

## Electronic Intelligence Weekly

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## This Week You Need to Know

### What It Means To Have Fun, in a Catastrophe

by Lyndon H. LaRouche, Jr.

*LaRouche gave the following address to a group of approximately 100 students and youth, gathered in San Pedro, California on Aug. 18.*

Let's have some fun, as I say: Fun means to face a catastrophe, to enjoy it, and to discover a solution for the catastrophe, which is why you enjoyed it, because you knew the catastrophe was going to force you to find a solution.

Now, we have a catastrophe: It's called the President of the United States. He was on vacation, from the Presidency. This is obvious, when you saw the performance, in the homestead of the deceased David Koresh. I don't why the President likes to have his house in the vicinity of David Koresh's murder, eh? But he does, anyway. So, he lives in a tin shack, in a place called Crawford, outside of Waco, which some people, with his conference, might call "Wacko." And, he expressed optimism about the economy.

Now, that is not having fun: Because we have a catastrophe. And you can have fun, but only if you recognize that it **is** a catastrophe. And the reason you can enjoy the catastrophe, is because you're confident that you can find a solution. Now, the joy comes, not from having the catastrophe to solve; the joy comes from the sense that the catastrophe was something that you caused, by a long period of bad behavior, and the joy comes from the fact that the catastrophe is going to force you to discover a solution, and to prevent you from repeating that bad behavior. And, that's we have to do today.

Now, recently, as you know, we have a crisis in the United States, among other things, with the railway system. We also have a crisis with the air-transport system. Airlines are going belly-up, which is not the recommended attitude for a plane in flight!

So, what do we do about this? Everyone is saying, "Well, put them through bankruptcy; apply shareholder value. And, we'll have to cut back, cut back, cut back: Raise prices. Raise fares. Raise prices." Well, to some degree that'll have to be done, because the el-cheapo fares were actually a game that was being played. It was not justified. We also have the rail system, and the Congress and the President are prepared to abandon the rail system, largely. Privatize it, which means that only one person can use it, or something of that sort.

So, these things are being destroyed. Now, what's being destroyed, in these areas of rail and air traffic, air travel, is an essential part of the infrastructure, on which the economy of the United States depends. Now, you may become used to commuting by automobile. It may have occurred to some of you that that was a catastrophe, a bad habit. Some of you may have experienced the actual catastrophe in a more poignant way. But the point is, it's much better to have the kind of organization of society that we had over 35 years ago, even over 50 years ago, than today.

## A Continental Nation

The United States, for example, was built as a nation, by a policy of development of corridors of development, from the Atlantic Ocean reaching toward the Pacific. The idea of building a continental nation, from the Atlantic to the Pacific, is an old idea among Americans, since the 18th Century, since the times of Benjamin Franklin and his associates. Actually, since the **beginning** of the 18th Century, with the first efforts to open up the corridors across the Appalachians, into the great central plains: the Mississippi River Basin.

The unity of the United States was effected under the Presidency of Abraham Lincoln, who introduced the transcontinental railway system. This transcontinental railway system established the United States as a nation, functionally, economically, as a nation. Without it, we would not have become a nation. Now, what was built, were not just transcontinental railroads: What were built were development corridors, reaching actually from the Atlantic to the Pacific. Because, on the side of these rail right-of-ways, the U.S. government and other agencies, like state agencies, opened up **areas for development**, of agriculture, towns, and so forth. So that the colonization of the barren wilderness of the great American middle—the Mississippi Basin, the Great American Desert—to California, was accomplished by means of this railway development. Cities were improved. The functioning of the economy was improved by the development of local rail systems, like streetcar systems and other kinds of systems—mass-transit systems for the transport of both freight and of people. And, this process of transport systems was also a way of developing the economy, of increasing the productive powers of labor, in a way that could not be accomplished without that method.

So, we also had, later, more significantly, the development of power, especially electrical power. And electrical power, which was developed, essentially, as a process in the late 19th Century, actually became generalized over the course of the 20th Century. This was a great increase in the ability to produce: an increase in efficiency, an increase in the productive powers of labor. Again, and this was done under government protection, as the railroad development had been done, as a way of developing the economy—infrastructure.

Prior to that, the United States had been committed from the beginning to the development of water systems—water transport and water-management systems. This particular idea had been developed extensively in Europe by—guess who? Charlemagne, when he was the Emperor, in his time. And, even only recently, have we tended to complete what Charlemagne proposed 1300 years ago! A waterway along the Rhine, along the Main, into the Danube, to connect the North Sea with the Black Sea, which meant that all Central Europe is now, essentially, connected, by inland waterways.

And inland waterway development was a general water development. For example: We should be moving, in the United States, we should be moving water from the Canadian north, the Arctic Ocean, where the polar bears won't miss it (they like salt water best); so, we'll bring the water, or a large part of it, **down** from Alaska and Canada; we'll bring it down, according to this Parsons development project [The North American Water and Power Alliance (NAWAPA)], bring it down through the Great American Desert—which is still a Great American Desert: You can fly over it, drive through it, it's a Great American Desert. All this wasted land. You've got California, right around here, you've got the extension of the Great American Desert; it's right here—staring at you! Or, burning your backside, you're sitting on it.

So, we should be developing this area of the United States, into Mexico, through large-scale water management. We should be developing improved, mass-transit systems, including magnetic levitation mass-transit systems. We should be redesigning the way we build cities, and I'll get to that, in a very particular way. We should be doing these kinds of things, that will, **in principle**, express the attitude of the most effective nation builders of Europe and the United States, in an earlier period. And that will depend upon this kind of approach.

## How FDR Saved the U.S.

We had, most recently, in the most recent century, Franklin Roosevelt, who took over the government in a period of great crisis, saved the United States from the kind of fascist takeover which was threatened here, which occurred in Germany. He started economic recovery. He got the United States through a terrible war, imposed by European follies, and built this economy to a level it had never been built before. He did it with the intervention of the Federal government, in coordinated efforts by state and local governments on the same principle; put the unemployed to work, largely in infrastructure at first, rebuilding things. Because unskilled people have trouble fitting into jobs, therefore, you take areas of great need, or work to be done, and you take people who are otherwise unemployable, with no chance, and you employ them. You employ them, not too efficiently at first, but gradually, they get up speed at what they do. And they devote their efforts to constructing things, or participating in that, which are necessary for the future development of the nation.

For example: The United States military was not the greatest fighting force in the world, in that period. In point of fact, we had become a great military power, in the course of the Civil War. We emerged from the Civil War with the leading military capability in the world; which was largely logistical: the military capability based on railroads, based on engineering training of officers, based on the Corps of Engineers and its work. But, we were not the greatest shooters, and in the latter part of the 1870s and 1880s, the Congress, in its great wisdom, had destroyed the U.S. military. And, that policy generally continued, into the time of Roosevelt, except for the period of the First World War.

So, when we went to war, the soldiers were really not trained. I was involved in that, and I tell you: They were not trained. Because we dragged them off the streets and the hill farms in peculiar places, and they were suddenly dragged into a company street, where some poor guy like me, would be lining them up for their first time on the company street, as a new training platoon. And, I tell you, I looked at these, and I've said it many times before: I looked at these guys lined up, I'd look around, and I'd say, "We just lost the war!" But, nonetheless, we put this thing together, and we came out with an American military force in the order of magnitude of 16 million. Women of the United States went to work, because the men had gone abroad in those numbers. And we won the war.

Now, how did we win the war? Well, we won the war, because of what Roosevelt had done in the 1930s. Roosevelt, of course, had known the war was coming, from 1936 on; it was obvious to him that the war in Europe was inevitable, and that we would be drawn into it. So, he met with his associates, sometimes secretly, but sometimes in ways that are known today. And they planned what a war mobilization would be, of the United States, for the United States' role, in a generalized war, spread out of Europe. In 1940-41, we went to work, full-steam, in developing that system for defense of the United States. We developed it on the basis of things like the TVA—Tennessee Valley Authority—and many other projects, which were projects of things like the WPA [Works Progress Administration], or similar kinds of government projects.

So, the government intervened, to take a **bankrupt** nation, when the so-called "private sector" had failed **utterly**, to create the foundation for the revival of an economy. We won the war, not because our soldiers were the best shooters—they weren't. They were not the most effective military force, man for man.

They were very poor, compared to the German army, which was far superior to the U.S., both in the training of the soldier—including the moral training of the soldier: because we train our soldiers, too often, like Marines, which is the worst thing you can do to a person. You train a Marine: You destroy them. "You are a piece of filth. We are now going to destroy you: We are going to make you a man!" Eh? And it's like [adopting a robotic monotone], "I have learned to talk in the way a good Marine should talk." "I shoot, frequently." Whereas, in the German system, as the training goes on, the objective of the training is to get an individual, who may be in a position of leadership from corporal to colonel or lower general, who is faced with a situation, where he has a mission—either on the platoon level, or the section level—he has a mission. And the mission is clear; he must carry out the mission. But the problem he faces was not something that was anticipated when the mission was given to him. So, the effective military force relies upon a soldier, who is developed and well-trained, but is also trained **to think**, to solve problems, to solve the mission.

Now, what we did in World War II: We solved the mission. We did not solve it with our shooting ability. We did a lot of shooting; we threw a lot of hardware around, and so forth. We went with logistics: We had logistical capabilities that no country in the world had. We emerged from the war, as the **only** world power, because of our **logistical** capabilities: Nobody could match us, in logistical capabilities.

That, we have destroyed. We now have the so-called "utopian" conception of brainless killers, like the ones in Columbine School, trained, as the military now admits, by video-game training, point-and-shoot games, who react to a provocation, a sign, a signal—react by pulling out a weapon, and shooting desperately and accurately at everyone in sight, with no human quality whatsoever to their behavior. They become a zombie, a killer-zombie. And, you see that in what goes on in Afghanistan: killer-zombies on the loose—no discretion, no judgment.

In fact, in Afghanistan, you notice, **there is no exit strategy**. In a war, competently conducted, you don't conduct a war unless it's necessary; and you never conduct a war, without an exit strategy! What do you mean by **winning the war**? If you declare peace, what kind of a peace are you going to have? How are you going to live with these people you were shooting at? So, you have to have an exit strategy. Your objective is not to enrage the situation. The objective is to bring about an **agreement**, which will lead to a new arrangement among the nations—called "peace." You don't achieve peace by war. You don't win peace by war. The war-fighting has the objective of creating the **conditions**, under which a willingness to discuss and negotiate peace occurs. But the peace is developed by other methods.

## Infrastructure as National Security

But, anyway, back to the point of the Crawford-Baylor, so-called "economic summit" of a sleeping President—the President that wasn't there. What we should do, of course (just to get back to that part of it), is, recognizing that the rail system and the air-transport system, as presently constituted, is an **essential, national security asset—national economic security asset**—meaning, the nation would be seriously damaged if this thing were to be disrupted, if this were not developed. Therefore, under a situation like this, **the government must intervene into areas of basic economic infrastructure, put them back under regulation, provide credit for their rational reorganization, and expansion, and improvement**. For example: The problem with rails in the United States, the fundamental problems—why we can't **even use trains** that are improved trains—is because the track has not been maintained. The track is not safe to use at high speeds. The systems are old and antiquated. We need, therefore, a national railway development program, as an **emergency program**, at this time. We need a national air-transport development program, so that, while we're trying to reorganize air-traffic companies **rationally**, we must make sure they continue to function; that the maintenance required for aircraft continues, and competently; that aircraft are upgraded, so they don't crash on your roof, or trying to get out of the airport—that sort of thing: So, you must go back to a regulated system, which is **government-protected**. That does not mean you have to de-privatize everything, but it means you have to regulate it.

And, the only competent response—and it's an urgent, emergency response, which a **real** President would have made, at the time that the vacationing President was talking nonsense in Texas—what we should have done is, said, "The United States government is going to ensure that rail and air traffic are maintained; that we do not lose that quality, we do not lose that capability. And, the Federal government is going to intervene to get that thing straightened up."

Now, that's going to mean raising some money. It's going to mean a change in the present Federal Reserve System; a change in the laws in Congress, going back to a Franklin Roosevelt approach to these kinds of problems. That must be done **now**: What if these companies break up in three months? What if the leading air-transport companies of the United States begin to break up, go into irreversible disorganization, over the next three months, which is now a quite-probable situation? This would be a **national-security disaster**.

We **have** no national-security disaster in Iraq. We have an Iraq **policy**, which is a national-security disaster, but Iraq is not our problem. Our problem is chiefly **right here**! In the United States: our mismanagement of our own society.

Roosevelt faced that kind of situation in 1932-33, when he was running for President, and when he first became President: Take emergency action, to save this nation; not merely to deal with the crises, which were presented, but to launch programs, using the power of government to do this, to set things into motion. As a result of what he did, in the public sector, and by certain reforms, he created the condition under which we had a very successful—on balance—a very successful progress in economic development, over the period from 1933, actually until 1964. There was a general improvement, despite the injustices; there was a general, net improvement, in the conditions of life in the U.S. and, to a large degree, outside the United States, as a result of that change.

From after 1964, with the beginning of the Indochina War, we lost it. Nineteen seventy-one, Nixon's change of the monetary system, we lost it. We've been going downhill for 35 years, and carrying much of the world with us.

We're now in the greatest depression in modern history. It's here. It's not something to debate—"Is it here?" **It is here**, without question. Don't pay any attention to the market—that doesn't mean anything. Look at unemployment, look at closed firms, look at disasters; look at the effect of a collapse of the real-estate bubble, where people begin to get **mass evictions** from areas of recent buildup.

So we have a national crisis: Therefore, the response should be, to respond **immediately** to this air-traffic crisis, as the President **did not**, and take the immediate measures for a restoration of a policy, which will ensure, that those areas of national infrastructure, which are in the vital **national economic-security interest**, are protected, and maintained, and improved.

## Understanding Infrastructure

Now, look at some of the other aspects of this thing, the broader aspects: What is called "infrastructure" consists of several typical types of elements. We have "hard infrastructure," which means, generally, **physical** infrastructure. This includes such things as rail; it includes air traffic, today; it includes ports. You can see right out here, an example of a problem, a great problem: a great incapacity to handle freight. What do you do when you get it here? It's a problem! How do you transport the freight and distribute it in a timely fashion to places where it's economically needed? How do you get the stuff shipped out in a proper way? So, the ports are extremely important—to have adequate ports for ocean traffic and ports which deal with inland waterway traffic, because inland waterway traffic and ocean port traffic are very closely interrelated. That's one kind of infrastructure—transportation.

This also includes urban transportation and suburban transportation. It's notorious in Los Angeles, of course: traffic. Well, this is insane! I think many of you think it's insane. You suffer through it. And, take a little example of this: How many hours of the day, does the average person spend commuting? What portion of the living time of the day, do people spend commuting—and also hating it, while they're doing it? It's not exactly an uplifting experience! Well, this is insane! Why don't we have mass-transit systems, which move people efficiently so they don't get out there in that stream—which is **very** inefficient; economically, **extremely** inefficient! To pile people individually into cars, or two in a car; drive through this congestion, to get to work, an hour, or two hours and so forth; being forced to drive long distances, in many cases, because of the patterns of employment these days.

Then, what is the effect of this kind of society on raising children? If parents are working two jobs; if they're commuting two hours, or four hours a day totally, various ways; where's the time to raise the child? If you don't have neighborhoods based on active family participation in the neighborhoods, controlling the neighborhoods effectively, just by living together as neighbors, what kind of an environment are you creating for the children? What kind of school systems do you have, if



you don't have the intervention—**efficient** intervention—of an active parent generation, community generation, in this process? Who do you go to, to complain about it? The brainwashers, who say, "Give the kid Ritalin"? Why's the kid jumping around? Because the teacher's boring! Get some competent teachers in there!

So, having an efficient mass-transit system, which delivers people in comfort, and with certain reliability, to reduce the hours **wasted** in unpaid travel time, to get to and from work, in the process of helping to destroy the functioning of the family, and destroying the conditions under which we raise children. So, therefore, this extension of a mass-transit system, is also essential.

Also, the way we're developing communities—zoning—is insane! Look at what happened to Los Angeles: Isn't this insane? The way this city is organized, is absolutely insane! It's not organized for people: It's one vast slum! Sometimes more obviously so than others! It's a city, in which hate is inherent in the physical organization of things!

You know, in the better times, you would have places of employment—often in better areas, several opportunities of major places of employment. And people would tend to be concentrated in their residences around areas where they either **had** employment, or were otherwise likely to find replacement employment. So, therefore, you had people living in a community, which would often be defined by a group of major employers, as well as all the other auxiliary employers, of small machine shops and so forth, that went with it. So, you had a sense of community. And you had a primary motion, in the course of the day—whether shopping, or going to work, coming from work, going to school, meeting with neighbors, these kinds of connections—were all within a fairly restricted area, almost within walking distance, if not absolutely within walking distance. And this was achieved, partly by having an efficient mass-transit system, which enabled us to do that.

So, we need good mass-transit systems, as well as inter-city systems.

## FDR Paradigm in Energy Production

We also have other areas of infrastructure. Power: There's a big crisis in California, with the Enron rip-off, and similar kinds of rip-offs. This was a swindle. Deregulation was a crime against humanity. The way we would set up power production in earlier times, the assumption was, when you would make an investment, an investment in a power plant or power facility, we're talking about a quarter-century or more. When you talk about "site development," you're talking about a much longer period: 50 years, or so, because of the impact of having a central power system, with respect to any community and its functioning. So, therefore, we're talking about long-term investment.

How do you construct the investment? Well, it's regulated. Now, the regulation, in the case of power, is **chiefly**, even though there should be Federal oversight on interstate aspects, the regulation of power is largely a function of states, the Federal states, and of the communities, the municipalities. What happens is, a state creates an authority, authorizing the forming of a corporation, whose purpose is to produce and distribute energy, in such a way that the aggregate of such entities will meet the needs of the community, both presently and **for the foreseeable future** of growth and requirements. Therefore, you integrate. From the beginning, the concept is the integration of responsibility for **production and distribution** of power. This is done, usually, by oversight of **state** governments, with some Federal intervention in the process of setting national standards, and interstate standards. California is going to **die**, if it does not have, does not return to this kind of energy production, and expansion of it.

Where's the money to do it? Are you going to go to the present Governor, and get him to get something through the legislature, to fund, or bail out, these existing entities? No. You're not going to get it that way. You're going to have to have a **Federal reform** of the present financial and banking system, which is now bankrupt, under which credit can be generated through the Federal government, the way that was done by Roosevelt with his Reconstruction Finance Corp., to make credit available through local, designated financial institutions, in cooperation with the states and the municipalities, to ensure the

**existing power production and distribution function**, and that the necessary prompt steps be made to expand power production.

Without that, how are you going to restore the lost industrial opportunities, which used to exist in this state? How are you going to guarantee protection to the farmers of this state—and this is the big agricultural state? You can't do it.

So, therefore, the Federal government may not be the party to actually set these things into motion in the state and municipalities, but the Federal government's intervention is **essential** to create the conditions under which a state like California, **which can not, by itself solve this problem**, is given the Federal **assistance** of the type it needs, to reorganize its affairs, and get on with the work of providing power.

## Water Projects for the Americas

Another key area, which I already referred to, is the area of water. Water is another part of the essential, physical infrastructure of a national economy. We have enough water, available, if we're willing to look ahead to Alaskan Arctic sources, and look ahead to Canadian Arctic sources. And, to enter into agreements with neighboring Canada, for joint development, and agreements with Mexico! Because, any efficient line of the Great American Desert development, of water development, is going to move water, in **great amounts**, from the north, from Alaska and Canada, **through** the area between the Rocky Mountain and Pacific Range area; going to move **great** amounts. And the end-line of that, will be Mexico.

So, therefore, an Arctic Ocean to Mexican border system is needed, which should integrate with what Mexico should have, which is to open up the canals, which have been projected by Mexico for over a century: canals to move water from the south, where there is excess rainfall in Mexico; to move it along the coastal canals to the northern areas, such as Sonora, which need water, in order to develop agriculture. Sonora, like the Imperial Valley, has a tremendous natural potential for agricultural development—**if the water were there**; if the water management were there.

We need to protect the agriculture in California alone. Fighting with Arizona, and the gangsters who control Arizona, over water—like McCain, for example; the Keating Five—that is not the way to solve the problem. That may be necessary, but the way is, to find new sources, new arrangements, in water management, for transport and for other essential uses. To take this area of the Great American Desert, and turn it from a negative factor in the U.S. economy, and turn it into a positive factor, for **all** of the economy around there. And we can do that. So, these are essential things.

## 'Soft' Infrastructure

Then, you have other things, which are called "soft" infrastructure: health care. Health care is a national security issue. Let's take the nasty case of DDT: There was never any legitimate grounds for banning DDT. It was purely a cult, fanatic program. **DDT never ruined a robin's egg**. It may have cut down its meal a bit, by killing flies and worms, but it did not ruin the egg. It was all a fraud.

We are now exposed to West Nile virus, a deadly, mosquito-borne, or mosquito-**vectored** virus, which is moving into the middle of the United States, from Africa. It's moving in from Africa, because we didn't do anything to help Africa. We didn't bring the conditions in, which would have enabled Africa to control the thing at the source. We say, "We're not going to put money in Africa!" "We're going to take gold out, not put money in!" That's the idea: "Oh, gold! So, take it out!" So, therefore, because we didn't give them the means, and the support to get up the pest-control systems and health systems they required—as a matter of fact, we bombed Sudan's pharmaceutical plant, because some idiot in Washington, some right-wing kook, pushed the President into going along with it. And the President had to quietly admit afterwards, that there was

no reason for bombing that plant; no excuse for it.

So, it now comes here. Diseases from Africa are going to come to visit the United States, no matter what the Customs agents and Immigration officers say. We used to be able to control—we had the mosquito, malaria and so forth, under control in the United States, by DDT, which is the most effective drug we ever had, against this kind of problem—the **most effective**. And, for some crazy reason, it was banned—arbitrarily, **with no supporting evidence for the banning**. Everything about, "DDT was a danger to the environment," or something, or health, was **a lie: There never was any scientific evidence presented to support that**.

So, we're going to have to get it back.

Now, that's only one aspect of health control. In the postwar period, as a result of our experience in warfare, especially, we adopted a piece of legislation, called Hill-Burton. Hill-Burton was a very intelligent approach to improving the health care of the citizens of the United States. It said, simply, this; it started with an assumption. The assumption was, because of the way medical practice is structured, the major hospitals and clinics in a county are the center of the functioning of the medical profession and of public-health facilities. What you need in any area is, you need a very high-grade, full-service teaching hospital, the kind of institution which covers the entire spectrum, which trains nurses **and** physicians, and educates them and produces them as a by-product of its function, which has extensive research facilities of scientific, as well as other, nature.

And therefore, when you get into a national health crisis, you have doctors out there. The doctors, for major care, rely on their relationship with clinics and hospitals. The hospital is the center of mobilization of a community, of a county, for health-care problems, new diseases. What do you do? Laboratories; extensive research, tied to other research institutions, in touch with research institutions throughout the country and internationally. They go to work on a problem, which is newly discovered, and try to quickly discover an approach for dealing with a new type of problem. Or an outbreak of an old disease in a new form, like bubonic plague, for example, which may come out as pneumonic plague.

So, the doctors, now, are able to function, because you have a team relationship, between the individual physician, the local hospital or clinic, and the central hospitals, which are the mobilization points, the rallying points, for national security in health care, in health protection.

Now, Hill-Burton specified, therefore, that the United States should adopt—it's a very simple piece of legislation, not one of these pieces of nonsense, but simple legislation stating a principle: It is the objective of the United States, that we shall increase the number of beds of a predetermined, required quality, in hospitals, based on a county-population requirement. That is, every county should be getting an equitable approach to treatment of disease in that county. Because, if you do that, for the reasons I just gave, then you have a system which is capable of responding **intelligently**, sometimes in concert with government, to any kind of disease problem.

Now, the idea was, that you would form organizations in each state, with Federal protection—Federal sponsorship and protection. These would be organizations based on state facilities; they would be based on public facilities; based also on private hospitals and similar institutions. And these institutions would meet on an annual planning basis, to set out a budget based on required number of beds, estimated in that area, to improve the situation. And, to determine where the money is going to come from to support this number of beds, of these qualities, in that county. Therefore, what they would do is, the various institutions would estimate expected revenues from various sources that could be obtained, define the deficit, and then say, "Where are we going to get the money to fill the deficit?" They would go, first of all, to voluntary fundraising for hospitals and health care, in general. They would then go to municipal and state governments: What can the municipal government, the state government put into the kitty, to fill the deficit? And, if that isn't adequate, then they go to the Federal government, which is sitting there as an interested party, and say to the Federal government, "This state, in the coming year,



is going to have the following deficit, based on currently determined sources of applicable revenues. We need some help. Get us a bill through the Congress, to authorize a special allotment for this state."

That's the way it worked, until 1973. It was one of the best health systems the world ever knew.

And Nixon destroyed it—with the help of a "great Democrat": Daniel P. Moynihan, who was in charge of this social reform, at that time. What came in, was the HMO legislation—health-management-organization legislation, **repealing Hill-Burton**. And you may have some idea of what happened to health care, as a result of the HMOs and the replacement of Hill-Burton.

So, we need a health-care system, as a matter of a **national-security interest**. A health-care system, while it probably includes many private aspects, must have the backing and support of public agencies and the public sector, **including the Federal government**. And the Federal government must act as a coordinating agency among the states, to determine a **national-security approach** to health-care requirements: whether strange diseases, or simply other disease problems discovered; maybe like how to remove a video game from a child, huh? To save the kid's life, or his neighbor's life.

## Education for Citizenship

So, you have another area of national security interest, which is primarily the responsibility of government. **Education:** Now, I know that most of you hate education, because you're not getting any of it. But, we're doing the best we can, with our limited resources, and by going on the things which we think are most essential.

So, if you can't get a decent education at a university, create your own. It doesn't have to be a university, it has to be a process, in which you're engaged, in yourself, developing yourself, in a social kind of way—individually and socially; by getting at things **you need to know, to make you capable of understanding society, and understanding your place in it**. And how you can do work, that sort of thing. Base it in science, base it in Classics, base it in social relations—history. Those things, if you can't get them from the schools, or the universities, you must organize and provide them for yourselves.

Remember, healthy university systems were not created by God. He left some things up to man, to create for himself. And the best educational systems, came **in opposition** to previously established, **failed** institutions. And they were organized by young, vigorous people, who were dedicated to discovering the truth, and learning to master it. And, by mastering a few areas, in a few topics, they would open up themselves to the **capability** of knowing how to master others. So, what you need in education, essentially, is a foundation. You need a foundation, which enables you to fit yourself in society, as a person who can **think scientifically**, who knows what social relations are, who knows how ideas function in history, who knows how societies collapse or succeed; and you start from that kind of basic knowledge, and then reach out, to anything else which you think is important, or interests you. And you're able to do it, because you've created a process, in which you yourselves, can do it, for yourselves.

You become, then, a true citizen, not a beggar. The typical citizen of the United States, today, is a **beggar**. They beg! They beg from the news media. They beg for a place at the table, with public opinion. They beg for this; they beg for that. They don't think about what they can do for themselves. This is called "free trade": What can I sell myself for?

So, the basis of citizenship is essentially education, as Benjamin Franklin emphasized, and warned, when the Constitution had been adopted. And education means that you are, first of all, that you are a citizen, who is capable of thinking for **himself or herself, as a citizen**. This means, that, instead of depending upon doing as you are told, or thinking what you are told to think, that you have gone through the experience of discovering universal principles, which are universally true, with the powers of your own mind, usually doing this as part of a social process of dialogue with other people.

Once you know that something is true, in your own mind, in that way, then you can stand up, and say: "**I know.**" And when you can say, "I know," then you're a citizen. Then, you are entitled to instruct government to pay attention. And if it doesn't pay attention, to make some changes. Not the kind of beggars, that call themselves "citizens" today: "I have to go along with the Party. I have to go along with public opinion. I have to go along with this."

And here you are, sitting in the middle of a **failed society**—this society has failed! Over 35 years, this society, this United States, has gone from the most powerful nation on the planet, the richest, the most productive, the most progressive, **to one of the worst! It's the bucket shop, of humanity!** We're bloodsuckers. We don't produce our own wealth; **we steal it!** We steal it, by free trade. We've rigged the value of the currency, of the peso in Mexico; we rigged this; we rigged that. Other countries **slave for us**, work under virtual slave-labor conditions, to give us the cheap goods that you buy at Wal-Mart! By some poor creature, standing, unable to move, because they represent destroyed people, who somebody's employing at X number of dollars per hour, to stand there and look as if they're working.

This is what we've done to the American people! We've done that to them. We've taken away their dignity, and one of the ways we did it, was with education. **Look at what is taught** in universities and schools. Look at the nature of the curriculum. Some kid thinks the teacher is stupid, he's got to have Ritalin. Do you know what Ritalin, and Haldol, and Prozac do, physiologically, to a human body, over several years of application? Do you know what this is? Read a book (but don't take it too seriously): **Brave New World**, by Aldous Huxley. Soma. What you are getting, no education in the schools, and if you don't sit there like a happy little zombie, the teacher says, [very nasal] "You've got an Attention Deficit Disorder." And you say to the teacher, "No, Teacher, I don't have ADD. You've got BDD—a Brain Deficit Disorder!"

But, this is a kind of menticide: The obvious purpose is, is to destroy the mental capability of the American youth to function. Because, once you get him on this dope, you don't come back so easily. Some of you have some experience with it, in yourself, or know it with others: You don't come back so easily. And, when you lose the years of your life, the years when you are most susceptible of actually developing concepts; when you're going through the secondary-school age, and the university age, 18 to 25, that area, is the period of life, in which most people have the highest potentiality for developing the power of conceptual thinking. Once you have mastered that, in those age intervals, then you don't stop developing. You go on, and you become more powerful in your ability as a thinker, from that point on. But, if you don't lay the foundation, in cognitive thinking in those age intervals, you've lost those years—precious years of your life, you can't make up for so easily.

So, in a sense, the function of education is not simply to produce people who are qualified to pass tests which are designed by idiots. You know, multiple-choice questionnaires. (If you pass a multiple-choice questionnaire, you must have taken a lot of Exlax.) Those tests, by themselves, are evil.

What is a reasonable question? You're probably getting some of this here. But, what is a competent examination, in a secondary school or a university, say on a science subject? Fill out a questionnaire? No. Fire the teacher. If the school issues a questionnaire, fire the school administrators. If the teacher gives you a multiple-choice questionnaire, fire the teacher. You're not getting an education.

What is an education? The test of an education is a test of the school and of the teacher, as much as it is of the student. What are you testing for? A good test, which is done with the best—the best so-called "intelligence test," would always have this feature in them. A good test will always challenge the student with a question, for which they have never been prepared in class or textbook. And you would test the student, therefore, on the ability **to solve that challenge**, at least in a credible and competent way at that time. That would tell you how well the school program and the student combined, had developed over the preceding period. So, the ability to think cognitively, to discover solutions for problems, to discover new principles, under stress: That is the test of education. Because that's what it is in production.

Entrepreneurship in production is the same thing. In production, what you face are problems you never saw before. In government, you face problems you never saw before. So, who do you want to deal with that problem? Do you want some bureaucratic idiot, who's filled out multiple-choice questionnaires? Or do you want someone, faced with an entirely new experience, a new challenge, unexpected, in some area, in which they have a certain competence, to be able to respond to that challenge in an intelligent, effective way? This is developing a new product, solving a problem that's never been solved before; this is what the best military training is: **Auftragstaktik**, it's called in German—the ability of the soldier, the commander, under a situation, which he did not expect, to be able to carry out a mission, under conditions which are slightly different than those which were anticipated. By finding a solution to that problem. Not by changing the mission, but accomplishing the mission, by discovering a new way of correcting for the difference between what was expected and what you have.

## The Problem Gauss Solved

That's what a good education is: the ability to think. The ability to invent valid approaches to previously not-known issues. For example: One reason I specified in response to the question, this issue of the 1799 paper by Gauss on the fundamental theorem of algebra. Every faker will go to a Lagrange approach to that problem. Every faker in school will teach that: It's one of the most important developments, in all modern mathematical physics, that particular paper by Gauss. And virtually every school, which teaches in that area, in that subject-area, **fakes it**. And says, there's a solution at the blackboard, as such; a mathematical solution at the blackboard, as Lagrange said, for that problem. If you accept that, in mathematical physics, if you accept the assumptions on which the Lagrange argument is made, you will never be competent in science, because you have never faced the crisis that you must face, the crisis posed by Gauss's attack on Euler and Lagrange, in that paper. You'll never understand what the word "physical science" means. You'll fake it. You'll think of some formula, you get out of a textbook, or look it up on the computer. And, it's not.

Also, important, that particular case, because it refers to knowledge which existed, long prior to that; knowledge which existed at the time, in particular, of a student of Pythagoras, Archytas, who was associated with Plato. And the circles of Plato, Archytas, and so forth, through the death of Archimedes and Eratosthenes, developed an understanding of the same issue, which was presented by Gauss's solution for the question of the fundamental theorem of algebra.

So therefore, if you solve this and understand this, not only do you know what real science is (and otherwise, you don't), but you also have an understanding of something about history. If you look at the connection, between what was known by Archytas, by Plato, by Eratosthenes—if you **know** that—then you say, "Where'd we get this?" "We got this from **them**! We got this from them, in a period 2600 years ago, or so. We got this, by a transmission of Classical culture—**despite** the Roman system, **despite** Romanticism—which was revived in modern Europe in the 15th Century, which was the birth of modern science, and the birth of modern society.

So therefore, the student who has gone through that kind of educational experience, has a **foundation** to understand both physical science, mathematics, and history. Because history is the relationship of the transmission of ideas that no monkey could ever understand, by human beings from generation to generation. **Culture** is the same thing. Language is the same thing. Languages have been developed, by the human species; different languages have evolved in this process of development. These languages are transmitted from generation to generation, as ideas. When you wish to communicate with people, as I spent some of the weekend communicating with people who are Chinese-speakers, you run immediately into problems of understanding on both sides, where it's very difficult to communicate certain ideas. Because the language culture is different, and people think in ways, in which language is a crucial part.

And thus, the way to administer society—yes, we are a community of nations. But, we must also recognize that the primary responsibility of **citizenship**, is to organize around a specific national historical language-culture. Not because one culture is better than the other, in any intrinsic way—some have advantages, true—but, because you must reach the ideas. You

must, in the case of giving an idea in a different language than you're using, you must also find some way to get the root of that idea, the paradox, into the mind of someone who's using the other language, in their national language-culture.

So thus, our education of the American young person, into age of 25 and so forth, in terms of our national language-culture—a Classical form of our national language-culture—becomes an essential basis for citizenship. Because it is through a language, so understood, so mastered, that we're able to communicate what Shelley describes as "the most impassioned and profound conceptions respecting man and nature." And that's what citizenship is: To have a sense of what needs to be done, or at least what question needs to be asked. And, to be able to put that forward as a citizen, in a way which commands attention to what you propose, it commands attention to the matter of the answer.

That's the way we can govern ourselves. We don't govern ourselves by opinion. Most of the opinion in the United States, as you know, is idiocy. Would you want to be ruled by popular opinion? It's a mass of babbling idiots! Does that mean that you hate the people, because they're babbling idiots? No. You want them to be good people. You want to develop them. So therefore, you want to ensure that every child has access to that quality of education, which is required. You wish that for yourself; you wish to make that kind of Classical approach to communication, an integral part of the way society functions and makes decisions. We are not monkeys; we are not baboons. We do not communicate by sign languages or grunts or snarls. That should not be the way that we function, though often that happens in the Congress. We should be people, who are able to communicate by reason, and reason means exactly that.

So therefore, an educational system, **based on reason**, is a vital matter of national security. It's primarily a responsibility of government, in the collective sense, as such is the nature of things.

## What We Can Do To Save Our Nation

**This is what we have lost.** This is why George Bush was—not elected, exactly, but inaugurated. They just said, "Well, who're we going to inaugurate? Which of these bums that wasn't elected are we going to inaugurate?" And we did. But, how did that happen? How did we get to the process that we had a Dukakis, running for the Democratic nomination for President in 1988? **An absolute mental case.** Going into a severe crisis, do you want to put a mental case into the White House? Well, Gore is the same thing—a different kind of mental case. Bush is, shall we say—the only thing spectacular about him, are his disabilities. But, he's the President: And you and I have to manage this Presidency. I mean, you can't shoot him. It's not a good a idea; and it wouldn't do any good. It would do bad. That's not the way you settle problems; you may do it in some neighborhoods—try to settle problems, by shooting the guy you don't like. That doesn't settle anything; that just makes the problem worse.

You don't try to overthrow the government, the way some populists do. You know, "The government's always bad. If we could only get rid of government, everything would be good." You baboons would run the place, huh?

No, the point is, we have the responsibility of affecting the institution of government, to cause the constitutional institutions of government in particular, to respond to our perception of what our national security requirements are, as a nation, as a people. What we think is just, in terms of our relationship to people in other countries. We have to force government to behave itself. Not as the adversary, but just like a foolish child, that you have to sometimes keep them from putting their hands on the hot stove. That sort of thing. You must intervene as a citizen, to take responsibility, as a citizen, for what your nation does. And, we have a Presidency. We have the finest Constitution ever devised, so far: Use it! But know **how** to use it: Be ingenious, in using it. How do we get the Presidency to respond in a way which George Bush were not likely to do? How do you shape the environment **around** the President, such that the institutions of the Presidency, and government generally, and other influences, will act upon him, to accept what I've proposed, say, today: "Please, George Bush. Stop this nonsense! Accept reality. This system is coming down. No recovery will ever occur. I don't care what Dracula says, there's no recovery in progress." "Please Mr. President, do a simple thing: Put DDT back in circulation. We don't want our people

dying of West Nile disease. Just do the intelligent thing. Protect the national security interest, in terms of railroads; in terms of our air-traffic system; and a few other things like that—for starters."

And, that's, I think, what we, as Americans, among other leading things, should be saying. That's what should have been said, in effect, at Crawford, or at Baylor. We should have said, "Hey! This is stupid. This system is coming down; let's stop kidding ourselves; let's stop the delusion. There are things we can do to save our nation, and save the world. **Let's do them!** They're not perfect solutions, but they put us on the road toward solutions."

And that's the gist of the matter.

## U. S. Economic News Digest

### U.S. Trade Deficit Soars Again in First Half of Year

The U.S. trade deficit increased by 8.1% to \$206 billion in the first six months of 2002, compared to 2001, the Commerce Department reported Aug. 20. The second quarter of 2002 had the three highest monthly trade deficits on record: In June, the total deficit, at \$37.2 billion, was the third-highest ever, only slightly lower than the record set in May, helped by the decline in the dollar, on exports of \$82.0 billion and imports of \$119.2 billion, with a goods deficit of \$40.8 billion. Year to date, the goods portion of the trade deficit is \$229 billion.

### In Bankruptcy Plan, U.S. Airways To Cut Fleet

U.S. Airways—the sixth-largest in the U.S.—will cut 13% of its flights, 11% of its fleet, and an unspecified number of jobs, as part of bankruptcy reorganization, according to Reuters Aug. 22. About 200 daily flights will be eliminated, and the fleet will be cut to 280 from 311 by the end of the year.

### Wall Street Journal Worries Consumers Aren't Spending Enough

The *Wall Street Journal* is wringing its hands over the fact that Americans, who supposedly have piles of money "sloshing around" in their bank accounts from refinancing their home mortgages, aren't spending it fast enough. Writing in the Aug. 22 *Journal*, Jesse Eisinger warns that consumers had better start spending some of that money soon because, so far, there are signs that they "are slowing down their spending." The following stores (all discount)—the only retail outfits to report strong sales before—are now showing problems for the third quarter, and also for July: RadioShack, Target, BestBuy, and even the "untouchable" Wal-Mart.

### Wall Street Police Blotter

**AOL** is under investigation by the Securities and Exchange Commission, for pumping up its share prices with optimistic forecasts, while its executives were selling stocks. Fifteen senior executives and directors of AOL made almost \$500 million in profits, by selling shares between February and June 2001, while the company insisted it would meet earnings targets set after the **AOL-Time Warner** merger was announced in January 2000.

**Citigroup's** lucrative financing deal with **AT&T**: New York State Attorney General Eliot Spitzer has widened his probe of **Salomon Smith Barney** to see whether Citigroup CEO Sandy Weill pressured Jack Grubman, then a Salomon telecom analyst, to raise his rating on **AT&T** in order to win a spot in underwriting a large stock offering of AT&T's wireless business. Citigroup's brokerage unit, and **Merrill Lynch** and **Goldman Sachs**, each pocketed \$45 million in fees for the



\$10.62-billion stock offering in April 2000. Weill "nudged" Grubman to give AT&T a "fresh hearing," unnamed sources told the *Journal*.

The Justice Department got its first **Enron** scalp Aug. 21 when former executive **Michael Kopper** pleaded guilty to fraud and money-laundering, agreeing to pay \$12 million in restitution and cooperate with authorities. Kopper worked for chief financial officer **Andy Fastow** and was heavily involved in the off-balance-sheet partnerships that have been the subject of the various Enron investigations. Under Federal sentencing guidelines, according to Bloomberg, Kopper faces up to 10 years in jail, but no doubt has been promised a significantly reduced sentence if he helps the Feds nail Fastow. He also faces civil suits.

With Kopper turning state's evidence, the next target is clearly Andy Fastow. If Fastow is indicted, he in turn will likely be provided the opportunity to rat out former chief executive **Jeffrey Skilling**. Any attempt to nail Skilling, who has been described as a "control freak" who had hands-on control over Enron's financial maneuvering, could become quite interesting, given his vague but pointed references in his Congressional testimony to systemic financial problems.

### **Steel Industry Ratchets Down Another Notch**

Three thousand desperate steel workers swarmed into Weirton, W. Va., to apply for 150 jobs, AP reported Aug. 17. The 150 vacancies opened up in the Weirton steel mill, when more workers than expected opted for retirement. Although the jobs were advertised only in West Virginia's northern Panhandle area, steel workers from bankrupt LTV, as far away as Cleveland, along with laid-off workers from Pennsylvania, got word of the openings, and piled into cars to travel long distances just to file applications.

Ironically, the Weirton facility has, like most other steel mills, been drastically cutting back its workforce and is on the edge of bankruptcy. The company posted a loss of over \$30 million for the last quarter.

Further illustrating the disintegration of the steel industry, Bethlehem Steel has begun to make good on its threat to cut retiree benefits for steelworkers. The company has asked the bankruptcy court to appoint a committee representing union and salaried employees to help devise a plan to reduce the company's \$3 billion in legacy costs owing to 95,000 retired employees, spouses, and dependents. Under the terms of its bankruptcy reorganization, the company has until January to reach a new labor agreement, but Bethlehem CEO Steve Miller has indicated that the company may file a new reorganization plan by the end of September.

Miller has threatened that if the United Steelworkers union does not offer concessions on the legacy issue, he will liquidate the company and let them take their chances with a new owner who has no contractual obligations. The liquidation of LTV resulted in a complete wipeout of retirees' health benefits, and no contract has yet been negotiated between the new management (ISG) and the USWA, despite the fact that the mills began reopening last spring.

### **New York State Budget Will Rely on Casino Gambling Revenues**

The \$88.6-billion New York State budget proposed by Gov. George Pataki Aug. 20 will drain all reserves and rely on casino-gambling revenues. In order to paper over the official \$6.8-billion two-year revenue shortfall which he has characterized as a "financial nightmare" and a "horrific condition," Pataki is proposing to empty accounts originally earmarked for other purposes, and to impose cuts in state operations. The state workforce is scheduled to be cut by 5,000, supposedly through early retirement plans, and there will be a freeze on spending for education. Pataki's proposals for "economic stimulus," the "Empire plan," will borrow from the state general fund against projected revenues from expanded casino gambling projects to be built in western New York State. Pataki is proposing that the state take 25% of slot-machine revenues from casinos to be operated by the Seneca Indian tribe, a level of "revenue sharing" that has never been approved



by the Federal Bureau of Indian Affairs. A coalition of officials from the Saratoga Chamber of Commerce and anti-gambling members of the Seneca tribe are challenging the casino gambling plan in Court.

## World Economic News

### Germany Defends Expanded Economic Ties with Iran

As if to emphasize the German government's support for plans by German industry to intensify relations with Iran, Economics Minister Werner Müller went to Tehran over the Aug. 17-18 weekend, to sign a bilateral investment-protection agreement. Back in Berlin, government officials leaked to the press that this was done in spite of American pressure on Germany not to trade with "axis-of-evil" member Iran. Berlin's response has been to point out that other members of the European Union, notably France and Italy, have also pursued a policy of expanding relations with Iran.

Further, Werner Schöltzer, chairman of the German Near and Middle East Association, was quoted in the German press as saying, "German companies that are active in the Iran business, no longer let themselves get deterred by debates about alleged rogue states."

The agreement that Müller just signed in Tehran opens the door to an increase of German investments in Iranian industry, notably in four sectors: petrochemical, machine-building, construction/infrastructure, consumer goods/farming. Trade between Germany and Iran increased by 17% during the first five months of this year, to a total of 830 million euros, a figure which illustrates the improvement of bilateral relations.

### Asian Central Bankers Moot Replacing Dollar with Gold

At a five-day seminar on foreign exchange reserve management in Singapore last week, co-hosted by the World Gold Council (WGC), Asian central banks discussed the possibility of replacing dollar reserves with gold. In an interview with Reuters, the Asia-Pacific head of the WGC, Ralston Thiedeman, noted that Asia's reserve-rich central banks have now turned into potential buyers of gold to diversify their reserve assets. He said: "Gold is back on the radar screens.... In the last six to 12 months, central banks in Asia have become far more receptive to talk about gold than they were, say, a couple of years back." Volatility in global financial markets, a weakened U.S. dollar, and low U.S. interest rates were reasons for Asian central banks to diversify their portfolios, Thiedeman said. Out of the \$2 trillion of worldwide foreign exchange reserves, more than \$1 trillion is being held by Asian central banks. Currently, the share of gold in Asian foreign-exchange reserves is very low compared to levels in the U.S. (55%) and Europe (35-40%).

### Financial Times: 'Disgruntled' Saudis Withdraw Billions from U.S.

Saudi investors have already pulled out \$100-200 billion from the U.S., according to a front-page article in London's *Financial Times* Aug. 21, headlined "Disgruntled Saudis Withdraw Billions of Dollars from U.S." Youssef Ibrahim of the New York Council on Foreign Relations states that Saudis have already withdrawn at least \$200 billion from the U.S. in recent months, triggered "by hawkish U.S. commentators' calls for the freezing of Saudi assets," as the *FT* notes. Ibrahim states that this trend accelerated after last week's filing of a lawsuit by relatives of Sept. 11 victims against several Saudi institutions. Other bankers quoted by the *FT* put the amount of the Saudi pullout at roughly \$100 billion. A financial consultant in Riyadh, Bishr Bakheet, is quoted: "People no longer have any confidence in the U.S. economy or in U.S. foreign policy. And if the latest lawsuit is not thrown out in court, it will mean no more Saudi money in the U.S." The *FT* adds: "An analyst from Rand Corporation said at a Pentagon briefing this month that Saudi Arabia was the 'kernel of evil,' exacerbating concerns among the country's elite that they had become demonized in the U.S. and their money was no longer safe there." The reference was to Rand "analyst" Laurent Murawiec, whose briefing to the Defense Policy Board has

been pilloried in the media, rejected by Secretary of Defense Donald Rumsfeld, and disowned by Rand itself.

A Bloomberg wire Aug. 21 linked the fall of the U.S. dollar against other major currencies in recent days to "concern [that] Saudi Arabian investors may sell U.S. assets in coming months." According to Saudi American Bank, investors from oil-producing Persian Gulf countries hold about \$1.2 trillion overseas.

### **U.S.-Saudi Trade Takes a Nosedive**

While media reports claim the Saudis are already pulling out of U.S. investments, U.S. exports to Saudi Arabia have also fallen to a 12-year low, BBC Middle East analyst Roger Hardy said Aug. 23. U.S. exports to the Saudis have plunged by 30% for first half of this year; Saudi exports to the U.S. dropped by 24%. Hardy notes the rising tensions between the two countries, and reports that some analysts attribute the trade decline to a Saudi campaign to boycott American products. The strains between the two are real, Hardy says, but they shouldn't be exaggerated; "talk of divorce is premature."

### **Indonesia Refuses To Fully Privatize Power Industry**

Reflecting both strong internal opposition, and a reaction to disastrous results of privatization in the U.S. and elsewhere, in destroying the power industry, the Indonesian government has vastly watered down the privatization bill pushed by the IMF since early last year. The bill which finally passed will allow private companies to build and sell power without passing through the state power monopoly PLN, but will not sell off the PLN itself, and the private companies must use the state distribution and transmission network. Also, the private power companies will only be allowed in the most developed regions of Java and Bali, while the poorer regions will remain under state control. However, as part of the decentralization, regional governments will be allowed to issue licenses for private power companies, which could prove to be a huge loophole.

### **Pakistan Reschedules \$5 Billion in Foreign Debt**

Dr. Waqar Masood, Secretary of Pakistan's Economic Affairs Division, told *The Dawn* of Islamabad Aug. 20 that Pakistan "has just concluded a debt-rescheduling agreement with Finland, and accords with eight other countries, including the United States and Belgium, for about \$5 billion of debt. It will be signed by September/October 2002." Dr. Masood also said that "out of \$5 billion, \$3 billion debt to be rescheduled belongs to the United States alone."

Pakistan's government considers the restructuring of its \$12.5-billion debt a significant achievement, as nearly 50% of this debt was due for payment by 2007. There were also individual creditors who are willing to swap their portion of the debt for social-sector funding, up to \$1.5 billion.

The government claims that over the past two and one-half years, it has lowered the burden of the high-interest foreign-debt liabilities by nearly \$2 billion, from \$38 billion to \$36 billion, as of June 30 this year. In addition, the country's external debt has undergone a major re-profiling, whereby the share of expensive debt has declined as compared to soft-term debt. Both these initiatives were made possible through a combination of increased supply of foreign exchange and contraction of soft loans.

## **United States News Digest**

### **Kissinger Pushes Bush To Launch War on Iraq**

Appearing on the PBS program "News Hour" Aug. 22, former Secretary of State Henry Kissinger, who was appearing with Clinton's former Secretary of State, Madeleine Albright, pushed President Bush to launch war on Iraq, and threatened Europe that it was must follow suit.

Kissinger said: "I also believe that were we to go to war—and that is a decision as former Secretary of State one should not urge, this is a decision the President ought to make, although I would sympathize with it—were we to go to war, we have to do it in a manner where even if we don't have support at the beginning, other nations can participate in the process of reconstruction and governance that has to take place afterwards, as we have so successfully done in terms of organization in the Balkans (sic)."

Kissinger dismissed the opposition to war from Middle Eastern nations as a cover for their actual support, claiming they are unwilling to express it publicly because the United States has not openly declared its intent to go to war, and "those who might support us could be left out in the open, if the decision is in the negative."

On Europe, though, he opened up: "I believe most Europeans will ask themselves whether than can really afford to separate on a matter of vital security interests of the U.S., from the country that has been assuring their vital security interests for 50 years."

He said that the issue of sending into Iraq UN weapons inspectors instead of waging war is nonsense, since the kinds of inspections necessary are "not achievable in my view without the threat of war—and maybe not without war."

He also responded to Albright (who said that the containment against Iraq was working, and that the war on terrorism was more important) that an Iraq war "is a good way to fight terrorism, because it would demonstrate to the countries in the region, from which, after all, terrorism has come, that to threaten the interests and the security of what America cares about is extremely dangerous."

This is the Kissinger/Nixon "mad dog" theory from the Vietnam War.

### **Neo-Con Podhoretz Wants To Break Bush from His Father's Crowd**

Neo-con John Podhoretz, writing in the *New York Post* Aug. 20, says that President George W. Bush is articulating a new strategy against terrorism, that of preemption, and "it's creative, even visionary." And this is why Brent Scowcroft and other advisers from the days of the elder President Bush don't like it, charges Podhoretz.

"Bush the Elder was the most unimaginative President of the second half of the 20th century, and his senior advisers were among the most mediocre ever to staff an administration," Podhoretz writes, concluding that Dubya has learned the lessons from his father's failures, and has moved beyond filial loyalty.

### **Bush Summer Reading: Neo-Con War Propaganda**

Dana Milbank, who has penned a series of *Washington Post* stories cataloguing the war between the "establishment wing" of the Republican Party and the "hardliners" over President Bush's foreign policy, wrote a dispatch Aug. 20 that the President's summer reading includes neo-con Elliot Cohen's *Supreme Command*, an all-out attack on the uniformed military command for being too cautious when it comes to going to war. The war in question is the war against Saddam Hussein's Iraq, and Cohen has been one of the leading proponents of war to the death against the Iraqi ruler.

Cohen is not only a member of the Richard Perle-led Defense Policy Board, he is at Paul Wolfowitz's old stomping ground,

the Johns Hopkins School of Advanced International Studies. His book was promoted most aggressively by William Kristol of the *Weekly Standard*, a former chief of staff to then-Vice President Dan Quayle. Cohen summarized his views against the Joint Chiefs' war wariness in an op ed last week in the *Wall Street Journal*, "Generals, Politicians and Iraq," which read like a chapter out of Huntington's infamous *Soldier and the State*.

Milbank counterposed Cohen's *Wall Street Journal* op ed to Brent Scowcroft's, which appeared the next day, and grabbed media headlines worldwide because of Scowcroft's stiff opposition to an invasion of Iraq (and because of Scowcroft's close relationship to the elder President Bush). "With Scowcroft's establishment wing of Republican foreign policy in open revolt, the Iraq policy has become a proxy war for the 30-year feud between Republican hardliners and moderates on foreign policy."

Milbank cited Secretary of State Colin Powell, the Joint Chiefs of Staff, and the careerists at State as the moderates within the Administration, and Defense Secretary Donald Rumsfeld, Vice President Dick Cheney, and the civilians at the Secretary of Defense's office as the hardliners. And Milbank wondered whether President Bush's decision to leak his choice of reading material, in a recent interview at the Crawford ranch with AP reporter Scott Lindlaw, was a signal that he, too, has joined the hardline cabal in the Administration.

### **Canadian Government Says No to War on Iraq**

According to a Reuters wire of Aug. 21, Canadian Defense Minister John McCallum said his government had no information which would merit military action against Iraq. "Based on the information that we have now, everyone in this government has been saying, it is unlikely that we would join an attack against Iraq." Foreign Minister Bill Graham added, "If there was a clear danger that Iraq was going to attack its neighbors, that it has the capacity to use weapons of mass destruction and was about to use it, clearly we would reevaluate our policy."

### **Bush To Meet Ambassador Bandar on U.S./Saudi Relations**

President Bush will meet Aug. 27 with Saudi Arabian Ambassador Prince Bandar at Bush's ranch in Crawford, Texas, "to talk about a variety of regional issues," according to White House spokesman Ari Fleischer, including the fact that Saudi Arabia has refused the U.S. access to military bases for an attack on Iraq.

Top Saudi military officials have tentatively agreed to visit the United States this fall, the *Wall Street Journal* reports, for a series of high-level talks originally scheduled for the, but cancelled. No date has been set.

The meeting will occur in the midst of serious changes in Saudi and other Gulf States' investments in the United States, following the filing of a trillion-dollar lawsuit against Saudi Arabia for damages related to the Sept. 11 attacks. (see ECONOMIC NEWS DIGEST).

According to Bloomberg wire service on Aug. 22, the largest Arab financial association will meet Aug. 25 in Bahrain on the subject of common action in response to the lawsuit against Saudis, which seeks to freeze Arab investors' assets in the United States. The General Council for Islamic Banks and Financial Institutions may decide to pull out of the U.S. funds currently valued at \$1.2 trillion.

### **Sharon Cancels Event With Florida Governor Jeb Bush**

On Aug. 23, Israeli Prime Minister Ariel Sharon cancelled a highly publicized planned trip to Florida, where he would have appeared at an event with Florida Governor Jeb Bush, only two months before the elections for Governor. War criminal

Sharon would have been going to Florida on Sept. 9 to campaign for Jeb Bush, under the guise of a "stand with Israel" celebration.

Sharon's visit was a test case for driving the Jewish vote into the Republican camp. However, according to the New York-based Jewish newspaper *Forward*, the Florida Jewish community rebelled against Sharon, demanding that he also meet with Democratic gubernatorial candidates. Sharon had planned to share the speaker's platform with Bush at an event organized by the Greater Miami Jewish Federation. Earlier this year, the same group helped to organize in the Miami area an Israeli Bonds drive for Sharon's fascist spokesman Raanan Gissen (the same Gissen who defended the IDF study of the tactics the Nazi used against the Warsaw Ghetto uprising). During that tour, Gissen told audiences that World War III is inevitable.

The *New York Times* reported that Florida Democratic Party chairman Bob Poe denounced the Sharon visit as "absolutely improper," and a White House ploy.

### **'Rand Analyst' Murawiec Caught in More Lies**

Laurent Murawiec, the supposed "Rand analyst" whose briefing to Richard Perle's Defense Policy Board on Saudi Arabia raised such an uproar, has been caught in another lie, denying having made derogatory comments to the Dubai-based magazine *Arabian Business*. After Murawiec denied making the statements quoted in an article published on Aug. 13 and titled "Potent words, softly spoken, rock Saudi-U.S. relations," the magazine released tapes of the interview to the media and regional governments, showing that Murawiec had indeed been quoted accurately.

The article quoted Murawiec as saying: "My experience in your part of the world is that most people hate the Saudis' guts .... Everybody knows they are bunch of lazy a\*\*\*\*\*s that are arrogant, too big for their shoes, which behave in a consistently disgusting manner...."

Murawiec also told the magazine that he is working on a book about Islam to be called *In the Spirit of Islam*. He claims that "there is a fundamental difference between Islam as a privately practiced religion and Islam as it claims to be—meaning a polity." Murawiec asserted that Islam is fine as a private religion, "but Islam as a polity is an unadulterated disaster."

Murawiec acknowledged never having lived in the Arab world, but claimed to have spent some time there, and added that "I grew up with Arabs in France"—apparently making him an expert.

Meanwhile, James Thomson, the president of the Rand Corp. on Aug. 23 denounced Murawiec's remarks. "The comments on the tape recording on the Web site ITP.net are offensive and repugnant, and Rand repudiates them in the strongest terms. Rand was unaware of these comments until they were reported by ITP.net."

### **DLC Candidate Kathleen Kennedy Townsend's Gubernatorial Campaign in Trouble**

The troubles besetting the Maryland gubernatorial campaign of Democratic Leadership Council figure Kathleen Kennedy Townsend are causing many higher-ups in the Democratic Party to worry. Despite setting new records in fundraising (\$6.6 million so far). and in a state that has twice as many registered Democrats as Republicans—one which hasn't elected a Republican Governor since Spiro Agnew more than 35 years ago—Kennedy Townsend, the state's Lt. Governor and eldest daughter of the late Robert F. Kennedy, is barely ahead in the polls vis-à-vis her Republican opponent, Robert Ehrlich, a Gingrichite ideologue.

Like Baltimore Mayor Marin O'Malley, and Washington, D.C. Mayor Tony Williams, Kennedy Townsend is a creation of



the DLC, and follows their New Age/new economy line as religiously as does Senator Joe Lieberman. Her identification with the DLC is so complete that she appeared on the cover of the issue of *The New Democrat* magazine that was handed out at the 2000 Democratic convention.

Aside from Kennedy Townsend's complete lack of a human personality, it is the DLC's rejection of the Roosevelt Democratic constituency, which is responsible for her lack of any enthusiastic support from the majority of the citizens.

Last week, Democratic Party money bags Terry McAuliffe called Kennedy Townsend to offer his assistance with her failing campaign; incumbent Maryland Governor Parris Glendening also tried to help; and Uncle Ted has also discussed his niece's election problems with members of the Maryland Congressional delegation. However, the kiss of death may be her campaign's request for help from Donna Brazille, who memorably led Al Gore's 2000 Presidential campaign to defeat.

### **A Bull Moose Third Party?**

Michael Steinhart's *New York Sun* newspaper reports that Sen. John McCain's adviser Marshall Wittmann is leaving the Republican Party to become an independent, which is likely to fuel speculation that McCain, a Republican Senator from Arizona and a failed Republican Presidential candidate in 2000, will also resign from the GOP, perhaps to run for President as an independent.

Wittmann is the chief promoter of the "Bull Moose," Teddy Roosevelt-styled third-party alternative for McCain, in which McCain would run against Bush in 2004. He is currently employed at the Hudson Institute, and heads the Project for Conservative Reform.

Wittmann criticizes Bush for being too pro-business. "I can't identify with the corporatization of the Republican Party...." Wittmann says. The turning point for him, he says, was the GOP's obsession to permanently eliminate the estate tax, which Wittmann says "symbolizes the corruption of Republican values."

What he doesn't say, of course, is that his mentor McCain is entirely a creature of organized-crime-related "business," and that McCain's multimillion-dollar fortune derives from dirty liquor concessions.

### ***New York Times, Washington Post Warn of Black-Jewish Fissures in Democratic Party***

The Aug. 22 issues of the *Washington Post* and the *New York Times* both warn of black-Jewish fissures within the Democratic Party, as a result of the recent AIPAC (American Israel Political Action Committee) mobilizations against incumbent black Congressmen Earl Hilliard (D-Ala) and Cynthia McKinney (D-Ga). The targetting in their respective Democratic primaries, in June and August, of these two Congressmen, because of their criticisms of the Nazi-like policies of Ariel Sharon and the IDF, has caused the biggest conflict in memory between two leading constituencies of the Democratic Party—the African-Americans and Jews. Both Hilliard and McKinney were defeated in those primaries.

The *New York Times* illustrated the depth of the AIPAC mobilization by quoting AIPAC founder and former executive director Morris Amatay gloating that the defeats of the two incumbents shows that there is a "price to pay for taking views out of step with the majority of Americans."

Privately, Washington sources have told *EIRNS* that there is deep rage among the leaders of the Congressional Black Caucus, and there will be a tremendous backlash against the AIPAC/ADL interference in the primaries. In addition to the massive infusions of money to McKinney's opponent, Denise Majette, there was a big crossover GOP vote for Majette, in a district which has a large Christian Zionist constituency. According to one source, Sen. Zell Miller (D-Ga) played a pivotal



role in the "Get McKinney" effort, and a staffer of Miller's formerly on the staff of John McCain, was deeply involved in the crossover vote drive.

### **Amtrak's Acela Express: What Lies Behind the Problems**

Amtrak rushed its Acela Express into service in December 2000 to meet the demands of the "Amtrak Reform Council" and the Congressional Conservative Revolutionaries, anxious to see the high-speed train in operation because it would bring in an increase of revenue.

Now, of course, all 18 Acela trains are idled, because of cracks found in their shock absorption systems.

An aide to a Congressman on the House Transportation Committee told the Aug. 18 *New York Times* that Amtrak moved perhaps too hastily, in order to prove that it could meet "operational self-sufficiency," a requirement imposed by the Congress five years ago, which Amtrak must meet by this winter. Hence, Amtrak may not have had time to conduct all the necessary tests on the Acela.

In 1997, the von Hayek Conservative Revolutionaries in Congress passed the Amtrak Reform and Accountability Act, which specified that Amtrak must reach "operational self-sufficiency," without any funding from the U.S. Congress, by December 2002, or else face being radically "restructured and rationalized"—meaning that large chunks of Amtrak would be shut down, leaving whole sections of the United States without any inter-city rail traffic.

Amtrak had the Bombardier Co. of Montreal and the Alstom Co. of France develop 20 train sets for the Acela. But the Acela design had to withstand much higher American standards for crash-worthiness for high-speed trains than are specified in European requirements. Therefore, the Acela locomotive train set was built with a very heavy upper car on top of a European-derived undercarriage. The Congressional aide likened this to a "tank chassis on a Ferrari suspension." The Acela train set required significant testing, but Amtrak rushed it into early service, in order to try to prove "operational self-sufficiency."

### **Wall Street Journal: Amtrak Should Be Dismantled**

In an editorial Aug. 19, the *Wall Street Journal* declared that Amtrak, America's largest inter-city passenger rail service, carrying more than four-fifths of all passengers nationwide, must be put through "fundamental reform." The *Journal* said that in June, when Amtrak asked the Congress for a \$200-million loan guarantee, Congress should have refused. "There were other sensible options, such as ... closing money-losing routes, or declaring bankruptcy and allowing a [bankruptcy] judge to take the political heat for killing off Amtrak's dogs," i.e., Amtrak's losing routes.

The editorial labelled Amtrak a "subsidy racket for the Northeast states," and concluded by demanding implementation of the Bush Administration reform plan, which it adopted from the Amtrak Reform Council.

Meantime, Sen. John McCain is sponsoring a bill to shut down and split off parts of the system, in a privatization plan. At present, Amtrak is still barely continuing to operate, by special Federal funds which run out Oct. 1.

### **LaRouche, Lopez Portillo Address Meeting in Guadalajara To Define Way Out of International Crisis**

Historic presentations by the former President of Mexico, Jose Lopez Portillo, and current U.S. Presidential pre-candidate Lyndon H. LaRouche, keynoted the continental meeting, "Mexico-Brazil-Argentina: The Hour of Integration; March Towards a New Bretton Woods," organized by the Ibero-American Solidarity Movement (MSIA), and held in Guadalajara,

Mexico Aug. 22-23. More than 250 people filled the auditorium where the seminar was held, in commemoration of the 20th anniversary of the publication of *Operation Juarez*, the book-length study written by LaRouche in 1982, after meeting with Lopez Portillo, then President of Mexico.

The meeting, which was transmitted live to all of Guadalajara via Radio Universidad, and worldwide, in both English and Spanish, by internet at [www.larouchepub.com](http://www.larouchepub.com), took place in the midst of an ongoing global financial crisis which, if not resolved, LaRouche said, could bring the world into a new Dark Age like that of the 14th century. To solve the crisis, Ibero-America and the United States must form an alliance, such as that forged by Abraham Lincoln and Benito Juarez to defeat both the British monarchy and the Hapsburgs, in the 19th century.

Addressing the seminar, in addition to LaRouche and Lopez Portillo—who sent a written speech, as he was unable to attend in person for health reasons—were Col. Mohamed Ali Seineldin, who spoke by telephone from the Campo de Mayo prison in Argentina where he is unjustly imprisoned; retired Brazilian Adm. Sergio Tasso Vasques de Aquino; retired Argentine Major Adrian Romero Mundani, and Marivilia Carrasco, president of the MSIA of Mexico.

LaRouche, who could not travel to Guadalajara because Mexican authorities would not grant the security conditions required for his visit, said that, to understand the situation in the world today, it is necessary to go back 20 years, when the first great crisis in relations between the United States and the other nations of the Americas erupted, with the April-June 1982 Malvinas War, and the subsequent crushing of Mexico, in the period beginning August of that year. The United States, LaRouche said, was founded to foster what is known as the general welfare, or Common Good, but from the outset the oligarchy tried to destroy that, and to keep any other country which reflected the success of the American Republic from emerging elsewhere in the world.

"That changed, with the victory of Abraham Lincoln, Abraham Lincoln's government, in the Civil War within the United States," he said. In Europe, "the British and a fascist ruler, Napoleon III, the Emperor of France, combined forces to invade and crush Mexico, crushing the legitimate President of Mexico, Benito Juarez.

"At the close of that period, after the fascist tyranny of the Emperor Maximilian, who was essentially a Hapsburg puppet, a British puppet, the French were kicked out of the Americas," he said, and "Juarez, after a series of events, reestablished the Republic of Mexico.

"Since that time, the ebb and flow within the United States, has determined U.S. relations with Mexico. They were better under Franklin Roosevelt; terrible under his predecessor, Theodore Roosevelt," he said. "But then came 1982: A new monetary system had been put into place, in 1971.... A literally fascist tendency in the United States, of sympathizers of the former Confederacy," took power with Richard Nixon, and set out to eliminate "not only the Franklin Roosevelt legacy, but the legacy of Lincoln and all other great founding figures of the United States.

"Mexico began to feel the pressure. In 1982, at the point that the Brzezinski Administration—the Brzezinski who actually controlled the Carter Administration, who dictated most of his policies, including those toward Mexico—Mexico came under tremendous pressure, as did Argentina, and Brazil, and other states. The determination was, then, to destroy the independence of all of the states of Central and South America. That was the intention; I knew it. I was involved, at the point, in mobilizing a defense of Argentina, against British imperialism, in the case of the so-called 'Malvinas War,' " LaRouche said. Although some in the Ronald Reagan Administration were friendly with him, Caspar Weinberger and others "managed to push full U.S. support of the British toward the crushing of Argentina in the Malvinas War."

"In that period, I met briefly with President Lopez Portillo, in his office, and we discussed the matter. And he asked me: What is the fate of Mexico, in this situation? And I said, 'Well, the intention in Washington and New York, is to crush you, with a blow to come down no later than September of this year.'

"And from that discussion, and discussion with others in the Americas, there came my determination to set forth a policy, as an economist, which would be adequate to deal with the crisis, which was then, at that time, coming down on all of the states of the Americas: Mexico, Brazil, and Argentina, foremost." There was a brief period, said LaRouche, in which it appeared that his proposal, called Operation Juarez, would be adopted. But, pressured by forces within the United States, the President of Brazil and the government of Argentina abandoned Mexico and President Lopez Portillo to their own fate.

Had Operation Juarez been adopted, the Ibero-American countries "would have been able to defend themselves, and also to win the United States government to cooperation with them."

"Unfortunately, that did not occur. Henry Kissinger went to Mexico in October, for example; other pressures came down; U.S. State Department officials, from that point on, said, 'This guy LaRouche will never be allowed in Mexico, again.' I was considered too dangerous to be turned loose. So, that's what it was."

We are now at the tail-end of an international monetary system, and, either we replace it by returning to a system along the lines of the old Bretton Woods system, or the nations will die, LaRouche said.

"Only if we can win that fight, will we have the correlation of forces, to give the Americas as a whole, the justice which they are presently being denied. And thus, the tradition of Lincoln's implicit alliance, with Benito Juarez, and the struggle for the development of a true Mexican Republic, is the precedent to which we must turn today."

## **We Want A Better World**

In his speech, Mexico's former President Lopez Portillo (1976-1982) lamented the fact that LaRouche was not present personally in Guadalajara "to enlighten us with his expert teaching, although, of course, I am happy, and send my greetings, to his worthy spouse, Helga Zepp." Lopez Portillo said that, "If we want a better world, and we do, we must march towards a New International Financial Order which serves the needs of the powerful countries, and of those which, not being so, wish to resolve their national population's social problems." He said that, when he was President of Mexico, "I had to take recourse to nationalization, since I believed that the state, not being able to betray itself, would be the best instrument to manage the savings of the nation, with the intelligence that we did not expropriate the depositors, but only the system itself."

Argentina's Col. Seineldin told the participants in the seminar that "each time that you gather to try to uphold our America, hope blossoms for the Possible America, the dream made mission by the Ibero-American Solidarity Movement, under the strategic conception of the worthy gentleman and Patriarch of humanity, Dr. Lyndon LaRouche." He warned, that "within this chaos, we must face the new threat, which is that of the integration of our nations into the Free Trade Agreement of the Americas (FTAA) project, which would be the final Anglo-American blow to achieve total submission and poverty.

"This situation renews the call to the worthy spirits of the nations of America. There is no time to wait for other considerations; the predator is inside our houses," he warned. "America is of and for the Americans, with our talent to think, and our leaders to do what must be done," he said. "America is Possible."

In her opening speech, Marivilia Carrasco pointed out that this meeting had brought together "the protagonists of a great historical moment, and to build the bridges necessary to emerge victorious from earlier defeats." She added: "The alternatives are clear: Either Ibero-America unites to fight for a global solution to this generalized systemic crisis, and that necessarily implies an alliance with the forces Lyndon H. LaRouche represents in the United States; or, divided, we shall succumb as nations, disintegrated, worn down by internal battles, overrun by violence, drug-trafficking, hunger and disease."

The meeting continued on Aug. 23, with various working sessions, in which other speakers from Argentina, Brazil, Mexico and Peru were to speak.

An audio file of Jose Lopez Portillo's and Lyndon LaRouche's speeches can be heard at [www.larouchepub.com](http://www.larouchepub.com).

## **Dominican Paper of Record Runs Major Coverage of LaRouche Policies**

*Listin Diario*, the newspaper of record of the Dominican Republic, ran a nearly-full-page column on Lyndon LaRouche's economic policies in the opinion page of its Sunday edition on Aug. 18. The article, written by Ignacio Nova, illustrated with a large photo cut-in of LaRouche and titled, "Lyndon H. LaRouche, or Humanize the Economy," reflects the huge debate taking place among Dominican policymakers on LaRouche's policies, despite the lies and slanders against him that have abounded there.

*Listin Diario*, as well as playing a leadership role in the Dominican Republic, circulates in several major U.S. cities with large populations of Dominicans.

Prefacing the article were two quotes. The first, from LaRouche, read: "Not even the two world wars of the 20th century did such net damage to Europe and the Americas as the 'globalizers' and the ideologues of 'free trade' over the last 30 years." The second, from one Silvio Rodriguez, read: "If a man steals food, and after that life, what should be done?"

A translation of the text follows. [All quotations from LaRouche, originally made in English, here are re-translated back from the Spanish published by *Listin Diario*—EIW Editor].

## **Necessary Warning**

Lindon [sic] H. LaRouche, Jr. is one of the most controversial and active political-economic lecturers of the U.S. Democratic sector, a Presidential pre-candidate for the 2004 elections. No important event occurs, in the U.S. or outside it, without his issuing an opinion.

As an inhabitant of this planet, he is no saint. He has been found guilty of mail and tax fraud in his country, and he was accused of conspiracy. Others, more radical, call him a fascist. Independent of this, together with a large staff, he has elaborated an economic proposal to "reform" the world economic order. Judging by his writings, he is, unquestionably, a man of complex and broad vision. The successive conflicts in which he has been involved could, in the same way they have brought him notoriety, be the obstacle to his current objective. In any case, he is a "case," a "phenomenon" of U.S. politics today. A paradigm breaker. Let's become acquainted with his proposal. - The Triple Curve of the Economic Train-Wreck -

If Al Gore, in his campaign platform, raised the aspect of decadence, of the global economic crisis, with signs of alarm, LaRouche presents it through a quick and synthetic vision made possible by economic science, contributing a graphic, a simple instrument to diagnose, measure, perceive, and express in an immediate form, the grave situation of an economy at a given moment: What is called his "Triple Curve of the Collapse."

With this he illustrates how, at the same time, the financial and monetary aggregates experience intense growth, while the production of inputs and "physical-economic" goods, as he calls them, suffer a progressively more intense growth, of negative value. This is, for him, what characterizes the economic state of the United States and the world today.

Through this and other considerations, LaRouche and his team have formulated a proposal which, if they call it urgent for

the United States, they present with dramatic embellishments for the Third World. They urge that "mercifully, the current International Monetary Fund be put through bankruptcy reorganization," without offering an internal analysis of this body to back up the proposal.

Economists know LaRouche's proposal; however, never before had even the theoreticians or leaders of the once active "Non-Aligned Movement," or even the regional federations, resorted to an argument so precise and simple to illustrate a state of global financial disaster which derives from the policies of the IMF, the favorite target of the bulk of LaRouche's missiles. - Missiles Against the IMF; Profile of the Crisis -

It is well known that his reform, applying concepts of mathematical physics, suggests a kind of break-up of the IMF into regional banks; the step to a monetary system based not on gold reserves, but on a "basket of regional currencies" whose values would be based upon the gold reserve and the production of physical goods per capita, per square kilometer.

Through this [reform], he attempts to turn around the current situation in which "the entire monetary and financial system of the world today is caught up in an accelerating growth of financial and monetary hyperinflation of nominal financial assets," the which he characterizes as being at "a critical boundary condition."

Using strong words, LaRouche makes an extremely grave charge against the IMF, which not even the most radical of the leftists of days past dared make. He holds it responsible for a financial policy whose other face is that of a kind of extermination: "We should recognize," he says, "that policy-making trends under the IMF system since the middle of the 1970s, have reversed the sustained tendency for a net increase in population which had been reached by 1966-1971, and which dominated long stretches of European civilization for various centuries." To prove LaRouche is wrong, one would have to provide statistics which prove the contrary.

LaRouche takes seriously the gravity of the world situation which he describes, and, above all, where its continuation would lead. Avoiding pessimism, he mobilizes support for his political project for recovery: "Without carrying out a 180-degree turn in the trends which increasingly prevail in investment and production of tangible goods, the planet will sink very soon into a new worldwide dark age."

As we see, the apparent naiveté of a globalization sold as a panacea of low prices, has been presented falsely, because, by taking down the production of "tangible goods" per capita, per square kilometer, throughout the countries which implemented the "tariff clearing" to open up the custom houses, it fostered a drastic reduction of revenues collected and of employment, drove the quality of life into the ground, weakened governments, stagnated or lowered human growth, and put up a containing wall against population growth.

In this debate, LaRouche sounds like a strange possessed prophet, with his burden of legal sins, whose voice cries out in the wilderness in favor of an economy "at the service of Mankind," in which Man would be valued again as the object and subject of the economic process: "The competent study of economic processes does not begin with the production of goods, but, rather, with the production of people," he says, to then attribute to the increase or diminution of relative population-density per capita per square kilometer, the function that constitutes "the expression of the notion of economic growth."

## **Fox Tries Again To Privatize Mexico's Energy Industries**

Late in the evening of Aug. 16, Mexican President Vicente Fox submitted to Congress another energy-reform bill, to amend the Constitution to permit private companies to invest in both the electricity sector and some refining and dry gas operations. The most rabid of the PAN Party's pro-privatization Senators, Juan Jose Rodriguez Pratts, said he was disappointed with the bill, complaining it reflected a piecemeal approach, rather than reforming the whole sector. Secretary Ernesto Martens, however, made clear on Aug. 17, that these were the first reforms, not the last, and another bill would be

sent to Congress soon, which would open up natural gas production to private interests.

Because the bill would change the Constitution, two-thirds of the Congress must vote in its favor, for it to pass. That means Fox will have to win over a good number of PRI Party Congressmen to his position. The last time Fox attempted to privatize Mexico's state-run oil and electricity sector, in April 2002, the relevant Senate committee shot it down before it even got to the floor, passing by a wide margin a measure rejecting any Constitutional reform. The international LaRouche movement played a critical role in the debate leading up to that decision. The *New York Times* of Aug. 19 correctly identified PRI Sen. Manuel Bartlett Diaz, who presides over the Senate Committee on Constitutional Issues, as continuing to be a fierce opponent of the reforms. The current president of the PRI Party, Roberto Madrazo, elected to that post after the April rejection of Fox's privatization bid, is more open to working with Fox on the sell-out project, however.

One of the changes proposed in the bill would allow private producers access to the national electrical transmission grid to generate, import, conduct, transform, and sell energy to "large users" who consume in excess of 2,500 MW-hours per year.

### **World Social Forum Meeting in Argentina**

Ten thousand people from around the country were expected to attend the Jacobin gathering of the World Social Forum, meeting in Argentina Aug. 22-25, according to the Aug. 19 issue of the Buenos Aires paper *Clarín*. That was in addition to 500 invited foreign guests, meeting under the banner of "No to the Neo-Liberal Model, and No to the FTAA" (Free Trade Area of the Americas). Among foreign narcoterrorists attending were representatives of Brazil's Landless Movement (MST), and Bolivia's drug legalizer-cocalero leader Evo Morales. Leaders of the Paris-based ATTAC movement were also present.

The meeting of the fraudulent "anti-globalization" forces in Argentina can only further destabilize this nation. It was the extraordinary events of December 2001, which saw the downfall of the de la Rúa government, and several more Presidents come and go, that prompted Argentine leaders of Jimmy Goldsmith's WSF/Porto Alegre mob to decide to hold a special summit in Buenos Aires and create the "Argentine branch" of the WSF.

The conference began Aug. 22 with a march of organizers from the Plaza de Mayo, prominently featuring the terrorist Mothers of the Plaza de Mayo, to the Houssay Plaza where most conference panels and activities were scheduled to occur. Panel topics included "Resistance and Alternatives" (the MST and Evo Morales were speakers here), "the Liberal State and the Crisis of Democracy," and "Capitalism's Crushing of Social Rights."

### **IMF Imposes Onerous Conditions on Uruguay**

According to the Aug. 20 issue of *La Republica* paper of Montevideo, the IMF letter-of-intent signed with the Batlle government of Uruguay, demands the privatization of the tiny nation's economy, much of which is still run by the state. There will be deregulation of energy, oil, gas and railroads, and public utilities will be auctioned off to the private sector or foreign usurers. The latest version of the letter-of-intent estimates a "savings" of \$200 million this year, earned through drastic budget cuts, and reductions of state expenditures, downsizing of government, etc. Emphasis is on "fiscal responsibility," and maintenance of reserves, which now stand at \$577 million, down 80% from January of this year. The deficit is to be reduced to 3.5% of GDP by the end of this year, from the current 5% of GDP. The IMF predicts a 40% inflation rate this year, and 50% for 2003.

A central feature of the program is the IMF demand that "not one peso" be allocated to bailing out insolvent banks—*unless* they can be recapitalized through private sources. The state-run bank sector, which employs tens of thousands of people, is slated for drastic reduction. The wages of public-sector employees will also be frozen for next year, and the indexing of private-sector wages to inflation will be eliminated, which will have an immediate effect on real income levels. That will



mean a plummeting of purchasing power of 40% this year, as per the predicted 2002 inflation rate.

## **Brazil Throws Away Future, Pulls Out of Space Station**

According to NASA international affairs public information officer Debra Rahn, as reported on space.com Aug. 16, the U.S. space agency in July received a letter from Brazil's Minister of Science and Technology stating that his nation would not be able to meet its commitment to build hardware it had pledged for the International Space Station. In 1997, through a bilateral agreement with the U.S., Brazil became the first, and so far, only, nation not a member of the G-8 to participate in the huge engineering, science, and technology project.

Brazil was to deliver, for an April 2005 Space Shuttle launch, an Express Pallet to be placed on the external frame of the station, in order to house scientific experiments, as its first piece of station equipment. Three years ago, budget crises nearly ended Brazil's participation in the project, but government and industry support kept the project alive. Now, with Brazil on the verge of financially imploding, Minister Sardenberg said that the cost of proceeding with the manufacture of the Pallet would far exceed what Brazil can afford for its entire participation in the ISS program. His letter was a response to NASA Administrator Sean O'Keefe's request that Brazil reaffirm its ability to meet the launch date.

Rahn indicated that NASA has tentatively agreed to meet with Brazilian government officials in the fall, in response to Minister Sardenberg's request. The Brazilian Minister said in his letter that his nation wants to stay in the program, and is ready to renegotiate the terms of the arrangement "so that it becomes comparable with our budgetary constraints."

## **Western European News Digest**

### **Helga Zepp LaRouche Calls For Launching Revolutionary Youth Movement**

At the yearly Schiller Institute summer weekend academy in Oberwesel, Germany, more than 200 people from 16 nations, including Europe, the Middle East, Africa, and the U.S.A., gathered to discuss how to overcome the present world crisis. The seminar was opened by Schiller Institute chairwoman Helga Zepp LaRouche, discussing "How To Build an International Youth Movement."

Zepp LaRouche described the enormous dimension of the present world crisis, showing that it is worsened by the lack of leadership, outside of Lyndon LaRouche's leadership, especially LaRouche's candidacy for the American Presidency in 2004. For example, she cited U.S. Secretary of Defense Donald Rumsfeld as saying that we should not worry about the financial markets, because soon the whole world will be militarized. Others are forecasting extreme turbulence on the markets in September, and a potential for nuclear weapons being used before the end of the year.

On the other side, there are reasons for optimism: first, the growing influence globally of the LaRouche movement; and second, the laws of the universe.

Challenging the cultural pessimism of today, Zepp LaRouche talked about the law of the universe, namely that the free will of man is the driving force, as was laid out in the *Monadology* of Gottfried Wilhelm Leibniz.

In the history of statecraft, this principle is expressed as the method of voluntarism, as we can also study it in the great tragedies of Shakespeare and Schiller. Zepp LaRouche reviewed other examples in Plato and Nicholas of Cusa—here, especially the metaphor of Plato's cave and Cusa's discovery of a biogenetic law of evolution. From this principle, she moved to the work of Vladimir Vernadsky, and how LaRouche's work on the concept of anti-entropic physical economy is the further development of Vernadsky's ideas of how the "Noosphere" is governing the "Biosphere." She described how

Vernadsky saw our epoch as a new epoch for mankind, in which man is becoming the most important geological factor in the physical universe, having already worked 20,000 to 30,000 years in preparing the Noosphere to rule over the Biosphere, but indeed there is no limit in this potentiality. And, despite all the multi-millennia of bloodshed in mankind's history, the Noosphere is moving inevitably to higher forms of creation.

If we want to change history today, Zepp LaRouche argued, if we want to change the behaviors and the axioms of great masses of people, we must understand that only a spiritual improvement or development can help. What we have to do, is, first, build the basic infrastructure, making the deserts bloom, and come to a higher state of organization of the Biosphere—but then, we must develop this process of spiritualization. Maybe the universe does us a favor by rejecting our wrongdoings and by punishing us, to force us to turn around. In this sense we need a commitment for the spiritualization, in which the political order must be in coherence with the cosmic order. That's the task of the revolutionary youth movement. A moving dialogue with participants, especially young people, took place at the close of her remarks.

*EIW* will be publishing Zepp LaRouche's speech and dialogue with participants in a future issue.

### **Pope John Paul II Writes on Beauty as Truth**

In a message sent through Vatican Secretary of State Cardinal Angelo Sodano, to the XXIII Meeting for Friendship among Peoples in Rimini, Italy, Pope John Paul II issued a small manifesto on Beauty as Truth, and called on contemporary artists to go back to Beauty as a pedagogical instrument for evangelization. This remarkable intervention comes on the heels of his equally remarkable visit to Poland, which began on Aug. 17.

"In this world of ours," the Pope said, "the thought tends often to insist that truth should be extraneous, as such, to the world of art. Beauty would even concern sentiment alone and would represent a sweet evasion from the iron laws ruling the world. But is it really so?

"Nature, things, persons, are truly able to astonish us through their beauty. How not to see, for instance, in a mountain sunset, in the immensity of the sea, in the traits of a face, something that attracts us and, at the same time, invites us to deepen the knowledge of the surrounding reality? Such a reflection brought Greek thought to insist that Philosophy is born out of Wonder, never decoupled from the charm of Beauty. Even what escapes the sensible world has its intimate beauty, which strikes the spirit and opens it to admiration. Think of the power of spiritual attraction exercised by an act of justice, by a gesture of forgiveness, by the sacrifice for a great ideal lived with joy and generosity."

Anyone who is familiar with Friedrich Schiller's and Lyndon LaRouche's characterization of the Sublime, can notice the similarity with the Pope's description.

"In the Beautiful, Truth reveals itself and attracts through the unmistakable charm which emanates from great values. Thus, Sentiment and Reason find themselves radically united by a call to the person as a whole.

"Beauty possesses a pedagogical power of its own in effectively introducing us to the knowledge of Truth."

### **Ratzinger Speaks of Plato, St. Augustine, and Bach**

In a message to the same conference, Cardinal Joseph Ratzinger continued on the same theme, which he called "The Contemplation of Beauty," citing Plato, St. Augustine, and Johann Sebastian Bach.

Ratzinger posed a paradox represented by two apparently opposed interpretations of Psalm 44, contained in Christian

liturgies. The first interpretation, referring to Christ, stresses the verse "you are the most beautiful among Man's children"; the second one, introduces Isaiah 53:2, where it says that the Suffering Servant (Christ) "has neither beauty, nor appearance ... a face distorted by pain," which Christians consider a reference to Jesus's Passion.

How to reconcile this apparent contradiction? "Augustine, who in his youth wrote a book on the Beautiful and on the Convenient, and who appreciated beauty in words, in music, in figurative arts, felt this paradox very strongly, and realized that in this passage, the great Greek philosophy on Beauty was not merely rejected, but even dramatically called into question: What is beautiful, what does beauty mean? — should be again discussed and experimented."

Citing Plato's dialogues the *Phaedrus*, and the *Symposium*, Ratzinger further discusses the idea, saying:

"Beauty wounds, but right in this way it recalls man to his ultimate Destiny. What Plato states ... has nothing to do with superficial aesthetics and irrationalism, with [their] fugue for clarity and importance of reason. Beauty is knowledge, certainly, a superior form of knowledge because it hits man with the full greatness of truth."

Especially today, Ratzinger says, beauty can be the starting point to discover truth in a world where different opinions confuse reality. "Everything fills the senses, is so convincing, whom should we trust? The encounter with beauty can become the arrow strike that wounds the soul and in this way opens the soul's eyes, so much that the soul, now, starting from experience, has criteria of judgment and is also able to correctly evaluate arguments. It is still an unforgettable experience: the Bach concert conducted by Leonard Bernstein in Munich after Karl Richter's premature death. I was sitting beside Evangelical [Protestant] Bishop Hanselmann. When the last note of one of the great Thomas-Kantor cantatas triumphally ceased to sound, we spontaneously turned our eyes towards each other and as much spontaneously said: 'Whoever has listened to this, knows that Faith is true.' In that music, such an extraordinary power of present Reality was perceptible, to realize no longer through deduction, but through the impact of the heart, that this could not originate from nothing, but could be born only through the power of Truth which actualizes itself in the composer's inspiration."

Ratzinger exposes the "lying beauty," the mere satisfaction of the senses which leads to hedonistic possession and away from happiness. "Thus, Christian art is today (and maybe always) between two fires: It must oppose the cult of ugliness which tells us that anything else, any beauty, is a deception and only the representation of cruelty, low, vulgar, would be the truth and the true illumination of knowledge. And it must contrast the lying beauty which makes man smaller, instead of making him great and which, because of this, is a lie."

The full text in Italian can be found at the website [www.meetingrimini.org](http://www.meetingrimini.org)

## **Opposition to Iraq War at Highest Levels in Europe**

The following summarizes leading developments in the European and British establishments' growing opposition to the irrational U.S. drive for war against Iraq. On Aug. 23, former Secretaries of State Henry Kissinger and Madeline Albright declared on the "high-brow" PBS News Hour show that the European critics will "eventually" fall into line. However, it appears that Kissinger is alarmed that more critics in the U.S. are instead joining the Europeans, especially in the environment created by the U.S. mobilization against the war, led by 2004 Democratic Party Presidential pre-candidate Lyndon LaRouche.

## **This week in Europe:**

\*The majority of the British Cabinet of Tony Blair opposes an Iraq war, high-level sources told *EIR*. On Aug. 18, Deputy Prime Minister John Prescott confirmed that "there are debates inside the Cabinet." Prescott also said that he thinks the

public must be properly informed by the government before any military action, an implicit attack on Blair's policy of "secrecy."

\*Inside the Labour Party, party official Tony Lloyd attacked U.S. National Security Adviser Condoleezza Rice on Aug. 16, for her remarks in an interview with BBC two days earlier, saying that her call for war on Baghdad resembled "the kind of rhetoric we know as coming from tinpot regimes all over the world."

\*Agence France Presse reported on Aug. 22 that British Foreign Secretary Jack Straw told BBC radio that if Iraq were to accept inspectors, then there would be no question of military action. But Straw rejected the view that is growing rapidly in Britain and elsewhere in Europe, that the Bush Administration would take unilateralist action. "I don't believe from all my discussions with the Americans that they think military action is the option of choice. I happen to know that they would much prefer this to be resolved in a peaceful manner," said Straw, "because the risks for them and their interests, as well as for everybody else, are so much greater."

\*"Blair is losing this political battle. The rate of opposition to the war has greatly taken off.... The key turning point was when the former Chief of the Defence Staff, Lord Bramall, expressed his reservations, in a letter to the *London Times*. This opened the floodgates," a British Establishment figure told *EIR*.

\*In the London *Independent* on Aug. 18, Sean O'Grady wrote an article headlined, "Going To War with Iraq Could Bring Blair the Mother of All Party Splits," adding that "the coalition of forces facing Tony Blair within his own party, now looks somewhat more impressive than the one facing Saddam." The most dangerous factor facing Blair, internally, is the likelihood that Chancellor of the Exchequer Gordon Brown will join the opposition to the war. O'Grady concludes that Blair will probably stick with the Bush Administration, despite the domestic opponents.

\*The Aug. 19 *Daily Telegraph* added that growing opposition to an Iraq war is "set to dominate" the Labour Party conference in Blackpool next month. One Labour MP, Bob Marshall-Andrews, warned that an attack on Iraq threatens to create the biggest inner-party split in 20 years. He told BBC, "I have never known anything as serious as this." The party is heading toward self-inflicted "mass destruction."

\*Germany's opposition Christian Democrats also oppose the Iraq war. Confusion spread by pro-intervention remarks by some leading Christian Democrats, was ended Aug. 16, when Michael Glos, chairman of the Bundestag parliamentary group of both conservative parties CDU and CSU, said on the national TV channel ARD: "There is no intention whatsoever, and that I can also state for the Chancellor candidate [Bavarian Gov. Edmund Stoiber], to take part in a military adventure anywhere in the world—and least of all in Iraq."

### **German Ambassador Wolfgang Ischinger Opposes Iraq War**

Reiterating the grave concern expressed by the German Chancellor, Gerhard Schroeder, about possible U.S. military adventures, German Ambassador Wolfgang Ischinger wrote in a recent article for the *Fox News* weekly newsletter, "Why should anyone want to criticize Germany for not doing something we haven't even been asked to do?"

In spite of all the press hype about an Iraq war, Ischinger said that the U.S. had not yet indicated to any of its allies what it intended to do. Stating that Germany has always been a good friend to the U.S., as well as to Israel, he added, "My fellow Germans want to be 100% sure that what they might participate in would be legal beyond a reasonable doubt. Have all other means been exhausted?" Ischinger asked. "What are the regional and strategic implications of our action? Are we sure there are no better alternatives to military actions?"

"These are important questions," Ischinger said. "And that is what Chancellor Schroeder is getting at when he says that he

does not want to participate in adventures."

On Aug. 17, the *New York Times* reported that the U.S. Ambassador to Germany was deployed to deliver a message to Chancellor Schroeder, expressing American displeasure with his statements on Iraq. One official described this as "a highly unusual event between such close allies."

German-Iranian Economic Cooperation Irritates American 'War Party' (SEE [ECONOMIC NEWS DIGEST](#) for story)

## Russia and Eurasia News Digest

### Putin and Schroeder Confer On Flood Disaster

Russian TV channels reported Aug. 20 that President Vladimir Putin had a phone talk with Germany's Chancellor Gerhard Schroeder to discuss the consequences of the unprecedented floods in Germany and in a number of regions of Russia (Krasnodar Territory and North Ossetia). On the same day, several convoys of Russian Civil Defense Ministry trucks, loaded with medical goods and construction materials, started from Noginsk, Moscow Region, on their way to Brandenburg, Germany. In a meeting with the consuls of Germany, Austria, Poland, and the Czech Republic, St. Petersburg Governor Vladimir Yakovlev offered to send the skilled restoration specialists from the State Hermitage Museum, to help in damaged historic districts in the European cities.

Coverage in the Russian print media emphasized the tremendous losses to the German and other European economies from these floods.

### Donald Rumsfeld Denounces Russia

Visiting Fort Hood Aug. 22, U.S. Secretary of Defense Donald Rumsfeld made a show of warning Russia against upgrading its relations not only with Iraq, but with an array of other countries. Referring to the \$40-billion five-year Russian-Iraqi cooperation agreement, reported in the *Washington Post* and Russian newspapers a few days ago and also heralded at a press conference by the Iraqi Ambassador in Moscow, Rumsfeld said that closer ties with Iraq would give Russia the reputation of "a friend of terrorists," and deter businessmen from all over the world from investing in the Russian economy. He continued his tirade, "To the extent that Russia decides it wants to parade its relationships with countries like Iraq and Libya and Syria and Cuba and North Korea, it sends a signal out across the globe that is what Russia thinks is a good thing to do, to deal with terrorist states, to have them as their relationship developers.... It's almost like self-executing."

### Russia Steps Up Warnings Against U.S. Action in Iraq

On Aug. 22, as U.S. Secretary of Defense Rumsfeld chastised Russia for developing relations with Iraq and a half-dozen other countries, Russia's Deputy Foreign Minister Gen. Nikolai Trubnikov said that a U.S. military action against Iraq would be "unacceptable." He added that the pending new \$40-billion Iraq-Russia cooperation package constitutes no threat whatsoever to U.S. interests. Trubnikov has been the counterpart to the State Department's Richard Armitage in "anti-terror coalition" talks since Sept. 11, as well as on a specific task force for Afghanistan and Central Asia.

On Friday, Aug. 23, Russian Defense Ministry press secretary Nikolai Deryabin told Strana.ru that the next session of the Russian-American consultative group on strategic security will be devoted to the consequences of a possible U.S. action against Iraq. Deryabin said that Defense Minister Sergei Ivanov (currently touring Russia's Far East with President Putin)



has announced that he and Foreign Minister Igor Ivanov intend to visit Washington in September under the bilateral agreement on regular defense and foreign affairs consultations. Sergei Ivanov also, according to the spokesman, said that any U.S. evidence on Iraqi weapons of mass destruction should be presented to the international community, so that it can be checked via international inspectors. He reiterated that Russian-Iraqi military cooperation, in particular, was being carried out in strict accord with UN guidelines, including sanctions.

## **Russian Paper Plays Up Signs of Pending U.S. Attack on Iraq**

The Russian daily *Nezavisimaya Gazeta* of Aug. 19 listed multiple signs which it says point to a U.S. attack on Iraq in the near future. The article evidently referred to information from Russian military intelligence circles.

Among the indications cited in the article, were:

- \*The announcement of an increase in the U.S. strategic oil reserve from 580 to 700 million barrels;

- \*"Signs of an incipient regrouping of U.S. forces and materiel in the theater of coming military operations," including the commissioning of large transport ships;

- \*Increasing activity at all U.S. air bases in the zone of the projected conflict, and an increase in the number of fighters, strategic reconnaissance aircraft, and aircraft with long-range radar detection and battle management capability, as well as the transfer of strategic bombers from the continental U.S.A. to forward bases in range of the conflict area;

- \*Steadily increasing concentration of naval vessels in the region, including ships armed with cruise missiles and landing ships.

*Nezavisimaya Gazeta* says that U.S. planners have essentially abandoned the effort to assemble a coalition for the attack; the U.S. will move alone or with Great Britain. There are two probable scenarios: a September attack, with emphasis on intensive aerial bombardment; or a January 2003 variant with a larger land component. However, a ground operation with commitment of large numbers of U.S. forces is considered unlikely.

## **Russian Diplomacy Challenges 'Axis of Evil' Notion**

"Russia is now making a concerted diplomatic effort, to improve relations with all the three 'Axis of Evil' countries denounced by George W. Bush," a leading Russian foreign policy expert told *EIR* Aug. 21.

"You have been noticing the improving relations with both Iran and Iraq, even if the \$40-billion Russia-Iraq deal that has been announced, will only actually be signed in September," he said. "Beyond this, our President will be travelling to Vladivostok, in the Far East, tomorrow, to meet North Korea's Kim Jong-il. What is crucial to understand about this is the railway situation. I can assure you, we will now really start to build the connections linking the Trans-Korean and Trans-Siberian railways. This will create a very interesting new development, for the Euro-Asian Land-Bridge. The South Koreans and Japanese are both interested in this, and it will go ahead, irrespective of whatever political changes there might be in South Korea or elsewhere."

## **Putin Meets Kim Jong-il in Vladivostok**

The three-hour meeting between Russia's President and North Korean leader Kim Jong-il on Aug. 3 (see also [EIW ASIA](#)



**DIGEST**) focussed on the Eurasian Land-Bridge, according to preliminary reports. Although neither reported at any length to the press following their meeting, President Putin said they discussed economic development, and in particular the rail link between South Korea and the Trans-Siberian Railway through North Korea. The international impact of Kim's trip was such, that even the *New York Times* carried a map of the Land-Bridge route, connecting South Korea with St. Petersburg by rail.

Putin's representative for the Far East Federal District, Konstantin Pulikovsky, who was instrumental in organizing the trip, called it an opportunity for Kim Jong-il to investigate economic reform and development potentials. Kim visited a pharmaceuticals company and a cable-producing plant, on a four-day tour Russia's Far East.

Putin himself is beginning a week-long tour of Siberia and the Far East. From Vladivostok, he travels to Chita for a meeting with Siberian Military District commanders, then will chair a State Council meeting in Kemerovo, the central Siberian mining district, and arrive Aug. 30 in Kazan, Tatarstan.

### **Russian Prime Minister Talks Economics in China**

Russian Prime Minister Kasyanov met Aug. 21 in Shanghai with his Chinese counterpart, Zhu Rongji. He then announced that each Prime Minister will take personal charge of the most important Chinese-Russian economic projects, including the "strategic oil pipeline" from Siberia to China. When operational, that pipeline will carry between 20 and 30 million tons of oil from Russia to China each year.

Interviewed for the Aug. 20 *People's Daily* on the eve of his trip, Kasyanov said that the two countries' bilateral trade would exceed last year's record level of \$10.7 billion, but that Russian anticipates tripling trade to the level of \$35 billion per year by 2006. Arms sales will continue to be the biggest component, but the share of energy cooperation in bilateral trade will rise dramatically.

On Aug. 22, Kasyanov and Zhu signed a joint communiqué on their talks, which were the Seventh Regular Meeting of the two countries' Prime Ministers. Besides cooperation in the areas of the economy, trade, science and technology, they addressed international strategic issues, offering this formulation on "the international anti-terrorist struggle" since Sept. 11: "The two Prime Ministers pointed out that terrorism poses a common threat to the whole international community, stressing that anti-terrorist strikes should be based on international law, observe the United Nations Charter, and closer international cooperation. No double standards should be adopted, nor should terrorism be linked with specific ethnic groups or religions. The United Nations and its Security Council should play a core role in international anti-terrorist operations." They emphasized the role of the Shanghai Cooperation Organization, in which Russia shares membership with Central Asian nations.

### **Russia-Kuwait Agreement on Weapons and Oil**

A Moscow meeting between representatives of Russia and Kuwait dealt with proposals to boost Russian arms sales to that oil-rich Gulf Emirate and jointly develop new oil fields there, Voice of Russia reported in English on Aug. 19. The Russian side was led by Energy Minister Igor Yusufov, and the Kuwaiti side by Sheikh Akhmed Fahd al-Ahmed as-Sabah.

### **Fall-Out from Deadly Military Helicopter Crash**

Russian Defense Minister Sergei Ivanov travelled to Chechnya Aug. 20, visiting the scene of an Mi-26 military transport helicopter crash the day before, in which 115 Russian troops died. It was the largest number of Russian casualties in a single incident, during the current fighting in Chechnya.

Russian military prosecutor Sergei Fridinsky confirmed Aug. 22 that part of a Strela anti-aircraft missile launcher was found in the vicinity, indicating that this sophisticated weaponry was in the hands of the Chechen guerrillas. At the same time, the Kremlin publicly chastized the military for overloading the helicopter, with 147 people carried in a machine built to seat 80 troops. Ivanov suspended Gen. Col. Vitali Pavlov, Commander of Army Air Forces in Chechnya. President Putin allowed his own dressing-down of Ivanov to be shown on national television.

### **What Is John McCain Doing in the Caucasus?**

*Nezavisimaya Gazeta* reported the arrival of U.S. Senators John McCain (R-Ariz) and Fred Thompson (R-Tenn) in Tbilisi, Georgia the week of Aug. 19. McCain declared to journalists that he wanted to personally affirm the close relations between the United States and Georgia, as well as to "help out" in the strained situation between Georgia and Russia. Also, he said he wanted to see for himself the fruits of the \$64-million Pentagon program for training and organizing anti-terrorist units in the Georgian Army.

The U.S., declared McCain, is in a "real war" with terrorism and "attaches special importance" to cooperation with Georgia in that area. Emerging from a meeting with Georgian President Eduard Shevardnadze, McCain told journalists he "could not exclude" the presence of bin Laden-connected terrorists, as well as Chechen separatists, in the Pankisi Gorge. On the second day of their visit, McCain and Thompson were scheduled to visit the U.S.-Georgian military training center "Yaglushka" together with the Deputy Commander of NATO forces in Europe, General Dieter Stockmann, and then to fly to the Pankisi Gorge.

McCain's visit came at a point of high tension between Georgia and Russia, which has charged that Chechen rebels are staging operations from Pankisi Gorge with impunity. The previous week saw numerous reports and rumors of a Georgian military buildup in that area, adjacent to the Chechnya district of Russia. On Aug. 23, Georgia again accused Russia of conducting an air raid in Pankisi Gorge, while Moscow denied any violation of Georgian air space. Two people were reported killed. (It is not known if McCain recreated Zbigniew Brzezinski's stunt in Afghanistan two decades ago, by staging a photo-op of himself manning an anti-aircraft gun pointing at the Russians.)

### **Rash of Gangland Killings, Explosions, Bomb Threats Hits Russia**

Moscow, the night of Aug. 20-21: An explosion in a Moscow apartment building left at least eight people dead, including three children, and six more injured. Amid initial fears that it was a terror attack from Chechen networks, Federal Security Service (FSB) chief Nikolai Patrushev went to the scene to investigate. On Aug. 22, Deputy Minister of Internal Affairs Alexander Chekalin announced that investigators were certain that the explosion was caused by leaking natural gas, but Russian media continued to play up the "popular belief" that it was a bomb.

Moscow, Aug. 22: A man was detained at the famous Lubyanka, FSB (formerly KGB) headquarters in Moscow. He claimed to have a ton and a half of explosives in the truck he was driving. Security officers managed to make him surrender what appeared to be an automatic weapon, and then seized him. Russian media continued reports throughout the day, on whether or not the vehicle might still explode.

Grozny, Aug. 22: In the capital of Chechnya, a motorcade carrying members of the official commission to investigate the Aug. 19 Mi-26 helicopter crash came under attack, from an explosive device that was detonated on its route. There were no injuries.

Moscow, Aug. 20: Member of Parliament and deputy chairman of the Liberal Russia Party Vladimir Golovlyov was shot to death outside his home in Moscow. Witnesses saw two gunmen. The Liberal Russia Party was co-founded by exiled tycoon

Boris Berezovsky last year. Before joining it, Golovlyov was part of the Union of Right Forces, whose co-chairman Irina Khakamada quickly termed the killing "criminal, not political." Golovlyov was under investigation for corruption connected to his involvement in privatizations in Chelyabinsk, a region in the Urals, in the early 1990s; on Aug. 22, that case was closed..

Other recent publicized assassinations in Russia include the deaths of Moscow Railway deputy director Sergei Paristy (Aug. 20), Yakov Tilipman of the "Russian America" company that distributes Kremlyovskaya vodka (Aug. 8), and Vice Governor Vladimir Prokhorov of Smolensk Province (Aug. 7). An informed Moscow source says that only one out of five contract killings committed in the city, is covered by the mass media. Most of them are related to business competition in real estate, construction, banking, entertainment and billboard advertising. The population grows accustomed to regular reports about death around them.

## Mideast News Digest

### LaRouche's June Speech at Abu Dhabi Zayed Centre Published in New Book

On Aug. 15, the United Arab Emirates-based Zayed Centre for Coordination and Follow-Up (ZCCF), put out a press release announcing the publication of a new book containing the speeches and working papers presented at the June 2-3 international conference on "Oil and Gas in World Politics." Lyndon LaRouche, who was the main featured Western guest, presented a paper entitled "The Middle East as a Strategic Crossroads" (see EIW #14, June 10).

Below is the text of the ZCCF's press release:

### 'Oil and Gas in International Security Policies'

"Considering the great interest shown in the issue of oil and sources of energy, the Zayed Centre for Coordination and Follow-Up compiled and published working papers, articles, and discussions in the form of a book entitled *Oil and Gas in International Security Policies*.

"The working papers and articles were presented at the two-day international conference attended by the UAE Oil Minister, HE Obaid Bin Saif Al Nasiri, Mr. Lyndon Larouche, renowned American economist and the prospective candidate for the American Presidential election. It also included a number of prominent experts in the field of oil and gas from many Arab countries.

"The publication is significant as it deals with the problem of energy in general, and oil, in particular. Besides, it is directly linked with all political, strategic, economic and social issues. It is of vital importance to Arab oil-producing countries because it constitutes a major source for their development.

"HH Sheikh Sultan Bin Zayed Al Nahyan, Deputy Prime Minister and Chairman of the ZCCF stressed the need for initiating a serious dialogue between oil-producing and oil-consuming countries for reaching fair and stable prices for oil. He particularly pointed to the low level of the prices that resulted in hindering the process of development.

"The study also discusses the possibility of using oil as a political leverage to resolve Arab conflicts, its positive and negative impacts. The publication focuses on the emergence of Arab competitors in the Caspian region and other areas. It also sheds light on non-OPEC oil-producing countries, how to compromise and coordinate with them for the sake of oil stability in the oil market. Oil pipelines and new world investments in the field of oil and gas have also been explored thoroughly in this publication."

For more on LaRouche and his *EIR* associates at the Zayed Centre, see the URL: <http://www.zccf.org.ae>

### **Cairo Weekly Newspaper Features LaRouche for President**

In its Aug. 17 edition, the semi-official Egyptian Arabic weekly magazine *Al-Ahram Al-Arabi* described Lyndon LaRouche as the representative of the true American intellectual tradition. A lengthy article by Author Marwa Meshali details LaRouche's real policies in the Middle East, while asserting that forces in the U.S. based "Zionist Lobby" are "frightened by the ideas of LaRouche who wants American policy-making to be independent, away from the Zionist ambition." The URL for the Arabic version of article is: <http://www.ahram.org.eg/arabi/ahram/2002/8/17/WRLD4.HTM>

### **Israel's Elder Statesman Calls for Israeli/Palestinian Jerusalem**

Former Mayor of Jerusalem Teddy Kollek, now 91, called for dividing Jerusalem, and turning over the Arab neighborhoods to the Palestinians, along the lines of the proposal by President Clinton in 2000.

"I think there needs to be an arrangement and we need to give something to them [the Arab residents of Jerusalem] and have part for ourselves," he wrote. He said he agreed with the Clinton plan, including turning over the Haram Al Sharif (Temple Mount), except for the Western Wall.

"Listen, they [the Palestinians] have been sitting there for so many years and feel that it is theirs. You can't achieve calm if you don't give them part of what they want and can control. There's no solution without this," said Kollek. He was speaking after the arrest of four East Jerusalem residents who were accused of organizing several attacks, including the one on Hebrew University which killed a number of students, including Americans.

### **Anti-Saddam Terrorists Assault Iraqi Embassy in Berlin**

The embassy of Iraq in Berlin was seized Aug. 20 by a group of Iraqi opposition figures, who said they were the Democratic Iraqi Opposition in Germany, a group heretofore unknown to *EIR*. They were armed, and fired weapons; two persons were injured (and released for treatment). The perpetrators took hostages, among them the Iraqi ambassador.

Reached by *EIR*, calling into the embassy shortly after the news broke on the Internet, one unidentified person, presumably a hostage-taker, replied, when asked for the ambassador or his replacement, suggesting the caller "call back in two weeks." When asked to confirm the wire reports of a takeover, he said, "We have taken our land back," but would not or could not explain who "we" were. He said, "The police know." When asked, if he were with the opposition Iraqi National Congress, he seemed not to know what that was.

Five hours after the occupation, German police retook the embassy and freed the hostages, without any injuries.

### **Anglo-American War-Mongers Behind Berlin Embassy Takeover?**

According to *Neue Zuercher Zeitung-Online* of Aug. 20, the Iraqi opposition group that took hostages at the Iraqi Berlin embassy issue the following press release:

"In name of the Iraqi people and their legitimate leadership, the Iraqi opposition, we declare that the liberation of Iraqi territory has begun today. We are taking over the Iraqi embassy in Berlin and thus [take] the first step in the direction of

freeing our beloved fatherland. This first step against the terror regime of Saddam Hussein and his killers, which is taking place with friendly intentions, should make the German people, organizations, and political forces understand, that our people have a will to freedom, and will achieve it. The Germans understand our cause. The German people too formulated once the foundations of democracy in the Pauls Church, and they too, suffered and bled under the tyranny and terror of Hitler's National Socialists. These parallels unify our democrats. Our action is peaceful and temporary. Our way is the liberation of Baghdad. The way of freedom and justice of our people and its legitimate leadership, the Iraqi opposition, which stands here united and determined...."

However, despite American support for a "regime change" in the "axis of evil" country of Iraq, the White House was quick to disavow any connection to the Berlin terrorist incident. White House spokesman Ari Fleischer said the U.S. "had no prior knowledge of this group, and no contacts with them." He told the press at President Bush's ranch that "actions like this takeover are unacceptable. They undermine legitimate efforts by Iraqis, both inside and outside Iraq, to bring regime change to Iraq."

### **Blix Questions WMD Reports; Says Drumbeat for War Could Defeat Inspection Efforts**

If Iraq believes it will be attacked in a U.S.-led war for a "regime change," no matter what it does to cooperate with United Nations weapons inspections, then there is a good chance there *will be* a war. Thus observed Hans Blix, the designated chief weapons inspector for the UN. Blix previously spent years with the UN in Iraq, between 1991 and 1998, evaluating and investigating whether Iraq was developing nuclear weapons. The mission concluded there was no nuclear weapons capability.

On Aug. 16, Blix told Associated Press that he can't say that Iraq has weapons of mass destruction for certain, "...[I]f we had real evidence here that they have weapons of mass destruction, we would bring it to the [UN] Security Council." He said that he receives intelligence from governments, but "It's not my job to speculate on the veracity of what different intelligence agencies come out with. I'm not assuming that they are right, but it would be naive of me to rule the other way. It's an open issue, and hence one that requires inspection on the ground." As for whether inspections would be sufficient, he said, "I think there are some limitations to what you can achieve by international inspections, just as there are some limitations on what you can achieve by military power."

On Aug. 17, Blix told BBC-1 that if an invasion seemed inevitable, Iraq "might conclude that it's not very meaningful to have inspections." He stressed that while Baghdad had still not agreed to the specifics of Blix's demands, negotiations to readmit inspectors are ongoing. Blix commented: "If inspectors are allowed in, and if they are given really unfettered access with no delays, ... we would be eager to do that, and to help towards a non-belligerent solution."

U.S. Defense Secretary Donald Rumsfeld proved Blix's point last week with an hysteria-filled speech comparing Saddam Hussein to Adolf Hitler. (See [INDEPTH](#) for the international policy battle against the Iraq war hysteria, and the rightwing Israeli agents in the U.S. Defense Department.)

### **Al-Qaeda in Iraq: Baghdad Assets, or American Ones?**

The *Washington Post* reported on its front page Aug. 21 on Defense Secretary Donald Rumsfeld's assertions in recent days that there is a substantial "al-Qaeda presence" inside Iraq. He refused to provide any details. However, Iraqi Deputy Prime Minister Tariq Aziz told CBS News on Aug 20 that the al-Qaeda personnel operating inside Iraq are in the northern part of the country, the area under the control of Kurdish leader Jallal Talabani, "an ally of Mr. Rumsfeld."

The *Post* reported, "Qubad Talabani, Washington representative of the Kurdish Patriotic Union of Kurdistan, in northern Iraq, said a group of about 120 Arabs with some links to al-Qaeda did arrive in the eastern town of Biyara last September."



Talabani also said their numbers have grown since the U.S. military campaign in Afghanistan began.

For months there has been an increasingly desperate effort among the neo-conservatives to link Saddam Hussein to al-Qaeda, and, by implication, to the 9/11 attacks. The *Post* admitted that there is no such proof, including of the so-called Prague meeting between Mohammed Atta and a senior Iraqi intelligence official in April 2001.

Earlier this year, Jeff Goldberg, a "reporter" retired from the Israeli military, had written an article in *The New Yorker* magazine, claiming that Saddam was sponsoring an al-Qaeda-linked Kurdish Islamist group, Ansar al-Islami.

However, knowledgeable sources told *EIR* that, while the group does exist, it is at war with the Baghdad regime, and operates out of the Kurdish region of the north, where the U.S. and Britain maintain a no-fly zone. The Ansar group are Islamic fundamentalists, and don't get along with the Talibani and Barzani secular Kurdish groups, but they are not part of any Baghdad-bin Laden alliance. So the propaganda flows hot and heavy, but evidence seems to point more towards al-Qaeda and Taliban refugees being safehoused in the U.S./British-controlled area of Iraq, and being primed for action similar to the 1980s era of the mujihadeen war against the Soviets in Afghanistan—when Osama bin Laden was a certified American asset.

### **Tariq Aziz Says George Junior Will Not Win His War**

The Iraqi Deputy Prime Minister, Tariq Aziz, had the following to say to CBS on Aug. 21: "We are defending our independence, we are defending our integrity, we are defending our national interest; and any aggressor cannot win a war against us." Asked about President Bush the elder's failure to remove Saddam Hussein, he said: "Could he do that? ... His son is now planning to do it. Let him try, and he will find that he will lose this plan, he will lose this endeavor." He said the younger Bush was not so wise as the elder.

### **Egypt Won't Let U.S. Warships Use Suez Canal for Iraq War**

Dr. Osama Al Baz, political adviser to Egyptian President Hosni Mubarak, said that Egypt will not allow passage through the Suez Canal of ships headed to attack Iraq, according to the Qatar News Agency Aug. 19. Baz said Egypt rejects any military attack on Iraq, and that any such attack represents a very dangerous step endangering the security of the region.

Meanwhile, Saudi Crown Prince Abdullah warned that a U.S. attack on Iraq "could have adverse effects and destabilize the region and the world and lead to a humanitarian catastrophe."

### **Israeli Reporter: Sharon Has a 'Whopping Hard-On' for Iraq War**

Misgivings about an attack on Iraq are being expressed in Israel as well as reflected in a commentary in *Ha'aretz* of Aug. 20 by Yoel Marcos. Entitled "Scared to Death," Marcos's editorial reads: "Our head honchos are going to keep at it until they scare us all to death. In America, enthusiasm over attacking Iraq is actually starting to fade.... Over in America, serious thought is being given to the risks, to the cost in human life, to what will happen after the war, and of course, to what the actual chances of winning are.

"Only around here, everything is clear. When Saddam attacks Israel with smallpox, sarin gas, mustard gas, poisoned hotdogs, nuclear warheads or extra strength ameba; when he sends over pilot-less planes and missiles he has or doesn't have, we'll be ready for him. *With our might, with our whopping hard-on, we will erase Iraq from the face of the Earth, helped by nuclear weapons, of course*" (emphasis added).

He writes, "In America, not a soldier has made a move toward Iraq, but around here, the COA (Cover Our Ass) specialists are already working full steam."

It is insanity to have Israel contemplating being the first nation to use nuclear weapons since World War II. "Can't they see what this does for our standing and our security?" writes Marcus. "Don't they understand that even saying such things is disastrous for our image, which has already hit rock-bottom? After this reckless leap from the height of discretion to swaggering talk about blowing a country to kingdom come, it's not clear anymore who we should be scared to death of."

### **Israeli F-16s Can Carry Nuclear Weapons**

According to *Nuclear Notebook*, published by the Bulletin of Atomic Scientists in the September-October 2002 issue, Israel's American-supplied F-16s can carry nuclear weapons. The report highlights the fact that Israel's F-16 and F-15 are capable of delivering nuclear weapons, and it also details the squadrons, including their bases, which are trained and prepared to deliver these weapons. It further notes that the Pentagon's 2001 assessment report on nuclear proliferation failed to mention Israel, although a U.S. Strategic Air Command report written as early as 1991 listed Israel as a "de facto" nuclear power. The significance of the report, given major play this week in *Ha'aretz*, lies in the fact that it comes out now, at the height of the Iraq war debate, and is splashed on the front pages of the Israeli press at a time when the Sharon government is on a propaganda drive for an Israeli attack on Iraq.

### **Israelis Assassinate Brother of Jailed PFLP Leader**

The Israelis assassinated Mohammed Sa'adat, the 22-year-old brother of Ahmed Sa'adat, the head of the Popular Front for the Liberation of Palestine, who is currently sitting in a Palestinian jail. This was done on Aug. 21, within hours of the implementation of the so-called "Gaza First" agreements between the Israelis and Palestinians, whereby the Israelis would start withdrawing if the Palestinians dealt with the security situation. Sa'adat's brother denounced the assassination, saying that "every Palestinian, children included, has become an assassination target, whether by bullets, planes or house demolitions."

As with the July 23 assassination in Gaza City of 17 Palestinians, including infants and children, the Sharon wing in Israel obviously did this to provoke conflict among the various Palestinian factions, since now the Palestinians look more like the "Jewish police" who were set up by the Nazis as enforcers in the Warsaw Ghetto. The action is not surprising, since the new head of the Central Command which is responsible for the West Bank, is Major General Moshe Kaplinski, whose previous assignment, which ended only a few weeks ago, was military adviser to Prime Minister Ariel Sharon.

The assassination occurred before the Gaza pullout negotiated between Palestinian Interior Minister Yehiyeh and Israeli Defense Minister Ben-Eliezer, could even be implemented. On the same day, Israeli tanks and troops moved into the Khan Yunis refugee camp in Southern Gaza and killed one Palestinian civilian when the Israel Defense Force began blowing up buildings they said were used as cover for snipers. The IDF claims that a sniper had killed an Israeli soldier in Gaza.

## **Asia News Digest**

### **China's Li Peng To Visit Philippines, Indonesia**

According to the *New Straits Times* of Aug. 21, Chinese leader Li Peng will visit both the Philippines and Indonesia, two economies on the brink of the abyss. The Philippines trip had been long planned for the first week in September, but the Indonesian stop has been added suddenly, in part because of Taiwan Vice President Annette Lu's visit there last week.

Lu was at first denied access to Jakarta, and went on to her vacation in Bali, but was then allowed to stop in Jakarta, where she is reported to have agreed to buy 3 million tons of liquid natural gas (LNG) from Indonesia over 25 years. China just awarded a huge contract to Indonesia to supply gas to Fujian Province, but gave a larger contract for LNG for Shanghai to Australia, rather than Indonesia.

Li Peng's visit indicates that the Lu visit (which was opposed by Beijing) will not be allowed to disrupt relations. China's role in Indonesia is increasingly critical as the Indonesian economy faces South American-style debt problems.

### **Malaysia Moves Ahead with Golden Dinar Plan**

Malaysia will start using the golden dinar in its trade with some fellow Islamic countries by the middle of next year, Special Economic Adviser to the Prime Minister Tan Sri Nor Mohamed Yakcop told reporters this past week. He was speaking, following his address to a two-day international conference on a "Stable and Just Global Monetary System: Viability of the Islamic Dinar," held in Kuala Lumpur on Aug. 18-19. Tan Sri Nor Mohamed said the government has started talks with a number of countries on adopting the medium of a bilateral payment arrangement (BPA).

The conference attracted over 300 participants, and was hosted by the Islamic University of Malaysia, which has enjoyed support from Saudi Arabia.

Tan Sri Nor Mohamed told reporters, "The process has started..., we'd like to promote the use of gold dinar and anchor it." He did not identify the countries with which Malaysia has begun negotiations, but said response has been good. Morocco, Libya, and Bahrain are reportedly among the North African/Middle Eastern countries to have expressed keen interest. Malaysian Prime Minister Datuk Seri Dr. Mahathir Mohamad first proposed in 2001 that the gold dinar be adopted as a substitute currency for international trade because, he said, it is more stable and less prone to speculation than the dollar.

Dr. Mahathir, who is also Finance Minister, had suggested the gold dinar initially be used to settle bilateral trade payments, thence widening its adoption progressively. Malaysia has signed BPAs with 24 countries, but the government is ready to extend the use of gold dinar in trade with any other interested party. In his conference keynote address, Nor Mohamed said the gold dinar will start with BPAs but will eventually cover multilateral payment arrangements (MPAs).

In the early stages, the gold dinar will not exist in physical form, and will be assigned a value in gold. "For example, if 1 gold dinar is equivalent to 1 ounce of gold, and the price of 1 ounce of gold is US\$290 (US\$1 = RM3.80), then the value of 1 gold dinar will be US\$290 or equivalent in other currencies, based on prevailing exchange rates," he said. Actual settlement of trade can be done through the transfer of equivalent amounts of gold; however, this will not involve physical transfer, but rather, assigning beneficial ownership in respective accounts.

Taking trade between Malaysia and Saudi Arabia as an example, Tan Sri Nor Mohamed said trade balances under their BPA will be settled every three months. Malaysian exporters will be paid in ringgit by Bank Negara Malaysia on the due date of exports based on the prevailing ringgit/dinar exchange rate.

Similarly, importers will pay Malaysia's central bank, Bank Negara Malaysia, the ringgit equivalent of their imports. In Saudi Arabia, its central bank will do the same for the country's exports and imports. By the end of the three-month cycle, Malaysia's exports to Saudi Arabia total, say, 2 million gold dinar and Saudi Arabia's exports to Malaysia, 1.8 million dinar.

For the particular cycle, the Saudi central bank will pay Bank Negara 200,000 gold dinar. Nor Mohamed said this can be done by the Saudi central bank transferring 200,000 ounces of gold in its custodian's account with the Bank of England in London to Bank Negara's account with the same bank. "The important point to note is that, under this mechanism, a relatively small amount of 200,000 gold dinar is able to support a total trade value of 3.8 million gold dinar.

"In other words, we optimize on the use of foreign exchange," he said. This way, countries that do not maintain large foreign exchange reserves can still participate significantly in international trade. On the use of dinar on an MPA basis, Nor Mohamed said it works the same way as with BPA, but it will be even more efficient, as it involves many countries and not just two.

The mechanism can be refined further, for example, whereby the credit or debit outstanding at the end of each quarter can be carried forward, and final settlement is made only at the end of the year, thus further reducing payment flows.

### **Probe of Assassination of Afghan VP Yields No Results**

According to Aug. 18 reports in the *Washington Post* and from AP in Kabul, the investigation into last month's assassination of Afghan Vice President Haji Qadir is yielding no result. The International Security Assistance Force (ISAF) has released 26 people arrested in connection with the murder of Haji Abdul Qadir, who in addition to being one of the country's Vice Presidents was also a powerful Pushtun leader from the eastern province of Nangarhar.

The release of the suspects indicates that the investigation has come to an end, meaning that the assassinations of two members of interim leader Hamid Karzai's government will go unsolved. It is evident that the situation is too dangerous for Karzai to name any one, and it is also evident that whoever killed Haji Qadir (and, earlier, Abdur Rahman) is powerful and dangerous.

No matter what the investigators say (they say Qadir did not have adequate security), Afghanistan's Pushtuns have come to the conclusion that the Panjshiri-Tajiks, under the leadership of the trio of Defense Minister and Deputy Prime Minister Gen. Fahim, Interior Minister Yunoon Haqqani, and Foreign Minister Abdullah Abdullah, are eliminating Pushtun leaders, and that Hamid Karzai, under orders of Washington not to rock the boat, is allowing these killings to take place.

Karzai, himself, meanwhile has changed all his bodyguards, who were under Gen. Fahim, and replaced them with U.S. troops. Failure to punish the assassins will further lower Karzai's status, not only inside the Pushtun community, but among Afghans more generally.

### **Northern Alliance Battles Among Itself**

Low-level clashes between the rival Uzbek, Tajik, and Hazara factions, which comprise the Northern Alliance, are being reported every day from Mazar-e-Sharif. According to *The Dawn* of Aug. 21, the situation has gotten to the point where all-out war may break out any time.

Of most concern is a long-standing rivalry between Uzbek Gen. Abdur Rashid Dostum and his Tajik rival Ustед Atta, who enjoys the support of powerful Tajiks in Kabul, including Defense Minister Gen. Mohammad Qaseem Fahim. "The situation is serious and has the potential to become even more serious," said one Western observer, *The Dawn* reports.

What caused the conflict is that Mazar had long been under control of the Dostum-led Jumbish-e-Milli, a bunch of thugs and rogues. Since the Pajshiri-Tajiks took virtual control of Kabul, the Ustед Atta-led Jamiat-e-Islami movement has begun to spread its wings in Mazar. Reports indicate that Jamiat forces now dominate the city of Mazar, traditionally the key to north Afghanistan and supposedly shared among Tajiks, Uzbeks, and Hazaras. The risk is that Dostum, still extremely powerful and popular among Uzbeks and Turkmens, will feel backed into a corner. Incidentally, Fahim reportedly draws support from Teheran, while Dostum is clearly close to Ankara.

## **Musharraf's Claim of an al-Qaeda Regrouping Is Contested**

The recent claim by Pakistani President Pervez Musharraf that the al-Qaeda is re-grouping in Afghanistan, has been strongly rejected by both the Afghans and the U.S. Commanders based in Kabul.

Afghan Defense Minister Gen. Mohammad Qaseem Fahim described as "irresponsible," Musharraf's statement that Hamid Karzai's government lacked control over much of Afghanistan, and that this could lead to re-emergence of the Taliban and al-Qaeda. "If al-Qaeda and Taliban are reorganizing, it is on the southeastern borders of Afghanistan with Pakistan," Fahim told reporters. "On both sides of that border there are tribal zones which the Taliban and al-Qaeda are crossing into."

There is no question that both President Musharraf and Gen. Fahim are partly correct. But the vivacity with which Musharraf's statement was rejected by the Afghans and the Americans seems peculiar.

## **Poppy Cultivation Surging in Afghanistan**

Poppy cultivation has surged under the government of President Hamid Karzai, despite a ban and steps to entice farmers to stop planting the crop, says the United Nations Food and Agriculture Organization (FAO). The FAO report indicates that the Afghan opium crop is close to record levels, a year after being nearly wiped out under the Taliban regime. The fact is, however, that the Taliban had harvested a bumper crop the year before and kept the poppy fields uncultivated the following year, in order to keep the opium/heroin price high. Following last October's invasion of Afghanistan, the Pakistani intelligence service the ISI moved most of the opium from the warehouses into Pakistan. Now, the warehouses are empty and the opium price is very high.

According to the FAO report, the Karzai government was offering \$350 per quarter of a hectare to farmers, not to grow poppies. On the other hand, the opium traders were offering ten times as much. To begin with, the Karzai government could not pay the amount it promised and Kabul soon found out that the farmers were claiming they had eradicated poppy fields—after they had harvested the crop! The program became a fiasco and Kabul had very little muscle to control the situation.

The Karzai government has claimed to have eradicated about 25% of the crop, but the figure seems too high, considering the financial outlay Kabul made to pay the farmers.

In reality, about 175,000 hectares have been planted with opium poppies. On an average, a hectare would give close to 35 pounds of opium. Thus, this year's harvest would translate into close to 3,100 tons. Indeed, the FAO report indicates that the Afghan opium traders will have some 3,000 tons of opium by the end of this fall. The highest ever reached was 4,400 tons during the Taliban regime.

## **Abu Sayyaf Alive and Well on Jolo**

Combined Philippines and U.S. press reports of Aug. 22 say that the terrorist grouping Abu Sayyaf is alive and well on Jolo in the southern Philippines, a fact demonstrated by the beheading of two Jehovah's Witnesses who were part of a group of eight travelling through the area, allegedly selling cosmetics door to door. The rest of the group of six (five of whom are women) are presumed held hostage by Abu Sayyaf. The two slain group members were men.

Philippines military spokesman Col. Jose Mendoza told reporters that four army battalions, or 2,000 soldiers, are in hot pursuit of this band of Abu Sayyaf, while the *Washington Post* points out that several hundred U.S. troops remain on Basilan Island, about 60 miles from Jolo, conducting civic action and medical missions. Later reports said that Philippines



military had begun bombing areas of Patikul town on Jolo to flush out the gang, but a senior officer admitted they had no sure fix on the whereabouts of Abu Sayyaf and the hostages.

## **Japan, North Korea Agree on Family Reunion Project**

Japan and North Korea on Aug. 18 reached important agreements in the first day of a series of bilateral talks being held this month. During the talks, Japan and North Korea agreed on a program allowing Japanese spouses of North Koreans to travel to Japan for family reunions in the fall, Japanese delegation officials said. The visit would be the fourth such trip. In the first three trips, a total of 43 Japanese spouses visited Japan. The second trip took place in January and February 1998.

Red Cross officials were to wrap up their two-day talks in Pyongyangahead of a two-day meeting between government officials of the two countries slated for Aug. 25-26, also in the North Korean capital. The two societies plan to release a joint statement after their talks conclude. North Korea reportedly showed a rare friendliness to the Japanese delegation in the Aug. 18 Red Cross talks, the first since April.

But the two sides are unlikely to make a significant breakthrough in the immediate future over allegations that some Japanese nationals were abducted by Pyongyang in the 1970s and 1980s, an issue Tokyo says is key in the series of bilateral talks.

## **Africa News Digest**

### **Will Mugabe End Up on Bush's 'Axis of Evil'?**

Will Zimbabwean President Robert Mugabe end up on George Bush's "axis of evil" list? The answer would appear to be "yes," if Assistant Secretary of State for African Affairs Walter Kansteiner, the latest in a succession of rotten U.S. Assistant Secretaries on Africa, carries any weight.

Kansteiner said on Aug. 20 that the Bush Administration is looking for ways to assist the opposition to Mugabe. Referring to the March election, Kansteiner said, "We do not see President Mugabe as the democratically legitimate leader of the country. The election was fraudulent, and it was not free, and it was not fair." Andrew Natsios, administrator of USAID, issued equally damning statements, accusing Mugabe of distributing land seized from white farmers not to landless blacks, but to loyal military and political cronies.

A senior Zimbabwe official responded today: "The legitimacy of our political system or our President is not dependent on America, Britain or any other country, but on Zimbabweans. The bullying tactics that America and Britain are using against us are meant to frustrate our quest for social and economic justice, to stop our program to redistribute some of the very large tracts of land held by whites here to the indigenous black people."

Kansteiner also alleged that South Africa, Botswana, and Mozambique support this "isolation" plan; however, Mozambique's Foreign Affairs Minister Leonardo Simao denied Kansteiner's claim, declaring, "Our approach to Zimbabwe is to bring everybody on board to find solutions."

The senior Zimbabwe official added: "...We pray all the time that God can see us through this and that our own brothers and sisters in Africa will not be used against the interests of their fellow brothers and sisters in Zimbabwe. We pray that no self-respecting African will agree to be an Uncle Tom, a puppet for a hatchet job against fellow Africans no matter what arguments are used to dress it up."

## **Thousands of Children on Verge of Starvation in Malawi**

Some 7,000 malnourished children are "on the verge of death" in Malawi, the coordinator for nutrition in that country, Thereza Banda, told Carol Bellamy, visiting chief of UNICEF, according to the Aug. 19 SAPA wire service. "The situation of malnourished children and mothers is getting worse. There are over 65,000 malnourished children—a fivefold increase from a normal year. Some 40,000 lactating mothers need emergency food to save them from death," Banda is quoted as saying.

Bellamy has begun a four-nation tour, which also includes Zambia, Kenya, and South Africa.

Malawi needs 600,000 tons of food to stave off a famine which threatens up to 3.2 million people.

## **Nigerian President Obasanjo Says He Won't Resign**

Nigerian President Olusegun Obasanjo says he will not resign, and has issued a point-by-point response to the House of Representatives, according to the Lagos-based *This Day* of Aug. 22 and Aug. 21. Obasanjo's statement followed a motion passed Aug. 13 by the Nigerian House of Representatives demanding that the President resign within two weeks or face impeachment. The motion passed overwhelmingly in a House dominated by Obasanjo's own People's Democratic Party (PDP), despite the fact that Presidential elections are scheduled for early next year.

The PDP leadership described the motion as "irresponsible," but certain PDP members have claimed that there is a secret committee of the PDP board that is launching a search for a new Presidential candidate for the next election.

The points at issue repeatedly touch—implicitly—upon Obasanjo's insistence upon carrying out IMF policies, and the consequences of his doing so, while there is strong opposition to IMF policies in both houses of the Nigerian Legislature.

Another contribution to the crisis was the government's postponement in early August of local elections—for the second time this year—which may raise doubts as to whether the Presidential, national, and gubernatorial elections, slated for the first half of 2003, will be held on schedule.

If impeached, Obasanjo would be tried in the Senate; conviction requires a two-thirds majority. The Senate reconvenes at the end of August. It seems unlikely that the Senate would convict, because the impeachment effort has strong sectionalist overtones of North against South.

Meantime, Obasanjo claims the impeachment drive is coupled with a plan for a military coup. He is relying on a security report that claims that "the plan on the ground transcends mere impeachment motion.... Some external forces actually planned to topple the present democratic government in Nigeria through a military coup d'etat" with the involvement of "civil society," in the words of Oyo State Governor Lam Adesina, who referred to "the briefing given us by the President." "During the briefing, the President mentioned that some members of the House had actually contacted members of the armed forces by using one retired colonel to get across to members of the armed forces and probably truncate the nascent democracy," Adesina said.

## **Nigerian Labor Leader Says Resignation, Impeachment Won't Solve Nigeria's Problems**

According to the *Vanguard* Aug. 15, Adams Oshiomhole, the president of the Nigeria Labour Congress (NLC), declared at a press conference in Abuja Aug. 13 that neither resignation by Obasanjo, nor his impeachment, will solve Nigeria's problems. Oshiomhole said, in the *Vanguard's* paraphrase, "that the importance of any impeachment process in any

democracy was to cause change from which the country could benefit. This particular one does not have that potential.... [T]hose who thought that any elected office holder had failed should avail themselves [of] the opportunity of the forthcoming election."

"To seek to use ... the impeachment machinery when elections are less than six months away smacks of a resolve to short-circuit the process. This will be an unintentional invitation to anarchy with a potential to abort the coming elections," he added. "Nigeria's problems were fundamental and systematic, as they arose from the protracted ruin inflicted by the military," indicating that Obasanjo could not be held exclusively to blame.

Oshiomhole was himself recently arrested by the Obasanjo government to prevent him from holding a labor demonstration, as described in the House of Representatives' motion demanding Obasanjo's resignation.

## **Mugabe Dismisses Cabinet, Will Name a New One**

Zimbabwe President Robert Mugabe dismissed his Cabinet on Aug. 23, and plans to announce a new one on Monday, Aug. 26, according to Reuters, the Harare-based *Financial Gazette*, and SAPA-AFP wire service.

SAPA called it "a long-awaited move that comes amid Harare's growing international isolation," but Reuters called it a "surprise move." The official government statement said only that the Cabinet had been dissolved and that Mugabe "is expected to work on a new Cabinet over the weekend, with the swearing-in ceremony for the new Cabinet set for Monday."

Government sources said Mugabe had summoned his ministers and both vice presidents early on Friday, Aug. 23, and discussed with them the land seizure and redistribution program. One source told Reuters, "The stories we are hearing are that he expressed unhappiness with the way in which some of his ministers are handling the land issue."

The *Financial Gazette* had written Aug. 15 that evicted commercial farmers would be forced to abandon more than 65,000 hectares of crops valued at over \$33.4 billion [Zimbabwe dollars]. Jenni Williams, speaking for Zimbabwe Justice for Agriculture—which represents commercial farmers, black farm workers, and industries dependent on agriculture—is quoted as saying, "Whilst this ban on planting, producing and marketing of food occurs, Mr. Mugabe, his Cabinet ministers and aid organizations are lobbying the international community for food aid to feed over 6 million Zimbabweans who are already starving."

## **Fundamentalists in Northern Nigeria Push Toward Constitutional Crisis**

An Islamic high court in Katsina State upheld Aug. 19 a lower-court application of *Shari'a* (Islamic law) in the sentencing to death by stoning of 31-year-old Amina Lawal, found guilty of having had sexual relations outside of wedlock. The sentence is to be carried out as soon as the woman weans her baby, now eight months old. "Most spectators in court Monday welcomed the ruling," says AP.

The Constitutional significance—apart from the moral issue of the erroneous concept of the person—lies in the course of possible appeals. Her case is being appealed to the Katsina Shari'a Court of Appeal. If the sentence is upheld there, it can still be appealed to the Nigerian Supreme Court, "where it would force a showdown between Nigeria's Constitutional and religious authorities," according to AP. This is new ground, because Shari'a has only been introduced into about 12 northern Nigerian states since 1999. Bloody clashes have resulted between Muslims and Christians, leaving more than 3,000 dead.

Amina Lawal is the second Nigerian woman to be condemned to death for sexual relations outside of wedlock. The first

had her sentence overturned last March on the first appeal. Another woman so accused had her case dismissed in January. Yet another case is waiting to be heard. All four defendants are poor, uneducated, single mothers from rural villages, according to Associated Press. It looks as if the Supreme Court will eventually have to consider such a case.

Many Nigerians consider the application of Shari'a unconstitutional to begin with, under the concept of the equal application of the Nigerian law to all citizens. Clashes over application of Shari'a could lead to a situation mirroring the civil strife in Sudan, only in reverse (in Sudan, the government has in the past upheld the application of *Shari'a*, whereas in Nigeria, it does not).

## This Week in History

### August 26-31, 1968

This week is the anniversary of one of the most uplifting events which ever occurred in this nation's political history, the Aug. 28, 1963 March on Washington, D.C. for Civil Rights. It is reported that more than a quarter of a million Americans—black, white, and other—converged on the nation's capital to demand the realization of the promise of the Declaration of Independence, and the Emancipation Proclamation, the granting of full human rights to all Americans. The numbers are significant in light of the high *purpose* for which they were gathered.

The highlight of that march, of course, was the speech of the Rev. Martin Luther King, Jr., a leader who rose above race and class, to represent the spirit of loving concern for all mankind, a spirit best known, in the words of the Apostle Paul in I Corinthians 13, as *agape@am*. Dr. King, of course, did not live to realize his dream, as he was shot down by an assassin's bullet less than five years later. But his words have inspired many from beyond the grave—from the liberation movement of Eastern Europe, to the international political movement associated with Lyndon LaRouche today.

What a contrast this speech is to the ugly venom being spewed by the so-called Reparations Movement today, or our popular culture in general. We urge you to read Dr. King's speech in full, as it is reproduced here, in the context of the obvious need for us to return precisely to such *principles* today. - \* \* \* -

### 'I Have a Dream...'

I am happy to join with you today in what will go down in history as the greatest demonstration for freedom in the history of our nation.

Fivescore years ago, a great American, in whose symbolic shadow we stand today, signed the Emancipation Proclamation. This momentous decree came as a great beacon light of hope to millions of Negro slaves, who had been seared in the flames of withering injustice. It came as a joyous daybreak to end the long night of their captivity.

But one hundred years later, the Negro still is not free; one hundred years later, the life of the Negro is still sadly crippled by the manacles of segregation and the chains of discrimination; one hundred years later, the Negro lives on a lonely island of poverty in the midst of a vast ocean of material prosperity; one hundred years later, the Negro is still languishing in the corners of American society and finds himself in exile in his own land.

So we've come here today to dramatize a shameful condition. In a sense, we've come to our nation's capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir. This note was the promise that all men, yes,

black men as well as white men, would be guaranteed the inalienable rights of life, liberty, and the pursuit of happiness.

It is obvious today that America has defaulted on this promissory note, in so far as her citizens of color are concerned. Instead of honoring this sacred obligation, America has given the Negro people a bad check; a check which has come back marked "insufficient funds." We refuse to believe that there are insufficient funds in the great vaults of opportunity of this nation. And so we've come to cash this check, a check that will give us upon demand the riches of freedom and the security of justice.

We have also come to this hallowed spot to remind America of the fierce urgency of now. This is no time to engage in the luxury of cooling off or to take the tranquilizing drug of gradualism. Now is the time to make real the promises of democracy; now is the time to rise from the dark and desolate valley of segregation to the sunlit path of racial justice; now is the time to lift our nation from the quicksands of racial injustice to the solid rock of brotherhood; now is the time to make justice a reality for all God's children. It would be fatal for the nation to overlook the urgency of the moment. This sweltering summer of the Negro's legitimate discontent will not pass until there is an invigorating autumn of freedom and equality.

Nineteen sixty-three is not an end, but a beginning. And those who hope that the Negro needed to blow off steam and will now be content, will have a rude awakening if the nation returns to business as usual.

There will be neither rest nor tranquility in America until the Negro is granted his citizenship rights. The whirlwinds of revolt will continue to shake the foundations of our nation until the bright day of justice emerges.

But there is something that I must say to my people who stand on the warm threshold which leads into the palace of justice. In the process of gaining our rightful place we must not be guilty of wrongful deeds.

Let us not seek to satisfy our thirst for freedom by drinking from the cup of bitterness and hatred. We must forever conduct our struggle on the high plane of dignity and discipline. We must not allow our creative protest to degenerate into physical violence. Again and again we must rise to the majestic heights of meeting physical force with soul force.

The marvelous new militancy which has engulfed the Negro community must not lead us to a distrust of all white people, for many of our white brothers, as evidenced by their presence here today, have come to realize that their destiny is tied up with our destiny, and they have come to realize that their freedom is inextricably bound to our freedom. This offense we share mounted to storm the battlements of injustice must be carried forth by a biracial army. We cannot walk alone.

And as we walk, we must make the pledge that we shall always march ahead. We cannot turn back. There are those who are asking the devotees of civil rights, "When will you be satisfied?" We can never be satisfied as long as the Negro is the victim of the unspeakable horrors of police brutality.

We can never be satisfied as long as our bodies, heavy with fatigue of travel, cannot gain lodging in the motels of the highways and the hotels of the cities. We cannot be satisfied as long as the Negro's basic mobility is from a smaller ghetto to a larger one.

We can never be satisfied as long as our children are stripped of their selfhood and robbed of their dignity by signs stating "for whites only." We cannot be satisfied as long as a Negro in Mississippi cannot vote and a Negro in New York believes he has nothing for which to vote. No, we are not satisfied, and we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream.



I am not unmindful that some of you have come here out of excessive trials and tribulation. Some of you have come fresh from narrow jail cells. Some of you have come from areas where your quest for freedom left you battered by the storms of persecution and staggered by the winds of police brutality. You have been the veterans of creative suffering. Continue to work with the faith that unearned suffering is redemptive.

Go back to Mississippi; go back to Alabama; go back to South Carolina; go back to Georgia; go back to Louisiana; go back to the slums and ghettos of the Northern cities, knowing that somehow this situation can, and will be changed. Let us not wallow in the valley of despair.

So I say to you, my friends, that even though we must face the difficulties of today and tomorrow, I still have a dream. It is a dream deeply rooted in the American dream that one day this nation will rise up and live out the true meaning of its creed—we hold these truths to be self-evident, that all men are created equal.

I have a dream that one day on the red hills of Georgia, sons of former slaves and sons of former slave-owners will be able to sit down together at the table of brotherhood.

I have a dream that one day, even the state of Mississippi, a state sweltering with the heat of injustice, sweltering with the heat of oppression, will be transformed into an oasis of freedom and justice.

I have a dream my four little children will one day live in a nation where they will not be judged by the color of their skin but by content of their character. I have a dream today!

I have a dream that one day, down in Alabama, with its vicious racists, with its governor having his lips dripping with the words of interposition and nullification, that one day, right there in Alabama, little black boys and black girls will be able to join hands with little white boys and white girls as sisters and brothers. I have a dream today!

I have a dream that one day every valley shall be exalted, every hill and mountain shall be made low, the rough places shall be made plain, and the crooked places shall be made straight, and the glory of the Lord will be revealed, and all flesh shall see it together.

This is our hope. This is the faith that I go back to the South with.

With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood.

With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day. This will be the day when all God's children will be able to sing with new meaning—"My country, 'tis of thee, sweet land of liberty, of thee I sing; Land where my fathers died, land of the pilgrim's pride, from every mountainside, let freedom ring"—and if America is to be a great nation, this must become true.

So let freedom ring from the prodigious hilltops of New Hampshire.

Let freedom ring from the mighty mountains of New York.

Let freedom ring from the heightening Alleghenies of Pennsylvania.

Let freedom ring from the snow-capped Rockies of Colorado.

Let freedom ring from the curvaceous slopes of California.

But not only that.

Let freedom ring from Stone Mountain of Georgia.

Let freedom ring from Lookout Mountain of Tennessee.

Let freedom ring from every hill and molehill of Mississippi, from every mountainside, let freedom ring.

And when we allow freedom to ring, when we let it ring from every village and hamlet, from every state and city, we will be able to speed up that day when all of God's children—black men and white men, Jews and Gentiles, Catholics and Protestants—will be able to join hands and to sing the words of the old Negro Spiritual, "Free at last, free at last; thank God Almighty, we are free at last."

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