicate world hunger,” and says he will push for cancellation of all bilateral debts of countries facing hunger, as well as cancellation of debts to the International Monetary Fund and World Bank.



How To Organize a Recovery

Lyndon LaRouche

In his **April 2002** campaign report, *Economics: At the End of a Delusion*, LaRouche summarizes the nature of the measures to take:

“Today, a general, qualitative breakdown-crisis is already darkening the horizon. To illustrate the nature of that challenge, I list a number of typical actions to be taken to halt the depression and launch a self-sustainable recovery.

“1. We must a.) put the international monetary-financial system into immediate, governments-dictated reorganization; b.) restore a fixed-exchange-rate system; c.) establish





President Franklin D. Roosevelt.

exchange, capital, financial controls, trade controls, and fair-trade forms of protectionist measures internally and externally; d.) increase drastically rates of taxation on financial capital gains, and substitute production- and technology-oriented medium- to long-term investment tax credits to entrepreneurs; e.) generate large masses of government-created credit at rates between 1-2% for, chiefly, a combination of entrepreneurial investment production and infrastructure investment; and f.) implement a general bank-reorganization program, which keeps needed banks performing essential functions for the community while under even drastic financial reorganization.

“2. We replace ‘free trade’ with the promotion of protected hard-commodity international trade, as part of the promotion of a global, long-term economic-recovery effort.

“3. We must introduce the economic equivalent of a high-technology-oriented ‘arsenal of democracy’ recovery program, both in the domestic economy and in world trade, to provide the qualitative dimension needed to reverse the monstrous loss of technologically progressive, physical-productive capacity and potential—a loss which has accumulated in the world as a whole during the recent thirty years, especially the recent quarter-century.

“We had better take such measures, to stop that process of collapse before it hits with irresistible, crushing force. . . .”

“A New Bretton Woods”

LaRouche’s mobilization for emergency measures has, in particular, called for a “New Bretton Woods” process of nations making agreements for a new system of mutually beneficial economic and financial arrangements, as they did after World War II, to replace today’s defunct International Monetary Fund.

For example, on **Dec. 12, 2000**, LaRouche spoke about this, and recapitulated his views generally: “The International Monetary Fund is as bankrupt, or perhaps more bankrupt than the Federal Reserve System. But the IMF being bankrupt: who is accountable for its bankruptcy? Well, the nations which created it are responsible for it. The IMF has no authority, except the authority given to it by its member nations, member governments. These governments, led by the United States, I would hope, would *reorganize* the IMF to put it back in the kinds of policies that worked prior to 1965, and worked very well up till 1958. To restore protectionism. To restore regulation. To restore capital controls, exchange controls, fixed exchange rates, long-term credit at low rates in international trade, 20-25-year agreements on infrastructure development globally—these kinds of policies. And return what is the IMF today, as a taken-over institution by the authority of these governments, to make it an instrument of cooperation, in which we can do for today, what Roosevelt, Franklin Roosevelt, did between 1933 and the time he died in 1945. To make a success of improving the world for its inhabitants in a way which, in net effect, is good. And which stops the slide into Hell, where we’re going into now.”

Against NAFTA and Free Trade

LaRouche has opposed globalization, “free”—unregulated—markets, and free-trade swindles of all kinds, including NAFTA, the WTO, and any other form.

In **1991**, LaRouche led a mobilization against the enactment of NAFTA, commissioning a mass-circulation paper, “Auschwitz Below the Border,” predicting what would be the result.

On **Feb. 19, 2002**, he released a statement, “On the Democratic Party—A Swift Modest Proposal: Can the Democratic Party Survive?” in which he discussed “free trade” as a cult, like the “New Economy” and others. He said: “In our nation’s history to date, every time the U.S.A. has bent to the influence of the fanatics who insist on ‘free trade’ policies, the economy has undergone ruinous effects. The long, post-1966 decline in our formerly progressing economy, especially since 1977, is a direct result of the folly of returning to the same ‘free trade’ policies which had often ruined our nation’s economy in the past. . . . ‘NAFTA’ and ‘Globalization,’ make absolutely no sense in any sane economic doctrine.”

Howard Dean

Dean has presented no international perspective except to call for “a more effective trade policy.” His website states: “Our efforts will create consumers for our goods and improve our national security because nations with middle classes are generally more stable, more democratic, and less likely to foster terrorism. So the question is not whether one is for or against trade. The question is under what rules should trade be conducted, for whose benefit should the rules be drawn, and how should they be enforced.”



For the domestic economy, his starting point is state and local. From his website: “The plight of the state creates a continuing, major drag on the national economy. Economists generally agree that rapid action to relieve the fiscal burdens on the states would be one of the most effective ways to stimulate the economy and create new jobs.”

Dean proposes to provide both “immediate help and a long-term commitment to helping the states in two specific areas: education and homeland security.” He pledges spending over \$5 billion a year more for Homeland Security than the level the Bush Administration is currently authorizing. And he would spend up to 40% more on special education programs, rather than the 17% more pledged by the Bush Administration.

The website gives Dean’s summary statement: “My economic policies for America are based on four fundamentals:

- “Repeal the Bush tax cuts, and use those funds to pay for universal health care, homeland security, and investments in job creation that benefit all Americans.
- “Set the nation on the path to a balanced budget, recognizing that we cannot have social or economic justice without a sound fiscal foundation.
- “Create a fairer and simpler system of taxation.
- “Assure that Social Security and Medicare are adequately funded to meet the needs of the next generation of retirees.”

Fund to Restore America. For the domestic economy, Dean proposes a \$100 billion, two-year program, “designed to add more than one million new jobs to the economy.” The fund is to be distributed to states and localities, “to assist communities that have been worst hit by the economic downturn.” No Federal projects are included of any scale; instead, the idea is that local decisions—even concerning such projects as rail—would put monies to a piecemeal list of programs to “create jobs, rebuild infrastructure.” Money is to be used:

- to improve homeland security by hiring and training first responders;
- for public health personnel and security providers for critical installations and ports;

- for purchasing new and improved equipment, for homeland security;

- to build new, or to renovate and repair, failing infrastructure, including: schools, roads, rail, water systems, wastewater treatment systems, electrical systems, and telecommunications systems.

- The fund will place a special emphasis on helping disadvantaged and minority communities, which have been hard hit by the downturn and have recovered the least.

Additional elements of Dean’s proposals for the U.S. economy are:

More Capital for Small Businesses. Dean proposes re-vamping the Small Business Corporation, by establishing a Small Business Capital Corporation within it, based on the model of Fannie Mae and Freddie Mac, both currently leading props of the U.S. mortgage securities housing bubble.

Targetted Economic Development

—Streamline the process for permits and grant-reviews.

—National coordination of regional economies. “Governor Dean would improve the system dramatically by reinvigorating the national Economic Council, and creating a White House Office of Economic Growth that would work with governors and mayors to create vital regional growth strategies, and break through bureaucratic logjams to deliver results.”

John Kerry

Kerry does not identify what steps should be taken to rectify the international financial and economic crisis, apart from singling out that trade must be fair, and “currency manipulation”—on the part of China and Japan in particular—must be stopped. He calls for policing action by the World Trade Organization, in his “Economic Plan to Create Manufacturing Jobs,” released **Oct. 21, 2003** in Salem, New Hampshire. This plan, and an earlier one, “Plan To Fight for America’s Economic Future,” are the principal economic policy documents of the Kerry campaign. Both implicitly accept the premises of the current world monetary and trade system, despite the fact that it’s disintegrating.



His October statement has an international plank, focused only on globalized trade, called, “Strong, Enforceable Trade That Works for America.” Four points are identified under the heading, “Assure Trading Partners Play by the Rules”: 1) Stop countries from manipulating their currencies; 2) enforce and strengthen intellectual property protections, so that U.S. companies can “share their technology without losing control of it”; 3) break down barriers in key export markets. Kerry would use the available tools, including Section 301 of the 1974 Trade Act, WTO remedies, and diplo-

matic measures to open markets such as Japan and Korea, to U.S. autos, etc.; 4) review existing trade agreements.

Kerry's economic proposals are focussed on the U.S. domestic economy, including:

1. *Aid States and Municipalities—Steps to Jump-Start Job Growth Today.* He would repeal Bush's tax cut, and then initiate: a) A State Tax Relief and Education Fund to channel an additional \$25 billion a year for two years to stop education cuts, tuition increases, etc., "that are inhibiting our economic growth and causing layoffs." b) "Save jobs by ending the unpatriotic practice of U.S. corporations moving offshore simply to avoid paying their fair share of our nation's tax burden." c) Create new manufacturing jobs, by giving a corporate tax rate reduction to manufacturers who produce goods in the U.S.A., and other tax credits for creating new jobs. d) Hold "job creation summits" weekly for six months to come up with regional strategies for new jobs.

2. *Using American Ingenuity To Create a Strong Economic Future,* including "control of rising health care costs by helping pay for catastrophic care cases"; connecting all households to the Internet; increased funding for NASA, Department of Energy, and the National Science Foundation; creating new manufacturing jobs by investing in America's energy independence.

3. *Making College Affordable.* Create a new College Opportunity Tax Credit, and pay college tuition outright for students that give two years of Service for College in communities and national service.

4. *Provide Tax Relief for Middle Class Families and Crack Down on Unfair Relief for Corporate America.* He gives a detailed list of proposals, such as opposing the dividend tax cuts for high-bracket individuals. He wants increased funding for the Securities and Exchange Commission for stronger enforcement powers.

5. *Restore Fiscal Discipline.* Proposals include having a "Balanced Budget Summit" to work together; ending Bush's special tax breaks for those making more than \$200,000; passing a Constitutional line-item veto "to reduce corporate welfare and excessive spending," and many others.

Kerry's **Oct. 21, 2003** "Manufacturing Jobs Plan" gives still more points in the listings along the same lines. It lists four areas: a) tax breaks for corporations to keep operations and jobs at home, not overseas; b) backing for R&D and job training to assist manufacturers and workers, to "stay competitive"; c) enforcing international fair trade laws; d) providing relief for manufacturers that provide quality health care to their workforce. Kerry proposes a "premium rebate pool" that will give employees up to \$1,000 to defray health-care costs, and help employers "stay competitive."

John Edwards

Edwards' website emphasizes almost exclusively tax policy, and cracking down on "crony capitalism." In a speech to

business students at Georgetown University on **June 17, 2003**, "On Rewarding Work and Creating Opportunity," he says that "More than anything else, what's holding our economy down is the callous view of a few at the top in Washington and in the corporate world that the values that got us here can now be left behind." Repeating this "values" theme over and over, he says: "America can withstand a plunge in corporate valuations, but we cannot abide a plunge in corporate values. We can overcome the worst job market for people seeking work since the Depression, but not an economic theory that says work doesn't matter."



Except for a brief respite under President Clinton in the 1990s, he says, American politics has been stuck "for most of my adult life" in two competing and unsatisfactory theories: the first, was "the conservative notion that America should ask the least of those with the most." This was disproved in the '80s, but has returned now with Bush. The second theory "was the notion by some in my party that we could spend our way out of every problem. It won't work, yet some in my party want to bring it back."

He vows to end tax breaks for corporations that move their headquarters overseas, or give tax breaks to CEOs while giving no pensions to ordinary workers. He says he will ask Congress to cancel the 2001 and 2003 income, dividend, and estate tax breaks for the wealthiest Americans in the upper two brackets.

The way to make the stock market grow and keep growing, he says, is "to expand the investor class by attracting, reassuring and rewarding millions and millions of small investors, not favoring a handful of the biggest ones. . . . We've had enough Enrons and WorldComs. It's time to help America prosper the old-fashioned way—by earning it."

Finally, he avows that we must "restore fiscal discipline here in Washington."

Joseph Lieberman

Lieberman's proposed international economic measures are 1) tacitly, to keep hands off the IMF-era speculation, commodity cartels, and other mega-financial and political interests operating in the U.S. and international economies; and 2) to back free trade to the hilt.

His website states: "A *Trade Policy That's Free and Fair.* Joe Lieberman fights for free and fair trade agreements that help sell more American goods abroad, while protecting our workers and our environment. He has consistently stood behind



Bill Clinton's decision to sign NAFTA. U.S. exports to Canada and Mexico grew by more than \$112 billion between 1993, when the agreement was enacted, and last year. As President, he will aggressively open new markets while including strong, realistic reasonable labor and environmental standards. And at the same time, he will crack down on trade abuses by challenging countries that break the rules—like China. . . .”

Domestically, Lieberman has put out a detailed series of proposals, over 2002-03, mostly based on info-tech and the cybersphere.

On **Oct. 18, 2002**, in a speech at the NASDAQ Market titled “Agenda for Economic Prosperity,” Lieberman called for a stimulus package to “bolster consumer confidence and create new jobs, bring shareholders back to the market, and spur innovation and investment by business. . . .” He issued a 31-point program which includes:

1. *Spur Business Investment and Innovation* (speed up broadband access, provide incentives for nanotechnology R&D, enact a short-term investment tax credit for 20% for acquisition of infotech, and other actions).

2. *Boost Consumer Confidence and Help Working Families*, including tax rebates; extending unemployment benefits to maintain purchasing power; restoring the value of the minimum wage; replenishing depleted state Medicaid accounts to counterbalance state cuts.

3. *Bring Investors Back to the Markets*, with measures such as: Enact the Venture Capital Gains and Growth Act, S.1142, to provide a zero capital-gains tax rate for long-term investment in new stock offerings by entrepreneurial firms; enact the Rank and File Stock Option Act to prevent executive abuse of stock options; and take other specified measures to protect employee flexibility in their 401ks.

4. *Make Intelligent Government Investments*: Enact a New Jobs Tax Credit for companies hiring new workers; a Technology Talent Act for universities; and fully fund the No Child Left Behind program.

His long-term program was first proposed at the Detroit Economics Club, **May 20, 2002**, and includes:

1. *Make High-Return Investments* (government investments in education and innovation will drive economic growth, give R&D tax credits to tech firms, and reauthorize welfare reform “to place a greater emphasis on moving recipients into work and training.”

2. *Recommit to Free and Fair Trade.*

3. *Limit Spending and Find Savings.*

4. *Restore Fiscal Discipline*: Make permanent the most effective parts of the Bush tax cuts, and otherwise “redirect” tax cuts in ways so that, “98 percent of all families would get every dollar included in the tax cut adopted last year [2001], and not a single American would be paying higher taxes. In addition, the government would save approximately \$1 trillion over the next 20 years, which could be set aside primar-

ily to pay down the debt, provide pro-growth tax cuts, and make other necessary investments.”

Lieberman asserted at the **Oct. 27, 2003** Detroit Democratic Party candidates’ debate that his middle class-oriented “tax fairness” plan would close loopholes on corporations, and “create 10 million new jobs in the first four years” of a Lieberman Presidency.

Dick Gephardt

Gephardt calls for correction of the trade “imbalance” with China, and for an “International Minimum Wage.” “As president, I will press the World Trade Organization to take the landmark step of establishing an international minimum wage, the IMW. . . . By raising wage standards around the world, we address both the chronic abuse of workers in low-wage countries and the competitive disadvantage faced by American workers.



“The IMW would be different for each country. . . . Negotiations for the IMW would take place at the World Trade Organization in close consultation with the International Labor Organization. . . . The necessary infrastructure to support the international minimum wage would come from an integration of the various international financial institutions—the World Bank, the International Monetary Fund, and other organizations.”

Gephardt’s campaign website has details on how the IMW is supposed to work.

On the issue of “economic growth,” on Gephardt’s website, are proposals “to restore America’s economy using principles of growth he helped forge in the early 1990s.”

Universal health care insurance is his foremost proposal [health-care issues will be discussed in future “Where They Stand” columns—ed.]. “Most significantly, he will work to provide the surest stimulus measure we can give our economy: providing guaranteed health care insurance for all Americans. This will give direct financial help to families who pay health care premiums, provide assistance to businesses and state and local governments struggling to pay health care costs for employees, and free up money for better wages and job creation. . . .” He states that, as President, he will focus on this, “After repealing the failed Bush tax cuts. . . .”

In his “record of leadership on economic growth,” he cites these “accomplishments:”

1. *Led Passage of Clinton Economic Plan* in 1993, that led to “seven straight years of unprecedented growth and prosperity, and the creation of more than 22 million jobs.”

2. *Empowerment Zones, Earned Income Tax Credit.*

3. *Reducing Deficits.*

4. *Increasing the Minimum Wage.* In 1996, Gephardt said

he rallied the action needed to raise the hourly minimum from \$4.25 to \$5.15.

5. *Fighting for Job Training.* “In 1993, Gephardt advanced the School-to-Work Opportunities Act [focussing] on skills-training for those who will not attend college,” and other measures.

Wesley Clark

Clark’s “Three-Pronged, \$100 Billion Strategy To Create American Jobs” places major emphasis on job creation through Homeland Security measures. He wants to create a Homeland and Economic Security Fund (\$40 billion over two years), to “protect our country and provide a jump-start for job creation.” This would include investment in training of police, fire fighters, hospital workers, Coast Guard and Customs services, and domestic law enforcement generally. His last point is that there has been “too little focus on, and investment in, projecting America’s critical infrastructure.” The second “prong” of his plan is to create a State and Local Tax Rebate Fund of \$20 billion per year over two years, to create jobs and lessen the need for states and local governments to raise taxes, college tuition rates, and other fees, and/or cut critical expenditures (e.g., health care). Pointing out that “state and local governments are facing their worst fiscal crisis in decades,” he calls for \$10 billion per year to be spent from his Rebate Fund for education and training; \$5 billion per year for Medicaid and other health-care efforts; and \$5 billion per year for other pressing needs, such as law enforcement, corrections, or social services. The third “prong” of his plan is “Tax Incentives for Job Creation” (\$20 billion over two years). Stating that we are “stuck in a job loss recovery,” he wants to create a Job Creation Tax Credit; allow small and medium-sized firms, especially manufacturing firms, to “expense up to \$150,000 in investments” over two years; provide tax incentives to keep manufacturing jobs in the U.S.; and “promote growth by promoting trade—while insisting that all nations play by the rules.” This last signifies support for “market-based exchange rates. Wes Clark believes that no major country, such as China, should be allowed to manipulate markets and keep their currency at artificially low levels.”

Clark maintains that his job creation plan is “deficit neutral”; it will be paid for “by making changes to the Bush Tax Plan as it benefits families making more than \$200,000 a year. He does not say what those changes would be, but says that he will not impose any new tax burdens on families making under \$200,000 a year.

Clark’s “Saving for America’s Future Plan” promises to save \$2.35 trillion over ten years for deficit reduction and



investment in priorities such as education and health care. This would be done by restoring the principle that “all tax and spending proposals must be paid for *without* increasing the principal. This principle, called PAYGO in Washington budget rules, was a consensus during periods of deficit from President Clinton to House Speaker Newt Gingrich, but the Bush Administration has entirely ignored it.” The plan proposes to streamline government and improve efficiency, including in health care (\$225 billion); end “corporate welfare” and close “corporate loopholes” (\$300 billion); promote “a more effective and multilateral Iraq policy” (\$125 billion); recapture revenue from Bush’s tax cuts for the wealthiest families (\$1.1 trillion). In addition, he says his plan would save \$600 billion in additional debt service, as a result of reducing the deficit more quickly.

His “Economic Vision” statement calls for creating the conditions for long-term prosperity, including by “sustainable energy practices”—promoting “alternative energy sources and clean energy technologies,” with no mention of nuclear fission or fusion power.

Clark’s “Manufacturing Security Plan” wants to create a \$10,000 tax credit for each new full-time employee hired in manufacturing or other industries harmed by outsourcing; “stop China’s currency manipulation”; make all countries “play by the rules”; require companies to disclose layoffs in America and job increases overseas; stop tax breaks for companies that move overseas for tax reasons; develop “Buy American” guidelines for government procurement; deny government contracts to firms that move headquarters overseas for tax reasons or shift substantial numbers of U.S. jobs overseas; reduce labor costs to manufacturing by making health care more affordable; “explore” ways to relieve companies of pension burdens; implement regulatory reforms that are pro-market and pro-consumer, rather than bailing out corporations.

Dennis Kucinich

On **Oct. 23, 2003**, Kucinich said that as President, “I will make my first act in office the repeal of NAFTA and withdrawal from the WTO. I will replace these corporate trade agreements with fair bilateral trade agreements conditioned on workers’ rights, human rights, and environmental protections.”

He proposes a 15% cut in the U.S. military budget, as an example to the world, under the rubric of an economic “peace dividend”—beating swords into plowshares.

At the Detroit candidates’ debate on **Oct. 27, 2003**, he called for repealing the Bush tax cuts for the people in the top brackets, and putting the money into a fund to provide for



universal college education, with free tuition. “My economic strategy would be to fuel growth in the economy by having a full-employment economy, by working to rebuild our cities with a massive new WPA-type program.”

On free trade/fair trade and the principle of national sovereignty: His website reports a **Dec. 1, 2003** statement upholding steel tariffs. “Clearly the tariffs are needed and are effective. But the President has abandoned the sovereignty required to maintain them. A basic prerequisite for self-governance requires that a nation be free to enact policies that address its needs and provide benefits for its people. But as long as the World Trade Organization determines United States policy, we are not a sovereign nation.”

In a **Nov. 18, 2003** statement on the Free Trade Area of the Americas (FTAA), Kucinich said it, like NAFTA, “is wrong-headed, and it will be harmful.” NAFTA caused a reversal of the U.S. trade balance with Mexico, he pointed out. After NAFTA, U.S. companies “shuttered their manufacturing plants in the U.S. and then relocated to Mexico, where they manufactured for export to the U.S. As a result, many Americans lost their jobs, and many more were threatened with the loss of their jobs unless they agreed to wage and benefit reductions.”

After President Bush visited Ohio, Kucinich’s home state, on **Oct. 30, 2003**, Kucinich issued a statement titled “Mr. President, Welcome to Ohio: Where Are the Jobs?” He points out that Ohio has lost 220,700 jobs since Bush took office, including 151,800 from the manufacturing sector. “The President’s one-size-fits-all economic solution of tax cuts to the wealthy is a proven failure in Ohio.” “The President’s economic strategy of ‘leave-no-billionaire-behind’ tax cuts combined with the sticking the American taxpayers with the over \$150 billion price tag for his unjustified war against Iraq will make it impossible for our economy to recover.”

Kucinich’s ten-point platform also addresses rural communities and family farms. He would “break up agricultural monopolies and restore a strong, independent family farm system with fair prices for farmers and healthy food for consumers,” he says.

He calls for “a resurgence of organized labor,” and says he will defend the rights of workers to organize and bargain collectively. “Investing \$500 billion to rebuild schools, roads, bridges, ports, and sewage, water, and environmental systems will do more to stimulate our economy than tax breaks for the wealthy.”

In a **Labor Day** speech (2003), “Employ the Jobless to Rebuild America’s Decaying Infrastructure,” he calls for the creation of low-cost Federal financing to administer \$50 billion in zero-interest loans every year for ten years. Twenty percent of these funds would be for school construction and repair. State and local governments would continue to issue bonds to finance infrastructure projects, but the Kucinich plan would authorize the Federal government to buy those

bonds. The Federal government would hold them in the Federal Bank for Infrastructure Modernization (FBIM), which would administer the loans. The Fed would transfer about \$50 billion annually to the FBIM, which would still allow the Fed to operate as it does now to add liquidity to the system. Two million Americans would find jobs through this plan, he says.

Carol Moseley Braun

Moseley Braun’s website has nothing on economic policy, except health care.

At the Democratic candidates’ debate in Detroit on **Oct. 27, 2003**, she said: “The first thing we have to do is make certain that the globalization of trade does not create a race to the bottom, that creates the exploitation of workers abroad and the hemorrhaging of jobs here at home. We have an absolute responsibility . . . to see to it that our country retains a vital and robust manufacturing base, because manufacturing is central to our ability to create goods for the rest of the world. And in so doing, that’s going to require a number of things. We need to take a look at the tax code and the way it works to impair the ability of people to manufacture. But my big issue on manufacturing and what we can do to help is health-care reform. If we can take the burden of health care off of our manufacturers . . . that will go a long way to building up our manufacturing base and resolving some of our trade deficit issues.”



Al Sharpton

Sharpton’s website has nothing on economic policy. At the **Oct. 27, 2003** candidates’ debate in Detroit, he said: “I have an infrastructure redevelopment plan, \$250 billion over five years, rebuilding bridges, highways, tunnels.” He did not say what his plan was.



Regional Recovery Programs

Lyndon LaRouche

Over the 2001-03 period, LaRouche has travelled to more than ten nations, meeting with policymakers on strategic questions, especially economic recovery programs, and how to understand the leadership crisis in the United States. The centerpiece for his diplomacy is the idea of the “Eurasian

Land-Bridge” economic development perspective, in which priority transcontinental high-tech transportation lines are development corridors for vast economic improvements. In 1997, a book-length report commissioned by LaRouche, *The Eurasian Land-Bridge—Locomotive for Economic Development*, was released, and has had vast influence among pro-growth national leaders worldwide.

The Americas

Among the many regional development programs available on LaRouche’s campaign website and in publications, his most recent is for the Americas. Speaking in Coahuila, Mexico in **November 2002**, he called for taking an approach like FDR, for “Super-TVA” projects on the continent, to provide for the security and benefit of all. In



particular at that time, he called for a “Great American Desert” development program, to benefit, through infrastructure-building, the seven U.S. states and six Mexican states spanning the arid region of southwestern North America.

September 2003: “The Sovereign States of the Americas, LaRouche’s Program for Continental Development.” LaRouche’s preface to this 40-page document is titled, “The Monroe Doctrine Today,” and gives details of major infrastructure projects needed throughout the hemisphere—rail, energy, water, health, and so on, in the common interest of all nations.

United States

In **October 2002**, the LaRouche in 2004 campaign issued a mass-circulation 24-page document, “Emergency Intervention: LaRouche’s ‘November Program’ To Rebuild the Economy,” giving parameters and principles for an FDR-type infrastructure restoration program, covering transportation (rail, air and water), water management (supplies and sanitation), energy (generation and distribution), soft infrastructure (medical facilities, public health), education, and other vital sectors. The proposals review such long-standing, unbuilt projects, as the continental-scale North American Water and Power Alliance (NAWAPA), and cover essential new technologies, such as magnetically levitated trains, and the modular high-temperature gas-cooled reactors—the “Fourth Generation” nuclear power plants.

Among the regional programs the LaRouche campaign has focussed on are:

California—In **September 2003**, the LaRouche in 2004

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Californians looking for jobs in July 2001, in the aftermath of the deregulation crisis and Enron’s energy piracy. None of the Democratic Presidential candidates except Lyndon LaRouche are demanding reregulation of vital economic functions on a national scale—the approach of President Franklin D. Roosevelt during the Great Depression.

campaign issued a 24-page economic program, *Return to Sanity: Make California a Pilot Project for the Nation!*, as part of the LaRouche intervention to defeat the Schwarzenegger/Cheney/Bufett/Shultz attack on California. The LaRouche program presents what actions to take in three phases: 1) short term: cancel the 1996 state energy deregulation law, and repair the damage; 2) longer term: launch the needed power, water, and nuclear projects that have been overdue for decades; 3) phase 3: go nuclear. Launch the 20-30 nuclear power complexes, with the modern “Fourth Generation” high-tech designs. At least 1 million new jobs would be created, and other major economy-advancing effects.

Midwest—LaRouche presented key features of a Midwestern economic development program during his mid-November 2003 swing through St. Louis and Detroit.

On **Nov. 18, 2003**, at a St. Louis town meeting, he said: “Now, this area has recently gone through a little bit of a problem. A lot of the industry has been lost. The merger of McDonnell Douglas with Boeing, and the downsizing of Boeing and other things, have crippled this area’s industry, and its potential.

“Now, what would the United States do with St. Louis, under my government? We have a new type of system, for

long-range rail or equivalent transport: It's called magnetic levitation. The first operating system is now operating in China, in the Shanghai to Shanghai Airport maglev system. It's now functional. We can develop an improvement on the maglev system, and obviously St. Louis is a place to do that, because of some of the skills and logistical position. And, you would build around such an effort, you would build subsidiaries, which would be based on drawing in talent, which otherwise is going to rot in this area.

"So, now what you do is, you create a fund, a 25- or 50-year plan, which you call the Railway, or Magnetic Levitation, or Transport Reconstruction Fund. Like the Tennessee Valley operation, under Franklin Roosevelt. And, we would take the United States, which has been deprived of efficient mass transit, and we would develop a magnetic levitation system for not only passengers, but for freight. . . .

"So, we're going to do that kind of thing, in my view. This means a long-term investment, of 50 years, essentially, in developing a new mass-transit system for the United States, for freight, and for passengers. And why not start it right here? . . .

"Can we do it? Can we get the credit? Why not? The government can guarantee it. We guarantee the credit, on a 25- to 50-year basis: We build the system, *the way it was done from experience in the past.*

Middle East

LaRouche is known widely for his long-standing proposal for the Mideast, the "Oasis Plan," proposed in the **1980s** as the basis for peace, through mutual-interest economic development programs based on infrastructure improvements for plentiful water (nuclear-powered desalination), energy, and high-tech transportation.

Africa

LaRouche has long insisted on, and publicized, the necessity for major infrastructure development for the continent, in the mutual interest of all the nations, to include cross-continental high-tech rail ("from Djibouti-to-Dakar" and north and south), large-scale water projects, such as the Zaire River "Trans-Aqua" Plan, nuclear-powered desalination, and plentiful electricity, through "Fourth Generation" nuclear generation. In the short and medium term, all needed food, medical and public health supplies must be mobilized.

John Kerry

Kerry calls for "job creation summits" to meet weekly for the first six months of his Administration, to create and develop "targeted strategies to create jobs in key regions and key industries." Apart from that, he does not appear to have proposals for any region-based, or infrastructure-based overall economic development



programs, either for the U.S. or international economies.

He does identify the "aging electricity grid" in the United States as an infrastructure project to be addressed; and he identifies the program-goal of having 20% of U.S. energy sources to come from "renewable sources" by 2020. He supports "investing in projects like building the Alaska National Pipeline."

Joseph Lieberman

The Lieberman consumer, markets-based, and info-tech-based proposals have no special regional nor infrastructure programs except for national broadband access (see below).



Dick Gephardt

Gephardt does not advance regional economic development programs—except for empowerment zones—nor infrastructure projects. He does focus on farmbelt communities, advocating "bringing the entire farm family back to work on the farm again," and not have off-farm jobs to get health coverage, or to make up for low income.



His website states, "As president, I'll also introduce the most sweeping antitrust initiative our farm communities have ever seen. The centerpiece of that effort will be a ban on packer ownership of livestock. . . . [I will] instruct the Department of Justice to focus" on that, as much as on high-tech and other high-profile sectors.

Other Candidates

None of the other candidates' websites identify any specific regional recovery programs—international or domestic—except as previously noted.

Science-Driver/Advanced Technology

LaRouche

LaRouche has backed the development and application of advanced science and technology—from nuclear power, to geochemical and biological breakthroughs, as a principle in economics. The conceptual author of what became known as President Ronald Reagan's Strategic Defense Initiative (SDI), he designed that policy to be a science-driver for the economy as a whole—of both the United States and the Soviet

Union, which, in his vision of the program, would cooperate for strategic defense, ending the era of Mutual and Assured Destruction (MAD). LaRouche has also developed the idea of the space program—including the colonization of Mars—as such a science-driver. Policies such as these have emerged in his work over decades, as a result of his work as a *physical economist*, who views human creative discovery as the power underlying economics.



To take one example, on **March 10, 2001**, he issued a campaign document, “The Science-Driver Principle in Economics: The Gravity of Economic Intentions,” saying, “The central feature of any effective long-term economic-recovery program for today, will be the role which a series of ‘crash-program’ types of science-driver

programs, of accelerated scientific discovery and technological change, must contribute, if the world’s population is to escape a long-term economic catastrophe already built into the current state, of combined technological underdevelopment and attrition, of the world at large.”

Howard Dean

Dean’s science and sci-tech investment proposals emphasize communications, data storage and retrieval, and computing—without regard to the collapse of physical infrastructure, the machine tool sector, etc. “Alternative” energy sources are stressed, including ethanol, wind and solar.



The website states: “Over the coming decades, a global communications platform for voice, data and video will emerge that will generate large incremental productivity advances in business while also spawning an incalculable number of new enterprises and lines of business within existing companies. A technology sector that will have great impact on the pace and scale of this change will involve enterprises that are experimenting with and developing optical, molecular and atomic scale platforms that will replace the silicon-based chips and storage devices in use today.

“The Governor is also particularly concerned that broadband is made available to rural America, so that jobs dependent on the rapid transmission of large amounts of data can be created anywhere in the U.S.”

John Kerry

Kerry’s call for increased funding for science, specifies that he “will strongly support programs targeted at the next



generation of innovation, such as nanotechnology and biotechnology research.” However, his stress on increasing energy-reliance on “renewable resources” is a turn backwards from advanced technologies, such as nuclear, which he does not specify backing.

Joseph Lieberman

There is a “Lieberman Manufacturing Recovery Program” on the campaign website, with components including: 1) *NextTech*—a public/private partnership to further innovation; 2) *Nurture Nanotech*—plans to coordinate Federal backing for innovation; 3) *Building 21st Century Infrastructure*—working “cooperatively with the private sector by wiring all of America to the high-speed Internet by 2010 and seeding the private sector to replace antiquated energy, transportation, and production systems with new, environmentally-friendly infrastructure”; 4) *Accelerate the Deployment of Broadband Internet*; 5) *Link Economic Security and National Security*—backing a “strong semi-conductor industry”; 6) *Give Smaller Manufacturers New Access to Capital*; 7) *Strengthen Aid to Small Producers*.



Lieberman is actively promoting fraudulent science in energy and other areas. On **Jan. 8, 2003**, Lieberman and Sen. John McCain (R-Ariz.) unveiled “cap and trade” legislation “to curb global warming by establishing a market-based emissions credit trading system” on gasses emitted; on **Oct. 30, 2003**, Senate debate was held on the global warming sham.

Dick Gephardt

Gephardt points to his record in Congress in support of Federal funding of a list of high-tech items, and pledges that in the future, he would support such measures as “developing a 21st century broadband infrastructure,” an E-rate for access to the Internet, as well as to fund high education programs with an emphasis on high-tech.



Gephardt has an energy program based on “renewable” fuels, announced in **January 2002**, called, “Apollo 21,” described as an Apollo Project to achieve energy independence for the U.S. in ten years from that date. Among the ten points

are tax credits for advancing bio-mass, wind, geo-thermal, and other low-density energy sources, fuel-cell R&D, energy-saving mass transit systems, etc.

Nowhere in this energy program, nor in other utilities or in health care, does Gephardt advocate any traditional reregulation. Instead, his energy plan states, "Apollo 21 will outlaw electricity price manipulation and task the FERC with a more aggressive mandate of mounting early investigations of power companies for price gouging."

Reregulation in the Public Interest

Lyndon LaRouche

LaRouche has consistently called for reregulation of utilities, transportation, health care (under the "Hill-Burton" standard), the financial (especially the speculative markets) and other sectors, and a return to traditional American-System practices, set aside over the past 40 years.



On **Jan. 3, 2001**, speaking at a webcast event in Washington, D.C.—his first event as a pre-candidate for the Democratic Party Presidential nomination—LaRouche said of the California and national energy crisis: "Immediately, through the Federal government, create two steps: . . . Establish reregulation, emergency reregulation. Do it under Clinton. Don't wait for Bush. Do it Now! . . . And then get some money in there. . . . Get some power generation going in that area. We're going to ensure a safe and adequate supply of energy, to industry and to populations throughout the area."

LaRouche's further interventions on behalf of energy reregulation are summarized in two mass-circulation pamphlets his campaign published **September 2003**, in the fight to defeat the Schwarzenegger/Cheney/Bufett/Shultz recall attack on California. One was titled, "Who Robbed California? Vote 'No' on the Recall!" and the other was a development program for the state.

In his **Feb. 19, 2002** statement, "On the Democratic Party—A Swift Modest Proposal: Can the Democratic Party Survive?" he denounced both "popular" opinion and pandering to popular opinion, over swindles such as deregulation. LaRouche wrote: "Take the case of 'deregulation,' as set wildly into motion under Brzezinski-misguided President Jimmy Carter. That four-year term, with its fanatical emphasis on the combined follies of 'fiscal austerity' and 'deregulation,' did more damage to the U.S. economy, in four years, than has been done under any other post-1945 Presidency, prior to the drive to 'globalization' begun at the beginning of

the last decade. The now onrushing chain-reaction collapse of the world's vast financial-derivatives bubble, as merely typified by the Enron case, is merely typical of the vast swindles [which inhere in deregulation]."

Howard Dean

Dean remarked to some reporters on his campaign jet en route to Texas on **Nov. 17, 2003** that he might want to "reregulate" utilities, big media, and businesses issuing employee stock options, and perhaps telecommunications. But this idea quickly evaporated, and he did not stand by it in subsequent speeches nor on his campaign website. His campaign issued a statement shortly thereafter, on the energy bill before Congress, with no mention of reregulation, but repeating his usual support for "a new energy economy, based on domestic renewable sources and energy efficiency, that will create jobs, protect our environment, and increase our security."



Joseph Lieberman

Lieberman is adamant that there be no reregulation of energy, nor any other areas of the economy. His website begins with the feint, "Joe Lieberman supports common sense regulation of industry designed to stop bad behavior and hold bad actors accountable, to prevent harmful consolidation of industry, and promote competition.



However, he believes wholesale reregulation of American business will undercut competition, stunt innovation and growth, and kill jobs." The Lieberman website further offers Howard Dean as the proponent of "comprehensive reregulation" of energy, airlines, media, etc., to provide a fake contrast.

Wesley Clark

Clark defended deregulation, when the issue came up concerning an informal Nov. 17 statement by Howard Dean (see above). Clark said that the Clinton Administration stood for deregulation, and that legacy must be upheld: "You can't win a general election if you abandon the very proven policies that were the cornerstone of our party's success."



The Cheney-Sharon Block

As long as Dick Cheney and the neo-conservatives remain in power in Washington, there is no chance that Washington will force Ariel Sharon to back the Road Map or any peace plan with the Palestinians. This was shown again by the White House' Dec. 19 "congratulations" to Israeli Prime Minister Sharon. It was almost an about-face from Washington's immediate reaction the day before, to Sharon's outrageous Dec. 18 address; and it bore Cheney's hand.

Sharon delivered a threat to the Palestinian people—and to the world—that Israel will soon annex much of the West Bank and "draw its own borders" with its so-called security wall. He intends completely to ignore the Road Map which was adopted last month as an official UN Security Council resolution; ignore the Geneva Accord; and ignore decades of other UN Security Council resolutions that demand that Israel's border be returned to the 1967 "Green Line."

An Israeli source told *EIR* that Sharon, together with Defense Minister Shaul Mofaz, is rapidly accelerating the building of the "apartheid wall" which will annex about 60% of the West Bank. This scheme will deprive the Palestinians of precious farmland and economic viability, and will render thousands of families homeless, turning them into a new generation of refugees. The source urged that there be a broadening among U.S. political leaders, of the commitment by Presidential candidate Lyndon LaRouche to support the alternative of the Geneva Initiative; and LaRouche's demand that President Bush use the economic leverage the United States has over Sharon, by immediately cutting off aid unless there is an implementation of the Road Map Sharon had "agreed" to last Summer.

On Dec. 9, the United Nations General Assembly voted 90-8 to send to the International Court of Justice, the issue of Israel's "apartheid wall." Even though the United States voted against the UNGA resolution, U.S. Ambassador to Israel Daniel Kurtzer told Israeli Radio that the wall, which Sharon insists is a "security fence," must follow the Green Line.

Speaking after Sharon's Herzliya speech, Palestinian Prime Minister Ahmed Qureia said that he was "disappointed. . . . If Mr. Sharon is ready to start negotiations, we can do it sooner than anybody can expect," said Qureia. Palestinian chief negotiator Saeb Erekat added, "With this unilateral approach, they may make peace with Israelis and Israelis; they'll not make peace with the Palestinians. We invite Sharon to come immediately with no conditions to the negotiating table, on the basis of the Road Map, and let the Americans, Europeans, Russians, and the UN—the Quartet members—to be the judges of the both of us."

In the context of the tremendous international welcome that has been given to the Geneva Accord, dialogue between pro-peace Israeli circles and pro-peace Palestinians is growing. This was reflected in Prime Minister Qureia's confidence in directly addressing the Israeli public in an interview with *Ma'ariv* on Dec. 11, where he predicted that the kind of unilateral "peace plan" that Sharon advocates, means that "the conflict would continue, fires would burn, terror would increase, and no one would gain." Qureia added, "If Sharon wants to remove the settlements, fine. [But] you cannot build a fence on our land, put us into cages like chickens. . . . It will cause a disaster."

Qureia's statements are tapping a chord inside Israel, in particular after the truth was stated—by no less a figure than Israeli Defense Forces chief of staff Gen. Moshe Ya'alon—that it was Sharon who brought down the previous Palestinian government of Prime Minister Mahmoud Abbas (Abu Mazen), by refusing to implement any aspect of the Road Map. The potential to isolate Sharon is greater than ever, as indicated by Dec. 11 interview of Palestinian President Yassir Arafat by Henry Siegman, a renowned American Jewish leader, who now heads the Middle East Task Force at the Council on Foreign Relations. Siegman's interview broke up Cheney's and the neo-cons' year-long anti-Arafat game, and is being noted at the highest levels in Israel and in the United States.

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- COSTAMESA Ch.61
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- CULVER CITY
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Wednesdays—7 pm
- E.LOS ANGELES
Adelphia Ch. 6
Mondays—2:30 ppm
- FULLERTON
Adelphia Ch.65
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- HOLLYWOOD
Comcast—Ch.43
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Adelphia Ch.16
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- LAVERNE—Ch.3
2nd Mondays—8 pm
- LONG BEACH
Analog Ch.65
Digital Ch.69
CableReady Ch.95
Alt. Fridays—1:30 pm
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Thursdays—4:30 pm
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Wednesdays—7 pm
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Wednesdays—7 pm
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Thursdays—3 pm
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Tuesdays—7 pm
- PLACENTIA
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- SANDIEGO Ch.19
Wednesdays—6 pm
- SANTA ANA
Adelphia Ch.53
Tuesdays—6:30 pm
- STA. CLAR.VLY.
T/W & AT&T Ch.20
Fridays—1:30 pm
- SANTA MONICA
Adelphia Ch. 77
Thursdays—4:30 pm
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Mondays—8 pm
- VENICE—Ch.43
Wednesdays—7 pm
- VENTURA—Ch.6
Adelphia/Avenue
Mon & Fri—10 am
- WALNUT CREEK
AT&T Ch.6
2nd Fridays—9 pm
Astound Ch.31
Tuesdays—7:30 pm
- W.HOLLYWOOD
Adelphia Ch.3
Thursdays—4:30 pm
- W.SAN FDO.VLY.
Time Warner Ch.34
Wed.—5:30 pm

CONNECTICUT

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Mondays—5 pm
- MANCHESTER Ch.15
Mondays—10 pm
- MIDDLETOWN—Ch.3
Thursdays—5 pm
- NEW HAVEN—Ch.29
Sundays—5 pm
Wednesdays—7 pm
- NEWTOWN/NEW MIL.
Cablevision Ch.21
Mondays—9:30 pm
Thursdays—11:30 am

ILLINOIS

- QUAD CITIES
Mediacom Ch.19
Thursdays—11 pm
- PEORIA COUNTY
Insight Ch.22
Sundays—7:30 pm
- SPRINGFIELD Ch.4
Mon-Fri: 5-9 pm
Sat-Sun: 1-5 pm

INDIANA

- BLOOMINGTON
Insight Ch.3
Tuesdays—8 pm
- DELAWARE COUNTY
Comcast Ch.42
Mondays—11 pm
- GARY
AT&T Ch.21
Monday-Thursday
8 am - 12 Noon
- KENTUCKY
• BOONE/KENTON
Insight Ch.21
Mon: 4 pm; Sat: 5 pm
- JEFFERSON Ch.98
Fridays—2 pm

LOUISIANA

- ORLEANS PARISH
Cox Ch.78
Tuesdays & Saturdays
4 am & 4 pm

MARYLAND

- ANNE ARUNDEL
Annapolis Ch.20
Millenium Ch.99
Sat & Sun: 12:30 am

All programs are *The LaRouche Connection* unless otherwise noted. (*) Call station for times.

MONTGOMERY Ch.19

- MONTGOMERY Ch.19
Fridays—7 pm
- P.G.COUNTY Ch.76
Mondays—10:30 pm

MASSACHUSETTS

- BRAINTREE
AT&T Ch.31
BELD Ch.16
Tuesdays—8 pm
- CAMBRIDGE
MediaOne Ch.10
Mondays—4 pm
- WORCESTER—Ch.13
Tue—8:30 pm

MICHIGAN

- CALHOON
ATT Ch.11
Mondays—4 pm
- CANTON TWP.
Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm
- DEARBORN
Comcast Ch.16
Zajak Presents
Mondays: 6-8 pm
- DEARBORN HTS.
Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm
- GRAND RAPIDS
AT&T Ch.25
Fridays—1:30 pm
- KALAMAZOO
Thu: 11 pm (Ch.20)
Sat: 10 pm (Ch.22)
- KENT COUNTY
Charter Ch.7
Tue—12 Noon,
7:30 pm, 11 pm
- LAKE ORION
Comcast Ch.65
Mondays & Tuesdays
2 pm & 9 pm
- LIVONIA
Brighthouse Ch.12
Thursdays—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
- SHELBY TWP.
Comcast Ch.20
WOW Ch.18
Mon/Wed: 6:30 pm
- WAYNE COUNTY
Comcast Ch.68
Unscheduled pop-ins
- WYOMING
AT&T Ch.25
Wednesdays—10 am

MINNESOTA

- ANOKA
Comcast Ch.15
Thu: 3 pm & 9 pm
- BURNSVILLE/EGAN
ATT Ch.14,57,96
Tuesdays—5:30 pm
Saturdays—9 pm
Sundays—10 pm
- CAMBRIDGE
US Cable Ch.10
Wednesdays—2 pm

COLD SPRING

- COLD SPRING
US Cable Ch.10
Wednesdays—5 pm
- COLUMBIA HTS.
MediaOne Ch.15
Wednesdays—8 pm
- DULUTH—Ch.20
Mondays—9 pm
Wednesdays—12 pm
Fridays 1 pm
- FRIDLEY—Ch.5
Thursdays—5:30 pm
Saturdays—8:30 pm
- MINNEAPOLIS
PARAGON Ch.67
Saturdays—7 pm
- NEW ULM—Ch.14
Fridays—5 pm
- PROCTOR/
HERMANTOWN—Ch.12
Tue: Btw. 5 pm-1 am
- ST.CLOUD AREA
Charter Ch.10
Astound Ch.12
Thursdays—8 pm
- ST.CROIX VLY.
Valley Access Ch.14
Thursdays: 4 & 10 pm
Fridays—8 am
- ST.LOUIS PARK
Paragon Ch.15
Wed, Thu, Fri:
12 am, 8 am, 4 pm
- ST.PAUL (city)
SPNN Ch.15
Saturdays—10 pm
- ST.PAUL (N Burbs)
AT&T Ch.14
Thu: -6 pm & Midnite
Fri: -6 am & Noon
- ST.PAUL (NE burbs)*
Suburban Ch.15
- St.PAUL (S&W burbs)
AT&T-Comcast Ch.15
Tue & Fri: -8 pm
Wednesdays—10:30 pm
- SOUTH WASHINGTON
ATT Ch.14—1:30 pm
Mon, Tue, Wed, Thu

MISSISSIPPI

- MARSHALL COUNTY
Galaxy Ch. 2
Mondays—7 pm

MISSOURI

- ST. LOUIS
AT&T Ch.22
Wednesdays—5 pm
Thursdays—12 Noon

NEBRASKA

- LINCOLN
T/W Ch.80
Citizen Watchdog
Tuesdays—7 pm
Wednesdays—10 pm

NEVADA

- CARSON—Ch.10
Wednesdays—7 pm
Saturdays—3 pm
- RENO/SPARKS
Charly Ch.16
Wednesdays—9 pm

NEW JERSEY

- MERCER COUNTY
Comcast*
TRENTON Ch.81
WINDSOR S Ch.27

MONTVALE/MAHWAH

- MONTVALE/MAHWAH
Time Warner Ch.27
Wednesdays—4 pm
- NORTHERN NJ
Comcast Ch.57*
PISCATAWAY
Cablevision Ch.71
Wed—11:30 pm
- PLAINSBORO
Comcast Ch.3*

NEW MEXICO

- ALBUQUERQUE
Comcast Ch.27
Mondays—3 pm
- ANTHONY/SUNLAND
T/W Ch.15
Wednesdays 5:05 pm
- LOS ALAMOS
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Mondays—10 pm
- SANTA FE
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Saturdays—6:30 pm
- TAOS—Ch.2
Thursdays—7 pm

NEW YORK

- AMSTERDAM
Time Warner Ch.16
Wednesdays—7 pm
- PORTLAND
Tue—6 pm (Ch.22)
Thu—3 pm (Ch.23)
- SALEM—Ch.23
Thursdays—12 Noon
Thursdays 8 pm
Saturdays 10 am
- SILVERTON
Charter Ch.10
Mon,Tue,Thu,Fri:
Betw. 5 pm - 9 am
- WASHINGTON
Comcast Ch. 23
Wed:7 pm; Fri:10 am
Sun:6 am; Mon:11 pm

RHODE ISLAND

- E.PROV.—Ch.18
Tuesdays—6:30 pm
- STATEWIDE
RI Interconnect
Cox Ch.13
Full Ch.49
Tuesdays—10 am

TEXAS

- AUSTIN Ch.10
T/W & Grande
Wednesdays—7 pm
- DALLAS Ch.13-3
Tuesdays—10:30 pm
- EL PASO COUNTY
Adelphia Ch.4
Tuesdays—8 pm
Thursdays—11 am
- HOUSTON
Time Warner Ch.17
Saturdays—9 am
Mon, 12/29: 4 pm
Wed, 12/31: 4 pm
Tue, 1/6: 4 pm
Wed, 1/14: 8 pm
• KINGWOOD Ch.98
Kingwood Cablevision
Saturdays—9 am
Mon, 12/29: 4 pm
Wed, 12/31: 4 pm
Tue, 1/6: 4 pm
Wed, 1/14: 8 pm
- RICHARDSON
AT&T Ch.10-A
Thursdays—6 pm

UTAH

- E.MILLARD
Precis Ch.10
Sundays—5 pm
- SEVERE/SAN PETE
Precis Ch.10
Sundays & Mondays
6 pm & 9 pm

VERMONT

- GREATER FALLS
Adelphia Ch.8
Tuesdays—1 pm

VIRGINIA

- ALBERMARLE
Adelphia Ch.13
Fridays—3 pm
- ARLINGTON
ACT Ch.33
Mondays—4 pm
Tuesdays—9 am
- BLACKSBURG
WTOB Ch.2
Mondays—6 pm
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Tuesdays—5 pm
- FAIRFAX—Ch.10
Thursdays—12 Noon
Thursdays—7 pm
- LOUDOUN
Adelphia Ch. 23/24
Thursdays—7 pm
- ROANOKE—Ch.19
Saturdays—7 pm
Thursdays—2 pm

WASHINGTON

- KING COUNTY
AT&T Ch.29/77
Mondays—7 pm
- 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.98
Thu: 10 am & 5 pm

WISCONSIN

- MADISON—Ch.4
Tuesdays—3 PM
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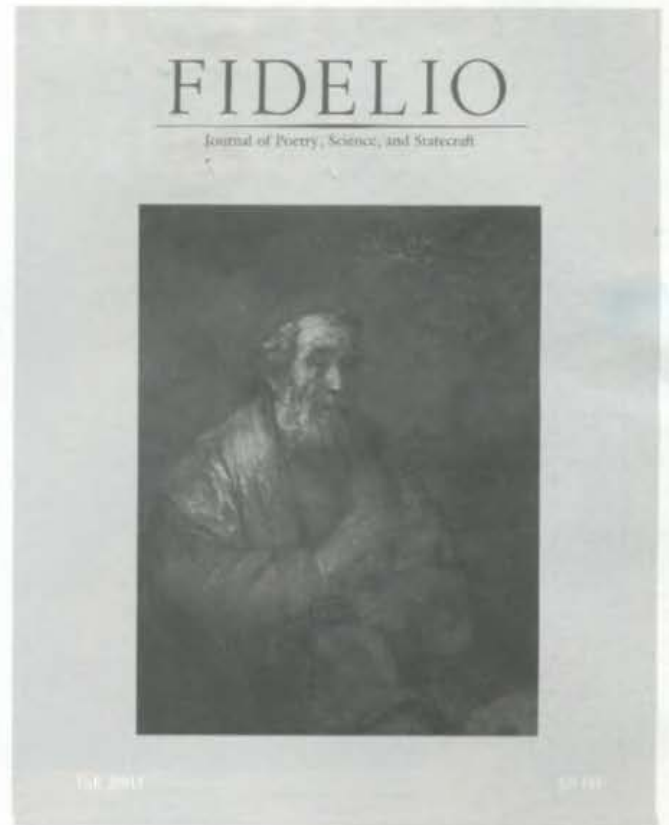
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