

[return to home page](#)

## **This Week You Need To Know**

### **Time Grows Short**

*On Oct. 22, 2003, Lyndon LaRouche, one of only two candidates for the 2004 Democratic Party Presidential nomination who have been certified by the Federal Elections Commission as qualified for federal matching funds, delivered an address before a live audience of 300 supporters in Washington, D.C. The event was broadcast via the Internet internationally, and an additional 1,000 LaRouche supporters, diplomats, elected officials, and business, labor, and civil rights leaders attended live satellite broadcasts across the United States, in Mexico, Peru, Germany, France, Italy, and Scandinavia. A substantial number of participants in all the events were members of LaRouche's growing international youth movement. LaRouche's opening remarks, which appear immediately below, were followed by more than two hours of questions and answers.*

Time grows short. There's just more than a year and three months from now; the next elected President of the United States will be walking into his office, in the Executive Mansion, which Teddy Roosevelt christened the White House.

So, on this occasion, in addition to discussing three topics which I shall present here today, I'll preface the discussion of those topics by giving you some indication of what I will be doing in the first hour that I walk from the Inauguration, into the Executive Mansion, and start to do things.

### **Health-Care Action**

There are two areas I will refer to. One is health care. We have a problem in health care, which is accentuated by the fact that people who were still adolescents at the time that the Cuban missile crisis occurred—at the time that Kennedy was assassinated, at the time that the Indo-China war officially opened—are now in their fifties or sixties, some coming into that, and they're beginning to experience some of the health-care problems which come about the time you reach 50 or so, at least for many people. They're therefore experiencing some of the health-care problems which many of my generation are also experiencing.

The health-care system is breaking down.

Also at the same time, we have—returning from wars in Afghanistan, and Iraq, or not yet returning, or never to return—members of not only the regular military services, but the Reserves and the National Guard, who are coming back, a large number of them, with various injuries, other health problems, some severe trauma cases, being hidden, being deprived of the care they need. So health care is an extremely important problem, on which the next President must act; on those matters which the present incumbent President fails to act upon.

One of the first actions I shall take therefore, is to act to reopen fully, D.C. General Hospital, as a full-service, public hospital.

At the same time, I shall issue a recommended piece of legislation to the Congress, which will restore—it will be about a five- to seven-page paper to be legislated up, not longer—which will restore the Hill-Burton legislation, and will repeal the HMO legislation which was installed in 1973 by the Nixon Administration.

I shall also take immediate action, within the power of the Executive, and by proposed legislation to the Congress, to fully reactivate the Veterans Hospital System.

I shall also take similar action to re-energize the public health system, which used to be a system under which people who wished to become physicians—could, by volunteering for this program, and being qualified—would receive a medical education, under the condition that at some time, they would perform a certain amount of public service as employees of the government, or others in the public health system. Some of our prison doctors and so forth went through that route. This is also an institution which protects us, on things that fall between the cracks, such as epidemics, local crises, emergencies; and the staff of the public health system has been cut back. I would propose to restore that, and re-energize it, for the needs we have today, particularly where the cracks arise in the health-care system, this is the institution which should look into the matter and make a recommendation, or even act.

We need to respond, as I said, to the problems of our aging population, which includes not only those of my generation and slightly older, but those who are now in their fifties. We find friends, in their fifties and early sixties, dying, or facing very severe health-care problems. We find, that under the present arrangement, when they go into a hospital or seek care, they're placed in jeopardy, unnecessarily, by the kind of new rules which have been introduced, and the progressive deterioration of our health-care system, under the impact of HMOs.

We have to make reforms in this direction. We have to, among other things, ensure that there is no criterion for delivery of medical care, except the decision of a physician. We must eliminate the HMO provision, under which the physician is given the right to only make a checklist of care you receive, and deliver that amount of care only in the amount prescribed by some accountant in some firm, not a medical professional. That must end. We must restore physicians' rights to do whatever they think is necessary to assist a patient.

Now, this goes to something else, as well. It goes to preventive medical care. As a former Surgeon General discussed this matter with me, and I took that instruction from her as a charge, which I'm now delivering here: The problem we have, is, that, under the Roosevelt Administration—Franklin Roosevelt—and afterwards, we had an improvement in life expectancy in this country. As a result of that, people live long enough, to get some of the diseases of aging—increase in cancer, other kinds of disease which go with the aging process. Therefore, we have a new category, in the past decades of health care, of kinds of medical needs which did not exactly exist, in periods where life expectancy was shorter.

Therefore, the emphasis has to be placed now, on preventive health care. This means provisions that we make in the interest of public health, to protect people from these risks. And also, that means that we must give the physician the opportunity, when treating a patient, to make recommendations to that patient, and to prescribe measures to be taken, either as medical advice or actual prescribed care, which will help that person to avoid the penalties of some of these sicknesses. Actually, the cost to society, of giving the physician and medical facilities the freedom to make these kinds of decisions and take these kinds of actions, will cheapen the cost of health care. Because preventive health care, where it's appropriate, is a lot less expensive than waiting for the catastrophe, which an HMO finally acknowledges to exist.

So therefore, physicians' rights: freedom from having accountants run medical practice, is an essential measure, on which I would act, *on the first hour* I were in the White House.

We also need a special investigation on diseases of aging of tissue. This is a frontier, which affects not only the aging, but

in the history of mankind, study of the things that happen to people as they become older, are valuable in our approach to the problems of people *when they are younger*. If you catch a disease in the period of old age—such as cancer, cancer research, which used to be considered largely a disease of old age, and so forth—the work that you do on that, then enables you to deal with other areas of care, frontiers of care, where you have failed previously. And therefore, that must be part of our program.

## Military Reforms

Now, on the question of military reforms: We have to honor the veteran, and it is my present intention, in that respect, not only to honor the veterans for past services, but for future services. That is, I propose, and I shall present to the Congress, proposed legislation which will restore universal military service. And I shall explain why I shall do that.

First of all, it has been largely forgotten, that national military service was the foundation of this country. We fought a Revolutionary War; we had the idea of national military service, then.

Later, especially after 1815, the War of 1812-1815, we began to study, in this country, reforms in military policy, which had been introduced in Europe: For example, the work of Lazàre Carnot, who is famous in France as the "Author of Victory," who saved France from destruction, under his military leadership between 1792 and 1794. Lazàre Carnot, a young scientist, genius of his time, introduced the concept in a more precise form, of what is called "strategic defense," a change in the policy of war to strategic defense, *away* from cabinet warfare and "preventive warfare," as it's called. This policy was understood by our country, later, and was the policy of our greatest military commanders, as well as our sane governments, our Presidents, such as Dwight Eisenhower and Gen. Douglas MacArthur. You don't go to war for preventive purposes. And, your purpose in warfare is *defense* of the nation and to—as quickly as possible, with the least cost to both sides—to bring about and to build a peace, which creates peace where there was war. And, by having these policies, often to avoid war.

If the world knows that we are a peaceful nation, committed to a policy of military strategic defense, and that the purpose of our war-making, if we are forced to make it, is to collaborate with the opponent nation, and to rebuild the peace with the least possible damage to either side—as was the policy of Douglas MacArthur in the Pacific War, where he dealt with war on a larger area than any individual commander ever before; fought as few battles as were necessary, by skipping islands on which Japanese forces were located—you don't have to go there; they're not going any place, and you don't have to go there, and kill them.

We did drop bombs on Hiroshima and Nagasaki: that had nothing to do with MacArthur. It had nothing to do with winning the war! The war was already won, by blockade and by the conquest of the Pacific. But in the shortest period of time in the greatest area, MacArthur, through a policy of strategic defense, won the war. Truman *didn't*; he nearly lost it.

Also, a second thing we learned in warfare, was the idea of mission orientation. Now, this came to us from Germany. It came from a great reformer, Gerhard Scharnhorst, who introduced the concept of mission orientation to warfare. It should be restored in Germany—but that's their business—in their military policy. We certainly should adopt it, here.

Now, this has a larger implication. In the past, our concept of strategic defense included the role of the military Army Corps of Engineers. Most West Point officers were trained as military engineers. They built bridges; they built canals; they did other great public works. These were done by military men, in part; the building of the railroads was largely done by military men, trained as engineering officers. This institution has become unpopular. It's *essential*.

As anyone remembers from World War II, the United States' forces were not the best fighters in the world. They may have

been the biggest machos in some respects, but they weren't the best fighters. They were better in the barrooms, than they were in the field of battle. The way we won the war, was through Franklin Roosevelt's policies—before the war and during it. The United States' forces overwhelmed the world with logistics—with technology and logistics. It was our superiority in logistics, that enabled us to succeed, where our military training fell short. And that applies today.

## Skills for the Young Generation

Now, during that period, one of the factors in the war was an organization called the Civilian Conservation Corps. This institution brought young people from the streets, so to speak, and backwoods, and put them into a program under retired military service—that is, people who had been retired military officers would be in charge of these CCC camps. And, the boys lived in barracks; they were trained, they did various kinds of work of importance to our country. And many of them, like the famous Michigan division, they just marched out of the CCC camps into the military, and became a military division, which fought overseas.

The people who went through this training, and also regular military training later—we transformed people, scraped from the slums of the country, and from the backwoods, where they were virtually unknown; we put them in training, in 16-week-plus training programs—where I, for one, was in this program awhile; I had a few platoons pass under me. You see them lined up on the company street, and you say, "We just lost World War II." But, in the course of time, a year or two of this kind of training and service, these fellows, who had been pretty much abandoned people, went on to become a vital and productive part of our economy and our society, as the World War II veterans.

So therefore, today, when our economy is collapsing; when the infrastructure is collapsing; when we are about bankrupt; when we need infrastructure built, we need a military force. So, why not use the military force, as it was intended to be used, by great engineers, like Carnot and so forth? Why not train it? Train an officer corps, as engineers? It gives you the best possible capability, if you need them for warfare. And certainly, if we're doing what we can't do in Iraq: Clean up the mess you've made, before leaving.

Also, the Corps of Engineers is a force which can be deployed in assistance of large-scale infrastructure projects, on behalf of the Federal government, the state governments, and also the local governments; it helps. We should also have—because we have many young people, who have no qualifications for serious work at all!—we need something equivalent to the CCC program, by which we can track people, who are lingering on the streets, victims of a drug culture, where teachers and others have shoved Ritalin and Prozac and other dangerous drugs into them, against their will, where we have turned them into a drug-dependent culture, and where the education system is worse than a bad joke; you don't pass education, it passes you.

Therefore, under these conditions, we have to think of ways of taking these young people, who have been victimized by the change in our culture, we have to think of ways of transforming them, or helping them transform themselves into fully capable, productive people, who are capable of supporting a family *by their labor*, by the fruit of their labor.

We also have people parked in prisons, who shouldn't be there, because somebody wrote a bill, or new guidelines, which puts people into extended periods in prison, where they come out as a piece of junk. In many of these cases, which are minor drug cases, where some prosecutor wants to make a score—they stick someone there for 10-20 years or longer, just to make a score for the prosecutor, under the guidelines, by just piling up the charges. These people are often young people. There's a lot of discrimination in it, because if you happen to be of so-called African-American origin, or if you happen to be of Hispanic disposition, you may get a bigger charge, than if you weren't. So, what we're doing now, in our prison system: We're grinding people up, when they need a slap on the wrist, or something equivalent, and to turn them loose and turn them back into society quickly as productive people. Do you know what percentile of our population is in that category? Do you know what percentile of our so-called African-American young males are in that category? Do you

know how many of our young people of Hispanic origins, are in that category? Do you realize what we're doing to our people by these kinds of policies?

We need a general approach to rehabilitating society. And I intend to use the military tradition of the United States, as one of the institutional instruments, to promote that policy. There are no "useless sons" to be accommodated; but there are young people, who can fit into something, and make something of themselves, if we give them the opportunity and the guidance. So, why not give them something useful to do, something necessary to do, with the intention, they shall come out of it, as citizens in the full sense of self-respecting citizens? We must do that, now.

All right. Everyone knows, I think, around the world today, that I'm not a person likely to make war. As a matter of fact, I probably would get more peace by being President of the United States, than any other single act. You go throughout the world, today—you go through Eurasia, you go through other countries—and you compare other candidates, other prominent Americans who might become candidates, with my image in those parts of the world: The very fact that I were becoming President, would cause a deep sigh of relief throughout Eurasia.

But, on the other hand, people know that I'm serious, unlike candidates who don't speak their minds, but go to an advisor and say, "What should I be overheard saying, not to get into trouble?" We have a bunch of gutless candidates, who all want to be President, and some of them want to go to war.

Now, it is understood around the world, you don't fool with a LaRouche Presidency. You get just treatment. But don't try to abuse it. I can be very firm—as some people know. (I just don't like to be mean.)

## Aftermath of the California Catastrophe

Okay, now, there are three subjects that I want to take up, after discussing some of the flavor of the White House during the first hour of my appearance on those premises. First of all, I want to touch upon something that Debbie mentioned: the aftermath of the California catastrophe, its effect on the current Presidential campaign and other politics.

Now, obviously, one of the important roles of a President is to help re-elect an improved House of Representatives: That is, a good Presidential candidacy, in a time of hot issues, can pretty much change the composition of the U.S. House of Representatives. If you have candidates running on the coat-tails of that Presidential candidate, they're likely to get elected. Now, we need some big improvements in the Congress, but especially in the House of Representatives, where improvement without "DeLay"—and I do mean Tom DeLay—is urgently required. So, don't complain too much about the House of Representatives—it's about to be improved, particularly if I succeed. Because, I guarantee you, if I'm running as the Democratic nominee for President, *we're going to win the Congress*; we're going to win the House of Representatives. That's a sure thing.

Secondly, the Senate's not too bad. That takes us back to California. As Debbie said, I went into California, as soon as the Recall threat was made. And I communicated to the circles of the Governor of California, that, while he'd made some mistakes, that I was opposed to his being subjected to the Recall, and proposed several things to him; one of which, he did. I proposed, I said, "Don't take all the blame for what happened in the California situation." *Everybody in the political system, from 1996 on, put deregulation into place. Everybody did it.* Worse, Arnie Schwarzenegger was part of the crowd that did the stealing! Shultz's man! Enron's man! Did the stealing. And the stealing got really bad, beginning in 2001 and 2002, when Vice President Dick Cheney intervened, to squash an exposure of the fraud being run by firms like Enron, against California—as in the Williams case. And the whole pack of neo-cons, including Dick Cheney, got into this government, through George Shultz, who's the big backer and controller of this geek-show act, now about to become Governor. Carnival geek-show act—that's his political qualifications.

So, what happened in the situation, is the Governor did do some things I thought he should do; he did say that he had to shoulder his responsibility for being soft on the deregulation issue, especially in his handling it during the crisis of this past year. Fine. Honest man. Usually a tough fighter. But, some of the Democratic Party people, the national candidates, either didn't intervene in California, or they went out like weak silly sisters, including General Clark—whom I call a General Failure, on account of his performance there. He's recommended as a staff officer, but never put him in command, according to some of his fellows. Rhodes Scholar, more than anything else.

So, these fellows failed, or they actually made things worse. Or, they pressured—the Democratic National Committee pressured the Governor of California *not* to fight; to lay down, and accept his fate.

We intervened. Some others intervened. But, I had the good fortune to have a youth movement—which we can have some discussion about right now, but first get a few points down. This youth movement, especially, with my full backing and my participation: We moved in, as Debbie indicated, in areas of California, the County of Los Angeles, and the Bay Area, in particular, and we moved in to turn it around. And we *did* turn it around! We turned it around wherever we were. But, there weren't enough of us, and there were too many of the other ten candidates, and too many of the Democratic National Committee's leadership right now.

Now, you know, that the decision on the election of a President, lies to a large degree, with the state of California. The Democratic National Committee is fully aware of that; my ten sloppy rivals are also aware of that. And yet, how they behaved in the state of California, on this Recall issue, showed they did not really want to become President, because they weren't willing to make sure they carried the state of California, which is *decisive*, in determining, marginally, the next President of the United States. And, *they were going to turn it over to this carnival geek-act show called Arnie Schwarzenegger, who's also involved with people who stole from California, who looted it. And you wait to see what Schwarzenegger does to the trade unions in California, and to the Hispanic Americans in California! He's going to go after them first.*

This man has the qualifications of an Adolf Hitler. He's a Beast-man! He's what you saw in "Terminator"! That's the man! You vote for it? That's what you get.

So, now we're in a situation, where it's clear, that while some people in the Senate, as typified by Senators Byrd and Kennedy, have broken free of the control of the gag-rules of the Democratic National Committee, to speak out plainly on issues which needed speaking; and some other people in the Senate, have had things to say—Joe Biden and others—which are quite relevant; the House of Representatives is a slave of this Tom DeLay tyranny! They're almost afraid to breathe down there! But, the Senate has shown, that the temperament of the Democratic Party, and also some Republicans, is to bring this nonsense to an end; to bring the Cheney nonsense to an end, and what that represents; to get rid of the neo-cons, and so forth. So, it's not hopeless.

But, we're now at a point, where you've got, really, three candidates left: Me, Kerry, and Dean. Well, Dean's not worth it, I wouldn't recommend anybody vote for him. Jimmy Dean would be better! But, Kerry has to be treated seriously, because of his backing and position, even though I think he's wimped out a few times, when he shouldn't have done that. I don't think he's qualified to be President. But, he's qualified to be a candidate. And therefore, it's good to have him in there. You might find Gephardt in there, too; I don't think he's going anyplace. But, the three of us are there. The rest of them are also-rans.

We're down to three candidates. We're down to the point that the Democratic National Committee has to undergo a reform, a serious reform. It's one year and a little over three months, to the next inauguration; a little more than a year from the next Presidential election. The foolishness has to stop, now. And therefore, I speak as I do, and I say without fear of exaggeration, that given the present world situation and our national situation—and notably, given my special

accomplishments as an economist—I'm probably the only person qualified to become President of the United States, at this time. And California has helped to make that clear.

## The Monetary-Financial Crisis

We have entered the acute phase of a general breakdown crisis, of the world's present monetary-financial system. I've seen this coming for a long time; I've warned about it; I've never been wrong about any forecast I've made in this respect. It's here. If I tell you it's here, *it's here*. If you look at yesterday's figures, or the day before's figures, on the state of the U.S. economy; if you look at the current accounts deficit; if you look at our total foreign debt; if you look at our trade situation; if you look at our internal indebtedness, particularly in the area of credit-card debt; the housing bubble, about to break, in which suddenly we turn so-called nominal homeowners, into squatters, because the banks don't want them to leave, even though they've lost the house, because they'd rather have the squatters that live there already, than have new ones come in.

We're at that kind of situation. Employment is being cut. We're a bankrupt nation. Europe is in a similar condition. The situation in Mexico, South and Central America, is beyond belief. Japan is about to blow; Japan is bankrupt, its financial system is bankrupt. And, it went bankrupt, trying to print dollars to pump up the Wall Street financial market. Japan began printing money at night, loaned them as yen; the yen were converted to dollars; the dollars are dumped as dollars into the U.S. market. In the U.S. market, do they go into the economy? No. They go into *Wall Street*, where they pump up the values of stock prices, and similar things. And, nothing trickles down to the economy.

Let's get that first series of Triple Curves on, at this point (**Figure 1**). This is the first of three curves I'll show you right now. This I developed in 1995, when I was at a Vatican conference on health care, and in the process I submitted this as a pedagogical, because you don't expect nuns and priests necessarily to be the best economists in the world. So, I tried to make it clear to them what I was talking about.

What we have is this: If we measure what we produce and consume, in terms of what are called "market baskets," we have the following picture. By "market baskets," I mean the market basket of household consumption, direct consumption by households. Chiefly physical things: necessarily medical services, which is a physical thing; education, which is a physical thing—you get it in a school, or you get it through a teacher, or something. Also, infrastructure. Not only capital goods, maintaining machinery, but also maintaining the national railway system; maintaining the highway system; maintaining municipal functions; maintaining the production and distribution of power; maintaining water supplies and sanitation, and so forth and so on. That in *physical terms*, the per-capita output of the United States has been *declining* since approximately 1966-67.

Now, this is a simplified picture of it; I'll get to something more actual, physical, in just a moment. But, in this period, we have been skyrocketing in terms of the amount of financial assets. In other words, the financial assets, the so-called "financial values," of the United States, have been zooming, and prices have been zooming, while the *physical content* of the dollar has been collapsing. And this has been catastrophic in the past two years, as many of you know from personal experiences.

This process has been pumped up, by issuing monetary aggregate, money—printing-press money and more recently electronic printing-press money—electronic emission of monetary aggregate, credit. So, now you take the next one (**Figure 2**): This is what it looks like, in terms of actual data, from 1966 on; these are the trends. Next (**Figure 3**).

Okay, now, the change occurred on Clinton's watch. Remember, that 1996 was a disastrous year, where we had to make a turn, and we had an election coming up, and Bill Clinton was supporting Al Gore. And we got Gore. Clinton was re-elected, but things were bad. As a result of the failure to make certain changes in policy—that is, the capitulation to Newt

Gangrene that year, remember? The failure to make certain changes in policy.

We were headed toward a series of financial crises, *global* financial crises. The first one occurred; it was called the "Japan crisis." It was caused in part by George Soros, called the "Asia crisis," which affected the countries of Southeast Asia. China managed to duck that one, by refusing to let its yuan be meddled with, at that time.

Then, we had, the following year, 1998, we had the Russian bond crisis. Now, the Russian bond crisis was largely a gift, indirectly, of Al Gore. Al Gore, as Vice President, had been meddling with Russian politics, and particularly with the re-election of Yeltsin. And he became involved with a very dirty drug-running operation, called Golden ADA, based in California. And, this process led the financing of Yeltsin's "good appearance," shall we say, coming out of that re-election campaign, his re-election campaign, resulted in the 1998 GKO Russian bond crisis, which caused a collapse of a major financial operation on Wall Street. In August, it almost brought the system down—August of 1998.

Well, Clinton threatened, in September, to do something about monetary reform. He threatened, in a speech that he gave in New York, and then he backed down. Which is the worst thing you can do: Don't go to threaten the bankers, and then back down, they'll come to kill you. And, they did! Remember the case of Monica Lewinsky. That was a booby trap, stuck in the basement, which they set off, to try to get him impeached. Because he had threatened to tamper with their financier interests. And, we move, some of us, to fight, and he didn't get impeached—or, he was charged, but he was not impeached.

But, nonetheless, in October of 1998, what happened was, that at a Washington monetary conference, a decision was made to duck the issue. And they resorted to something, which George Soros was involved in, a "wall of money," to try to forestall what was an imminent Brazil crisis, of February 1999. Now, let's go back to that last curve [Figure 3]: Here's what happened: What George had suggested—George Soros; he's associated with "drug legalization" as they call it—what they'd done is this so-called "wall of money" policy: That is, to throw so much monetary aggregate at a collapsing financial system, that you would resuscitate the system by artificial respiration.

As a result of that, by the Spring of 1999, the rate of monetary emission was accelerating beyond the rate of financial value assets, which is what the cross-over indicates. And there was a catastrophic increase in the rate of collapse of physical economy. By the Spring of 2000, it was obvious that this trend, of an acceleration of monetary aggregates in an attempt to maintain the financial system, was putting us into something like a Weimar 1923-style hyperinflation.

But nonetheless, it's continued. And, the system is on the verge of *blowing out*.

Now, because of free will, you can never predict the exact time that something will occur. Once in a while, as I did in 1987—when, in June and July, I said, it is likely we're going to have an October blowout of the financial system on Wall Street like we haven't seen before; and it happened in October, as I forecast, exactly. Sometimes, you can call the shot, that closely, based on your knowing the factors involved. But, in most cases, you can not predict exactly when a crisis will occur, *because there is free will involved*. Now, free will won't make the crisis conditions go away. It may, by use of some factors, delay the crisis—or, accelerate it, to make it come on earlier. A mistake may make it come earlier, or some clever move may make it come later. But, if you use trickery, to postpone a crisis, *you make the crisis worse*. You're trying to light a backfire; you're actually spreading the forest fire. So, that's what happened.

So, as of now, since that period, since the developments of 2000, as I forecast at the beginning of 2001, I said: Since the President of the United States is a dummy, with certain known policies, the crisis which is now going on, is going to become worse. What I'm afraid of, I said, is that under these conditions, which are like Weimar, or Germany 1923 or later, some damn fool is going to try to create a Reichstag Fire event, to distract attention from the financial crisis, and to get some kind of operation in place. And that happened: Sept. 11, 2001.



But, the financial crisis has been going on. And now, we've come to the point, that it's in a terminal phase. Those in Europe are warning about it. More and more voices are warning about it. They all acknowledge it. One points out this fact, another points out another fact. All the facts are true: The system is finished. What the present Administration is proposing, and what the present ten rivals (or, I guess one dropped out recently, Graham) are failing to mention, what the Democratic National Committee *refuses to face*, is the fact *we have that kind of crisis*. And that the George Bush policies, now, will sink the nation!

Some of those fools are going to say, "Well let him sink the nation; we'll get elected." That's not a good way to get elected. But, that's where we are.

## The Threat of Fascism Today

Therefore, the issue now, is, what? The issue comes down to this. It comes down to the same thing that brought Hitler and other fascist regimes to power in Europe, from 1922 with Mussolini, on; and got us into what became known as World War II. Whenever you have a major financial crisis, there's always a danger, of a new type of general warfare. This has been the case, in European history, since the 1780s, since the financial crisis of France in the 1780s. At that point, a banking interest, centered in Lord Shelburne's British East India Company, orchestrated, beginning July 14, 1789, a wave of terror, which later brought Napoleon Bonaparte to power. This terror, the Jacobin Terror, followed by the Napoleonic dictatorship, was the model for modern fascism, or what we call fascism today. The forces that did this, then, were called Martinists. They were run, largely from London, but it was a French-language-speaking group that ran it.

This is the force, which actually, in a sense, brought Napoleon III to power in France. This is the European interest which was heavily involved in creating the Civil War in the United States. This is the interest, which, essentially, was behind much of the orchestration of World War I. This is what brought Hitler, Mussolini, Franco, Laval, Pétain, and so forth, to power in Europe.

And, remember that in 1940, in June 1940, when the British Expeditionary Force, with some French and Belgians, were sitting on the beach at Dunkirk, waiting for the German armored divisions to come clean them out, those armored divisions halted, under Hitler's orders. Why? Why didn't Hitler wipe out the British Expeditionary Force, when he could have? Because he had people like Lord Halifax in London, and others, who were Hitler-lovers, and they had a scheme: And that scheme was, to bring France and Britain into a confederation with Mussolini, Franco, and so forth—and Japan. And to immediately attack the Soviet Union, which they thought would be a quick victory, with such united forces. And then, once the Soviet Union was crushed, to take the combined naval forces of Germany, France, the British Empire, Italy, and Japan, for an attack on the United States. Now, that attack, the Japan part of the attack, was what occurred on Dec. 7, 1941. This was World War II.

And the issue was what? The issue was this: Whenever you have a financial system in crisis, governments are faced with the following problem: If society has accumulated financial debts, beyond the ability of society to pay those debts, then the question is: Who is going to give? Is the government going to intervene, to say that the lives and welfare of its people are its primary responsibility? Or, is government going to intervene, and say, we don't care; if we have to kill people to do so, we're going to pay the debt? And it's that kind of issue, which has hit the world repeatedly since the 1780s, and with the bankruptcy of France, which is facing us again today. Are we going, now, to say, the debts will be paid at any cost? Take the case of Argentina, Brazil, and so forth. Are we going to continue that IMF policy, in other cases? And, even against the people of the United States? Are we going to kill our own people, by economic means, in order to try to roll over the debt, which the Bush Administration and previous administrations have been piling up, against us?

Or, are we going to say, that we go by the Preamble of our Constitution, in these matters? The Constitution, the Preamble in particular, which expresses natural law as it developed in Europe, especially, after the Treaty of Westphalia in 1648.

That, our responsibility as government, under our Preamble, is to defend the sovereignty of our nation, number one. Number two, to protect the general welfare, and promote the general welfare of *all* of our people. And third, to assure these benefits *to posterity*.

Under those conditions, where you had a crisis like this, *government must put the system through bankruptcy reorganization*. That does not mean shut down the banks. What it means is, the following: It means that the government must take the central banking systems into receivership, including the bankrupt, in fact, Federal Reserve System! Our banking system is bankrupt! That's a fact. It's only being propped up politically, by the political impression that we don't dare do anything about it. It's bankrupt. Therefore, the government must put the bankrupt system into *receivership*, for bankruptcy reorganization. Now, you're not going to close down things, you're going to take action to make sure not only that the firm continues to operate, but that the employment and production increases. That is essentially the approach that Franklin Roosevelt took in 1933.

You must defend the people first. You're not going to smash things; you're not going to close banks down, you're going to reorganize them. You're going to keep them in business. You're going to keep the flow of payment of pensions going. You're going to keep the essential institutions functioning. You're going to keep essential businesses operating. And, you're going to make the economy *grow*, so that you can build your way out of the crisis.

That's the issue before us now. And that's what takes the nerve, out of many people who otherwise might be competent candidates for President, under other circumstances. It takes the juices out of them. *That frightens them*. They're afraid of banking!

That was the case, then—in July 14, 1789. Two stooges for the head of the British political system, Lord Shelburne: Philippe Égalité, a cousin and pretender to the French throne, and Jacques Necker, a banker from Lausanne, Switzerland, conspired to organize the siege of the Bastille, to induce the guards to shoot, and to get the mob to lynch the guards. And, that was the beginning of a process, through the British agent Danton, British agent Marat, and others, under British direction, to conduct what became known as the Jacobin Terror, to destroy Britain's great rival, France, which had been our friend.

And that has been the pattern, since that time. It's now called the Synarchist pattern, which it was called during the World War II period, and which it's called today.

## What Cheney Represents

The problem is that what Dick Cheney represents—I think he's idiot: I'll tell you why I think he's an idiot. He's a bully, he's a playground bully, not a thinker. What he did, back in 2002, August-September, I publicly denounced him for fraud, in the case of getting us into a war in Iraq. I said he was a liar—impeachable, or should resign. Now, I've been saying that, as some of you may have observed, with a certain degree of persistence over the intervening months. And it's my information, in the several past weeks, that Dick Cheney has suddenly discovered that I am his oppressor! An indication of that irony appeared on the Federal page of the *Washington Post* this morning. So, Dick Cheney is shaken a bit. And, it's time to say: "Bye, bye boy," again.

Now, Dick Cheney is not simply a bum, though he'd fully qualify for that status—much better than Vice President; President of Vice is not a good qualification.

But, we have another problem: We have a military and related policy, going back to World War II—going back to those two unnecessary nuclear missiles dropped on the civilian populations of Hiroshima and Nagasaki, *which did not do one*

*thing to end the war.* Anyone who says, "A million American lives were saved by those bombs," is a *liar*, or an absolute fool, babbling fool. It had nothing to do with anything. The war was already won. It was done for a different purpose: It was made clear by the author of the nuclear policy, Bertrand Russell. He was known as a pacifist: Kill everybody and call it peace!

Bertrand Russell had a policy of preventive nuclear war. This policy was supported by various people inside the United States government, as well, the right wing, including the Democratic Party right wing, like Truman. The policy was, that we are going to dominate the world, at the end of this war. What we want to establish, with our British partner: We're going to become part of a British Commonwealth. The United States is going to fuse with Great Britain, and Australia, and so forth—become part of a British Commonwealth: "the English-speaking peoples." (Bah! It makes English a bad word!)

Anyway, but, the point was, as Russell said, explicitly, and he said it publicly, published it in September of 1946: The purpose of his nuclear policy, which was the purpose of dropping those two bombs on Japan, was to use nuclear weapons, as a threat so terrible, that nations would surrender their sovereignty to world government, in order to avoid warfare.

That was the policy. That policy continued to be the policy under Truman. And, fool Truman got us into a Korean War by his foolishness. And what we did in this country: We dumped Truman, and told him to "git!" Go back to the haberdashery! We don't need you. We brought Eisenhower in to get us out of that Korean War, but also a nuclear warfare danger.

What had happened during this period, is that the crazy policies of Truman, contrary to Roosevelt's policies, had gotten us into what was actually an inevitable war in Korea, by pushing on the Chinese and the Soviets at the same time. And, it was inevitable that there was going to be a reaction. And the reaction came from both the Soviet and Chinese governments, in the form of the Korean operation, from North Korea into South Korea. This was telegraphed, and this was *forced* into being as a reaction, by Truman. Because they assumed that by using terror of that sort, against the Soviet Union—which they thought did not yet have a nuclear weapon—that they could bully the world into submitting to an Anglo-American world government. And Truman believed that. And they took the risk.

But then, in the meantime, the Soviet system developed a *thermonuclear* weapon, before the United States. At that point, the Bertrand Russell policy of preventive war, had to be called off. Truman was dumped, retired, and Eisenhower, who was a traditionalist—not of this funny-funny type—gave us, with all his imperfections, two terms of peace. And, on the way out, in a speech, he warned against the "military-industrial complex," and that was the funny name for it; it was accurate in description. But he said, "that's the threat to this nation." It's the same threat that gave us Adolf Hitler, and Mussolini, and Franco, and so forth, back in the 1920s and 1930s. It was that philosophy.

That philosophy, today, is represented by Dick Cheney, and the neo-conservatives—by that right wing, which talks about "preventive nuclear war"; talks about using "mini-nukes"; or trying to get a fuss going in Korea, under which [North] Korea threatens to use its nuclear weapons in defense—and then, overnight Japan and South Korea develop their nuclear weapons, and you've got a nuclear warfare in the Korean Peninsula, and Japan. And some idiots don't want peace. This is Cheney! This is Cheney's policy. This is the policy of the neo-conservatives. This is the bunch of fools who are controlling the Bush Administration, today.

That's what our problem is.

So, if you want to get through to next year, to the next election, *get rid of Cheney now!* Tell that man to go! "Go with God, but go!"

The way this policy was shaped, or misshaped under Cheney and Company and the neo-cons, was that when the Soviet system collapsed in 1989-92, Cheney was among the idiots who tried, unsuccessfully, to persuade the President of that

time, President George H.W. Bush, to go for world empire; to thrust immediately for an occupation of Iraq, and to take on the Soviet Union, and establish an Anglo-American world empire, immediately, by an immediate process. The Bush Administration of that time said, "No." Cheney stuck to it. Cheney continued that policy, in various ups and downs, until Sept. 11, 2001.

And the first thing he did, in 2001, is bring that policy of his, that preventive nuclear war policy for world government, for world empire, to the fore again. And, that's why we went into Afghanistan. We went into Afghanistan, not because of terrorism! We went into Afghanistan because we needed to tell the Europeans to give us their support for bases in Afghanistan. We used the fact that the Europeans gave us that degree of support, to set up the basing for a war on Iraq. The war on Iraq was ready to go in 2002. Some of us jammed it up. They postponed it. We got it into the United Nations; that postponed it. Then, they were about to lose their shot: The United Nations Security Council was about to vote on Iraq, on the following Monday or Tuesday. So, on the weekend, Bush was pushed into opening the war, *a totally unnecessary war*. But, a war which was launched for one purpose: To take the United States down the road, toward war: Getting Sharon, the stooge of these neo-cons, to attack Syria; to attack Iran; to escalate the fight around North Korea.

These are ongoing things, now! What is happening in the Gaza Strip, in the Middle East, is part of the same thing. The contention around Sudan is the same thing. The negotiation around Sudan and Garang is aimed to bring down Sudan; if you bring down Sudan, you bring down Egypt: That's what these fools are up to.

The world is prepared to respond to this. Just as fool Truman and his administration got us into a Korean war on the assumption that China and the Soviet Union would not resist, because of the superiority of our nuclear weapons, the same mistake is being made now by the neo-cons and the fools who believe them. If we continue to push in this direction, if we let Syria be attacked, if we let Iran be attacked, if we let the North Korean crisis run out of control, we are going to be in an irreversible process leading toward a general war, which will be, not the war we choose to fight, but the war we impose upon ourselves, as in Iraq. This war will be what's called "asymmetric warfare." It will include mini-subs, hard to find. It will include weapons stuck in the mud on coasts. It will mean all kinds of things that are done in the name of irregular warfare. It will be a general war like the world has never known before. An asymmetric reaction to the potentiality of a global thermonuclear holocaust.

Now, you're trapped between the level where, if you want to fight war, you're going to get all the way to thermonuclear holocaust. If you're not willing to go to a thermonuclear holocaust that destroys the planet, where are you going to go? You're going to try to find the middle ground, which the mini-nukes typify. You're going to try to find a way of fighting war, even nuclear war, below the threshold of thermonuclear war.

Under those conditions, the United States and civilization would be finished. We've got to stop what Cheney represents now. It's the easiest thing to do—just get him to resign.

## **Latest From LaRouche**

### **LaRouche Backs Geneva Peace Moves: 'As President, I Will Stop This War'**

*This release was issued on Oct. 23 by the LaRouche in 2004 Presidential campaign committee.*

Washington, D.C., Oct. 22—Asked by an American Muslim newspaper journalist how he, as President, would "right the wrongs" of United States Mideast policy, Democratic candidate Lyndon LaRouche told his live and webcast audience, "As President, I'll have no problem in dealing with this. I will deal with it. I will sit on it, and I will get the support of enough people in the world that we'll stop it." LaRouche pointed to the current Geneva non-governmental peace meetings of

Israelis and Palestinians as important for governments to support, but stressed that he would be an American President capable of stopping Ariel Sharon's Likud faction from destroying the Mideast and Israel in the process.

LaRouche's Oct. 22 event was attended by 300 people in Washington and hundreds more at satellite videoconferences in the United States, as well as broadcast on the Internet. In Washington, Abdulla el-Amin of Detroit's *Muslim Observer*, asked the candidate, "Mr. LaRouche ... how do you propose to deal with what obviously is an extremely powerful lobby in the United States, in order to be fair in the treatment of the Palestinian people?"

LaRouche's forceful but comprehensive answer follows: "First of all, there is a meeting in Geneva, which is an attempt—with [Yossi] Beilin and others involved whom I've had some cooperation with indirectly in the past on this question—which is an attempt to revive the Israeli-Palestinian dialogue. This is important. I think that governments and others around the world should support it. Not that it by itself is going to succeed, but an effort in that direction opens up the question of what is required to succeed. If you can establish that the intent exists, then I think it can succeed.

"Now, the other side is that Israel has no future under the present policies of Sharon. You have really a Masada complex in action. Sharon is more of a clever thief than a fanatic. He knows how to act like a fanatic, in order to get people to give him things.... But the danger is among the fanatics, especially the religious fanatics, who are always dangerous because they're not in the real world. The point is, if Israel were to pursue this course, which has been assigned to it by the friends of Dick Cheney, the neo-conservatives in the United States principally—it's a part of Cheney's policy, it's a part of the preventive war policy. Sharon is a patsy for Cheney, or for whoever takes Cheney's place in playing that role.

"In reality, as every sane Israeli knows—and every concerned Jew around the world who's well-informed knows—if Israel goes this road, Israel will cease to exist. Maybe other people, too, will cease to exist, but Israel cannot live with the present policy. I know this. I don't think that George Bush the president knows this. I think there are many things he doesn't know.

"But as President, I'll have no problem in dealing with this. I will deal with it. I will sit on it, and I will get the support of enough people in the world that we'll stop it...."

## **'Not a Nickel' To Sharon**

"It is in the interest of the United States that the Middle East war end! It is in the interest of the United States that there be peace among the peoples of the Middle East. It is in the interest of the United States that there be justice for the Palestinians. Therefore, the United States President must express that interest; and he must express that interest with a certain deference to realities; he must look for others to join him in this, and not be dictatorial about it any more than is necessary; but he's got to be firm.

"He would have to say, as I would say, 'Hey, Sharon, I've got news for you. Your water is shut off. You don't get a nickel from the United States from this moment on, until you stop this nonsense. You're not getting anything from us.'

"We are on the side of the Palestinians, because they're the victims in this process. Oh sure, they kill back; but everyone who understands this process, understands that. When you push a people to the brink, you will get irregular warfare. You set the fire: Don't complain about the flames. When you abuse people, you deny them justice for two generations, you treat them as inhuman for two generations, they give up hope and they're willing to commit suicide to fight you, then you are wrong, wrong. You don't do that to the human race. And the United States has to take a clear position on that."

"We have the case of the ship, *U.S.S. Liberty*, which is coming up for discussion now. When the Israelis defied the United States by sinking a naval ship, the *Liberty*—that issue should be discussed again. On the other hand, we have people like

Beilin and others who may not be so nice among the Israelis, but at least are rational, who know that peace is essential.... And the policy of the United States, for its own part, should be, 'We will tolerate nothing but peace, we do not buy your cheap excuses, Sharon. We know what kind of a thug you are. Now cut it out, because the full power of the United States will be applied in appropriate ways, to make you wish you had!' And that's the only way to deal with it.

"We could get support from other nations for such a policy. But what we're not doing, on the Israeli side, is we are not putting our support to those people whose interests and whose actions do correspond to our interest. Beilin typifies those who correspond to U.S. interests. Therefore, we should be supporting the Geneva process, not because it's a guaranteed success, but because it's keeping alive the only thing that will get the Middle East out of this mess. At the same time, we have to defend the rights of the Palestinians, in the way the United States should defend the rights of the Palestinians, not like a bull in a china shop, but consistently. And if we were serious about it, it would help.

## Fire Ashcroft

"The first thing we should do, is, we probably should ask Mr. Ashcroft to resign too. He set up this myth about Arab terrorists being the cause of 9/11, and so forth. A bunch of lies. There's no truth to it whatsoever! There are many people who are in al-Qaeda and other organizations called the Muslim Brotherhood. They were recruited by the United States, as a part of Iran-Contra—together with the British—for the occasion of the war in Afghanistan against the Soviet Union. They were turned loose at the end of these events, and they're around as people who have worked for the U.S., worked for the British, worked for other intelligence services, sometimes because they think they're working for those services, sometimes because they think those services are working for them. Sometimes agents get confused in this way.

"The United States always has access to creating a number of dead bodies, to display on the sidewalks, to say, 'Look, the Arabs did it!' How do you know the Arabs did it? Because we've got Arab dead bodies all over the place here. Well, that probably tells you it wasn't the Arabs. If the dead bodies are Arabs, it wasn't the Arabs who did it, because the intelligence service that did it would have left somebody else there. Japanese or Africans, or people from Mexico. They might do that next, you know? So, the point is, what we've done is we've made this issue worse, by tolerating this absolutely unconscionable, immoral, disgusting attack on Arab-Americans and Arabs generally. This kind of racism. We have created a lynch mob spirit against anyone who's supposed to be Arab or pro-Arab.

"And in this circumstance, when you come around in the United States and say, we want some justice for the Palestinians, and present the case about the suffering of the Palestinians, they say, 'No, no, that's the enemy, that's the enemy! We've got to kill them. That's the terrorists!' And that's our first problem."

## Dialogue with LaRouche

*Here is a transcript of the 2-1/2 hour discussion which followed Presidential candidate Lyndon LaRouche's historic Oct. 22 international Webcast. Moderator Debra Freeman opened the event up for questions to candidate LaRouche, including questions from the floor, from e-mail, which she read, and from other locations where groups had gathered to watch the webcast. The transcript of LaRouche's opening remarks can be found in EIW's "Need To Know This Week."*

**Debra Freeman:** The first question comes from Abdullah el Amin of the *Muslim Observer*, which is a newspaper in Detroit that serves a very large American Muslim population: "Mr. LaRouche, it's a well-known fact that there is a very big difference between the United States' treatment of Israel and Palestine. This has become a major feature, obviously, and a major concern in American foreign policy, and we have committed many wrongs. Do you plan to right these wrongs? And how do you propose to deal with what obviously is an extremely powerful lobby in the United States, in order to be fair in your treatment of the Palestinian people?"

**LaRouche:** First of all, there is a meeting in Geneva, which is an attempt with Beilin and others involved, whom I've had some cooperation with indirectly in the past on this question, which is an attempt to revive the Israeli-Palestinian dialogue. This is important. I think that governments and others around the world should support it. Not that it by itself is going to succeed, but an effort in that direction opens up the question of what is required to succeed. If we can establish the intent exists, then I think it can succeed.

Now, the other side, is that Israel has no future under the present policies of Sharon. You have, really, a Masada complex in action. Sharon is more of a clever thief than a fanatic. He knows how to act like a fanatic, in order to get people to give him things. It's like a hold-up man. He says, he has a big gun, and he doesn't intend to have to actually kill you. He hopes that you'll just submit to that big gun. But, he can be pretty nasty. But, the danger is, among the fanatics, especially the religious fanatics who are always dangerous because they're not in the real world—how can you deal with somebody who's not in the real world? And the religious fanatics are usually not in the real world. The point is, if Israel were to pursue this course, which has been assigned to it by the friends of Dick Cheney, the neo-conservatives in the United States principally—it's a part of Cheney's policy, it's a part of the preventive war policy. Sharon is a patsy for Cheney, or for whoever takes Cheney's place in playing that role.

Because, in reality, as every sane Israeli knows, and every concerned Jew around the world who's well informed, if Israel goes this road, *Israel will cease to exist*. Maybe other people, too, will cease to exist, but Israel can not live with the present policy. The problem is, I know this. I don't think that George Bush, the President, knows this. I think there are many things he doesn't know.

But as President, I'll have no problem in dealing with this. I will deal with it. I will sit on it. And I will get the support of enough people in the world that we'll stop it. The problem has been, and where Clinton failed at the Camp David talks, is: You've got to take the position of the United States. And in my view, his actions were too much playing the part of lawyer for Barak, between Arafat and Barak. He did not take a position which corresponded to the interests of the United States. He forgot in that moment, in his passion to try to negotiate—as a lawyer, perhaps—that he's the President of the United States, and his job is to express the interests of the President of the United States, and of the United States itself, not some wheeling and dealing, not some compromise. It is in the interest of the United States that the Middle East war end! It is in the interest of the United States that there be peace among the peoples of the Middle East. It is in the interest of the United States that there be justice for the Palestinians. Therefore, the United States President must express that interest, and he must express that interest with certain deference to realities, he must look for others to join him in this, and not to be dictatorial about it, any more than is necessary, but he's got to be firm. He would have to say, as I would say, "Hey, Sharon, I've got news for you. Your water is shut off. You don't get a nickel from the United States from this moment on, until you stop this nonsense. You're not getting anything from us."

We are on the side of the Palestinians, because they're the victims in this process. Oh sure, they kill back, but everyone who understands this process, understands that. When you push a people to the brink, you will get irregular warfare. You set the fire, don't complain about the flames: When you abuse people, you deny them justice for two generations, you treat them as inhuman for two generations, they give up hope and they're willing to commit suicide to fight you, *then you are wrong—you're wrong*. You don't do that to in human race. And the United States has to take a clear position on that.

We have the case of the *Liberty*—"Give me liberty or give me death"—the ship *Liberty*, which is coming up for discussion now. When the Israelis defied the United States, by sinking a U.S. naval ship, the *Liberty*, that issue should be discussed again.

On the other hand, we have people like Beilin, and others who may not be so nice among the Israelis, but at least are rational, who know that peace is essential. And the policy of the United States, for its own part, should be, "We will tolerate nothing but peace. We do not buy your cheap excuses, Sharon. We know what kind of a thug you are. Now cut it

out, because the full power of the United States will be applied in appropriate ways, to make you wish you had!" And, that's the only way to deal with it.

We could get support from other nations for such a policy. But what we're not doing, on the Israeli side, is, we are *not* putting our support to those people whose interests and whose actions do correspond to our interest. Beilen typifies those who correspond to U.S. interests. Therefore, we should be supporting the Geneva process, not because it's a guaranteed success, but because it's keeping alive the only thing that will get the Middle East out of this mess.

We, at the same time, have to defend the rights of the Palestinians, in the way the United States should defend the rights of the Palestinians, not like a bull in a china shop, but consistently. And if we were serious about it, it would help.

The first thing we should do: We probably should ask Mr. Ashcroft to resign, too. We set up this myth about Arab terrorists being the cause of 9/11, and so forth. A bunch of lies. There's no truth to it whatsoever! There are many people who are in al-Qaeda and other organizations, which is called the Muslim Brotherhood. They were recruited by the United States, as a part of Iran-Contra, together with the British, for the occasion of the war in Afghanistan against the Soviet Union. They were turned loose at the end of these events, and they're around as people who have worked for the U.S., worked for the British, worked for other intelligence services—sometimes because they think they're working for those services, sometimes because they think those services are working for them. Sometimes agents get confused in this way.

The United States always has access to creating a number of dead bodies, to display on the sidewalks, to say, "Look, the Arabs did it!" How do you know the Arabs did it? Because we've got Arab dead bodies all over the place here. Well, that probably tells you it wasn't the Arabs. If the dead bodies are Arabs, it wasn't the Arabs who did it, because the intelligence service that did it would have left somebody else there. They would have probably left Japanese, or Africans, or people from Mexico. They might do that next, you know. No, the point is, we've made this issue worse, by tolerating this absolutely unconscionable, immoral, disgusting attack on Arab-Americans and Arabs generally. This kind of racism. We have created a lynch mob spirit against anyone who's supposed to be Arab or pro-Arab. And in this circumstance, when you come around in the United States and say, we want some justice for the Palestinians, and you present the case about the suffering of the Palestinians, they say, "No, no, no, no! That's the enemy! That's the enemy! We've got to kill them! That's the terrorists!" And, that's our first problem.

For the rest of it, what I've said goes.

## **How Cheney Undermined the Heart of National Security**

**Freeman:** Lyn, we have several questions which actually raise the same issue, so I'm going to ask them all as one question. The subject is the continuing issue of Vice President Dick Cheney, particularly as it is raised in a piece that appears in the current issue of *New Yorker* by Seymour Hersh: "Mr. LaRouche, Seymour Hersh's piece raises a critical point, that I believe the layman might miss. And that is that, as a nation, as some people know, we spend approximately \$40 billion a year to maintain the capability to provide professional intelligence analysis. This apparatus serves the institution of the Presidency, and has for quite some time. Its intention is to provide an independent vetting process of the plethora of intelligence data that comes our way.

"What is apparent in Seymour Hersh's article is that Dick Cheney ignored the normal and necessary vetting process. By doing that, he did something far worse than simply misleading the American people and the Congress. His actions, we believe, undermined the heart of national security. Although George Bush is too stupid and too corrupt to understand it, Cheney's greatest betrayal was not of the Congress or of the American people, but actually of the President that he serves. I'd like you to address this, because in discussions here"—this question comes from a Washington institution—"we see this



as an extremely dangerous precedent and an extremely damaging one, and we think it provides a far greater indictment of Dick Cheney than the fact that he is merely a liar. Would you please address this, and address possible things that can be done?"

**LaRouche:** This, of course, is that serious. Some years ago, I was aware of the potential of this type, but I didn't think it could get so bad. What I proposed back during the period of the early 1980s, during the Reagan Administration period, I raised again something I had thought about earlier, of the need to establish for the United States an intelligence service institute, in the tradition of West Point, Annapolis, and so forth. That we had to improve the coherence and quality of our intelligence, above that which is available from graduates of private universities. The problem is that because of every division over the understanding of U.S. history in universities, that people going into intelligence services, while they may have other skills—because they are screened a bit—lack a grounding in the issues, or the past centuries' issues of history, which I considered at the time essential to understand certain problems and make certain policies.

For example, if you don't understand the issues of the 15th-Century Renaissance; if you don't understand accurately the religious warfare in Europe from 1511 through 1648; if you don't understand the change in English policy introduced under William of Orange through the inauguration of George I; if you don't understand the issues of the American Revolution as global issues of the time; if you don't understand the issues of the French Revolution; if you don't understand some of the issues of science and science policy; and so forth, you really don't know how to judge processes.

For example, let's take the case of our experience in the United States. Take my lifetime. As I said in California in a similar occasion, that I knew the population of the United States in the 1920s, and it disgusted me, because this "Flapper Era" was morally disgusting. I saw them go through the shock of the 1929-1933 Depression. I saw the effects it had on them. I saw the fear, the change, the abandonment of certain cultural values. For the better, in many cases. I saw the rise of American morale, and morality, during the period up until about the time that Roosevelt left office, by his death. I saw the terror, the disappointment, the sense of betrayal, and *the fear*, caused by the succession of the bombing in Europe against civilian populations, not military targets. The nuclear bombing, the starting of a nuclear conflict with the Soviet Union, right after the war, the right-wing terror unleashed by Truman in 1946. I saw my generation, the people of my military service generation, I saw them turned into wimps by these fears. I saw them flee into suburbia and tell their children never to tell the truth, lest it get you into trouble, or get our family into trouble, or cause your father to lose his nice job, or his career.

I saw, then, the children of this generation, the Baby Boomer generation, who were then still in adolescence, going through the experience of the Bay of Pigs, of the Missile Crisis, where for several days everybody froze. Nearly everybody—I didn't. I watched, like a sole survivor, the spectacle of terror, of fear in my fellow Americans. I saw us go through, and felt, what happened in the assassination of President Kennedy. I experienced the launching of the Indo-China War and the horror that involved. I lived through the assassination of Malcolm X, Martin Luther King, and Bobby Kennedy. I saw the effects of these things on the minds of that young generation entering university age, young adulthood and adulthood at that time. I saw how our people, terrified by this succession of events, transformed our society from the world's leading producer nation into a pleasure-seeking consumer society, which is now a bankrupt piece of wreckage on the landscape, on the beach of history.

I saw these effects, and if you look back at history, and think about how the good things and the bad things are transmitted as influences from generation to generation. I think of my own family, where my direct experiences go back 200 years, to a great-great-grandfather, who was someone notable, who was born about the time that Abraham Lincoln was. He was part of our dinner-table conversation, in the family in my childhood. These multigenerational tendencies extend. They extend, also, through longer periods than mere centuries, or two centuries as in my case. They go back 300-400 years, and longer. The great revival of Classical culture in Europe goes back to ancient Greece, goes back to Thales and Solon and Pythagoras, and then on to Socrates and Plato and so forth. So these long waves of culture have to be understood, to understand what is inside the mind of present generations, in our own culture and in other cultures.

Therefore, my view was that this search for truth, the most important thing in intelligence is, *what is the truth?* And the truth involves the determination to tell nothing *but* the truth, to know how to tell the truth, and to know enough to be able to tell what the truth is, culturally. And therefore, my view was that we need a national intelligence institute paralleling West Point, Annapolis, and so forth, which would ensure that we have a capable corps of intelligence officers of the highest grade for this mission.

What we have, from my experience with people in the intelligence community today, we have an approximation of that. I've made many acquaintances among people who are retired or active intelligence, on many issues. We've had many discussions, and I've been able to gauge this. I think that, by and large, to the degree they have the courage to do so, that our intelligence officers are patriotic and *do wish to be able to tell the truth*. One of the reasons I wish to become President, is to free our intelligence operatives to tell the truth! And not to have to lie.

Therefore, the criticism, the comment made on Hersh's article is more than valid. We have got into a war based on lies. And the criticism is correct: Getting us into the war through lies was already a crime, an impeachable offense. Remember what our law is, on warfare. When our Constitution was framed, the issue of the power to make war was one of the hottest issues in creating the Executive branch of government. And checks and balances were set up in the Constitutional process, to limit the power of the President to make war, so we wouldn't have a George III making war in the name of the United States, as we have suffered before. And therefore, the issue of using lies to induce the United States to make a war that it wouldn't make if it knew the truth, by any elected official, is an impeachable offense per se, and it's an impeachable offense *tantamount to treason*, even if it's not technically treason. Bypassing, in general, using that method to attempt to intimidate and tame the intelligence services of the United States into functioning like a Goebbels information agency, this is a high crime against our Constitution and our nation.

## The Shape of a LaRouche Government 'Team'

**Freeman:** The next question is from a former elected official in New York: "Mr. LaRouche, obviously, regardless of your qualifications for the office, your candidacy—as your past candidacies have also been—is steeped in controversy. Inside Washington D.C. institutions, it happens to be well known that although both you and the several administrations that you have worked with have always maintained mutual independence, it's nevertheless the case that your advice and counsel have been frequently sought. Things being what they are, you are still perceived as the penultimate outsider. To some, that probably is your greatest qualification for office, but for others, it causes nervousness. In an attempt to address this, one thing comes to mind, and I do believe that there is a historic precedent for it in the United States. Would you actually consider naming your government in advance, and actually submitting that to the American people as they consider your candidacy?"

**LaRouche:** Yes, absolutely. I intend to do so. However, the problem is this. I am watching many people. I'm collaborating with many people. Now, people think of Cabinet offices and such. I think of the Presidency of the United States, as I understand it, probably better than most Presidents do, is: The President of the United States, if he's a serious thinker as I am, particularly one who has to make major changes in the policy of the nation, realizes that he as an individual, sitting in the office of the President, can not by personal will bring about the changes that he selects. You not only have to have people willing to carry out instructions, but you have to think about the way they will carry them out, ineffectually or effectively. Therefore, my primary concern which I'm concentrating on right now, and have been for some time, is to look at especially experienced officers in government who I would consider the people I would want to place in various key positions in the government, in order to have a team, the way that Franklin Roosevelt went into office, in creating a team.

The time for making that kind of statement will come soon. I think it's on the way now. The problem has been, that people who should have been openly discussing with me in this way—where I can really look at them for the purpose of creating a team—have been intimidated by what goes on in the Democratic Party machine itself. There should have been a process

of discussion inside the Democratic Party, among the candidates, from which I was excluded from direct participation. And you saw what it did to the other candidates, they're all incompetent, from lack of my participation. Some of them would have been incompetent anyway. But, the fact that we didn't force the issue of discussing the policies meant that the kind of policy discussion which should occur in shaping and crafting a new administration, as I conceive of the Presidency, was in a sense hampered.

I would hope that people who share the concern expressed by the questioner, would find the courage to talk to me directly about this, because I think they have something to contribute to this as well. I need a team to run the U.S. government, a team which assumes the same general type of responsibility, as a team, which President Franklin Roosevelt's selections did for him, in his time. I need that team. I need a team, not only of people who will be part of government, but also a team of people to whom I can turn, in the Congress and elsewhere, and other sources, for the best advice, on how to handle something, as well as what to do about it.

**Freeman:** From Rep. Joe Towns of Tennessee: "Lyn, what should the Democratic Party as a party be doing, as it relates to the leaking of the name of one of our covert agents? Obviously, that agent could have been killed, her contacts could have been hurt, and our national security has been seriously compromised. Could you please address this?"

**LaRouche:** Obviously, the motive for the leaking of the information was clear. The motive is clear in terms of the policy source from which it came, and from the nature of the combination of capability as well as interest. This should be pursued, in the way it's been proposed by others—I don't have to add to that. I just endorse it. It has to be done. We have to get to the bottom of this.

But I don't think it's just one person we're looking at, as indicated by the Hersh article. We're looking at a complex of people, who are complicit in letting this happen, and this means people in the press. See, any person in the press who knows this has happened, who has received that information, should be able to contact discreetly an FBI office based in Washington, D.C.—without the Attorney General being involved; he should recuse himself on this—and be able to say, "I heard the following information from so-and-so."

We do need an adequate investigation, but we've got to get not just one individual as a scapegoat. We've got to get the rats' nest cleaned out, because this couldn't have been done otherwise.

## Solving the States' Budget Crises

**Freeman:** This question is from Eric Fleming of the Mississippi House of Representatives: "There's been a lot of talk of a Federal bailout for the states, to help them deal with the current fiscal crises that they face. Do you have a plan, an approach concerning this issue?"

**LaRouche:** Yes, precisely. Remember, the states under law, under our Constitution, can not operate under a deficit. The power to deal with these kinds of situations therefore lies exclusively with the Federal government. The Federal government under our Constitution is the only agency which can create debt against the U.S. government, or its subsidiary agencies of government. Therefore, what we need is the following: we need an emergency legislation, Roosevelt-style, which faces the fact that at least 47 states of the 50, are more or less bankrupt now. That is, they're unable to fulfill their responsibilities to the state and its people, within the framework of the present sources of income.

And, of course, the Federal responsibility for this, has been curtailed greatly from the Federal side, by these crazy fools who came in with deregulation. There were many ways in which the Federal government successfully absorbed responsibility for assistance to the states in former times: health care, education, transportation, many other things. We

created Federal facilities, which absorb things. Many of these things were thrown back to the states, and the states were victimized by an insane economic policy, which destroyed the nation as a producer society, and said that we can be a consumer society, living on cheap goods, produced by cheap labor, imported at cheap prices from abroad. We destroyed our farms; we destroyed our industries; we destroyed our infrastructure, and so forth. So, in this case, the Federal government must take action, which is like financial reorganization of the budgets and debt of the states. We have to help them.

But the other thing is more crucial: You can't do this unless you've got a way of digging your way out of the hole. And if we were to simply approach the states' deficits and their debt now, from the standpoint of bailing them out, it wouldn't do much good, because the states would remain as bankrupt afterwards as they were before. Going into bankruptcy systemically is not an event that happened to them, it's what they're doing. They're becoming more and more bankrupt.

So therefore, *we have to change the economic policy of the United States from the top down!* We have to go back to becoming a producer society again, we have to have large-scale investment in infrastructure, as I've indicated: That means power generation and distribution, a Federal program of power generation and distribution, a re-regulated power and distribution system for the nation. Assigning the authority preferably to the states, and to state public utilities, which are regulated for this purpose. This means also rebuilding our national rail system. This means large-scale water management projects, including sanitation that goes with water management. It means these kinds of measures, which, therefore, will act as a stimulant for the economy of the state, so that we can see our way out of the bankruptcy of the states.

The way to do that is to employ more people productively. If you go into a state, you build power stations, you build distribution networks in a regulated way, you will attract savings into public utilities—if we protect them again! Remember, public utilities used to be the safest thing for aging people to invest in for their retirement, or contingencies. They had fairly low yield, but they were secure. There was no gambling involved. They were almost as good as gold, next thing to a Federal bond. We create that again.

When you build a large project within a state, as the Tennessee Valley Authority development is an example of this from past history, you stimulate all kinds of private investment and activity and employment in the state. What you have to do at that point is have some kind of a master draft policy, of how are we going to increase the amount of employment in the state sufficiently to bring the state back into balance on essential services? How can we use Federal responsibility for assisting in large-scale infrastructure projects, to stimulate the state economy, to stimulate the by-product development of private businesses, which gives you the overall employment?

So what we need is a national reconstruction policy. And then, a plan to fit the policy, which says that the Federal government acknowledges its responsibility to assist the 47 virtually bankrupt states—maybe there's 52 of them now; you know, maybe some of them are bankrupt twice, like California—in getting out from this mess, and the policy is to help them reorganize their finances, their debts, by Federal assistance, to develop large-scale infrastructure projects which are appropriate to each area, to help stimulate the employment in each state; and to also find enabling legislation, by the states and by the Federal government in cooperation, which stimulate and foster increases of employment.

The essential thing is to get enough people employed, at sufficiently skilled levels, so that the total income per capita of the state exceeds the operating budget of the state. On that basis, then you can go in with the Federal government and say, we can reorganize the debts of the states, we can get them through this mess, and we can do it as you do in any good bankruptcy reorganization: You reorganize the bankrupt, on the basis that he's going to *come out of it alive*. Therefore, you've got to fix what's wrong. The indebtedness is the result of wrong policies. We are willing, and must be willing, to move in to help the states get out of the mess created by wrong policies. But, we and they must eliminate the wrong policies that got us into the mess in the first place.

**Freeman:** From Rep. Walton of the Missouri House of Representatives: "Mr. LaRouche, when the Congressional Black Caucus had their candidates' debate, what reason did they use for not inviting you?"

**LaRouche:** Money! The real reason is they weren't going to get money if they did, and terrible things would happen to them in the Congress and elsewhere, if they didn't go along with that. It's that simple. Straightforward blackmail muscle. Thuggery, in short!

And, there are promises of money.

Look at the whole thing that was done with the Black Caucus operation. The thing was filthy. What the Democratic National Committee did, was a bunch of filth. They were going to set up some side-shows, and "you guys who behave yourselves can come to these side-shows if you obey our rules." You pay! We take your money. We take away the freedom of legitimate organizations to run their own affairs, to say "We want to have a meeting with this-and-this person." Isn't this supposed to be a democracy? Do you have to go to the Democratic National Committee Goebbels or Himmler, to get permission to meet? No, no! You have to have approved meetings! Terrible things will happen to you, in the Congress and elsewhere, in the state legislatures, if you don't go along. "Buddy, you go along to get along, understand?" It's that simple.

**Freeman:** The next question is from somebody who is a good friend of this movement, and who is very well-known here in Washington, D.C.—Dr. Abdul Alim Muhammed of the Nation of Islam: "Lyn, what is your position on therapeutic cloning, as opposed to reproductive cloning, as the basis for regenerative medicine to deal with some of the diseases of old age?"

**LaRouche:** I think you use therapeutic stem cells, self-stem cell operations, and things like that: Of course we're for it; absolutely for them. It's needed. You know, you have people who are suffering. I don't know what effects it can have on the onset of Alzheimer's disease, for example, or other kinds of degenerative diseases, but certainly, if we can do that without doing something morally wrong, why not do it? It's being done in some places in Germany, I understand, with some degree of success. I think what we can learn from this research in doing this, would be very helpful, perhaps, in finding other things.

Remember, the problem here is, we really know a lot less than we think we do, in terms of living processes. You have people running around who don't know what the difference is between a living and a non-living process. And that's not just an easy question to answer, but it's an easy question to settle, that there is a difference. We don't know what the difference is—only man is capable of ideas; no animal is capable of actual ideas. No living process, except man, is capable of ideas. No species, but man, is capable of developing a cultural development process.

If we were higher apes—which Cheney looks like, or maybe lower, I don't know—but, in any case, if we were higher apes, there would never have been on this planet in the past 2 million years more than about 3 million of us. That's our species potential, if we were apes. There are now reported to be over 6 billion people on this planet. How did that change come about? As Vernadsky, the great Russian physical chemist, defined this: He said, the process of the human mind is a process of efficient power over nature, over both living and non-living processes, which ultimately will dominate the Earth, and transform it. There's something in the human being which distinguishes the human being from any animal. We can prove that that's the case, but if you try to define it in a physics textbook, we don't know. Just as if you try to define life from the standpoint of physics, we don't know. We know the difference between life and non-life, but we don't really understand the difference in those kinds of terms. We know that the human mind is different than the mind of a monkey—Cheney excepted—but, we don't know in physical terms what that difference is.

So therefore, in these areas, where the concern is to preserve human life and to enhance its function as human life—we have

friends right now who are faced with death. And it hangs on: Can they get the kind of medical assistance, does it exist, which will deal with the problem, which is definably curable or controllable, but can they deal with it? Do we have the means? Can they have access to the means?

Questions on this kind of research and development? Yes, *we must develop protocols*. We must define protocols which sustain life, not experimenting with human life as such, because we don't know yet what we're playing with. When we're doing something therapeutically, we know what we're doing. We have a standard through proper protocols, but when we try to reinvent life without knowing what life is, then we are behaving like dangerous fools. And, I think that distinction is sufficient.

## Ashcroft: The Tradition of Nazi Law

**City Councilman O. Mays, Cleveland:** Mr. LaRouche, I have two questions, and I'll make them real brief. One, you spoke in reference to the Black Caucus which did not invite you to the candidates' debate, and you alluded to the fact, that some of it was, I guess, they have no backbones. And that doesn't seem to emanate only from the Black Caucus: It seems to emanate from Washington, D.C., period. And that is, with the Congress as well as with the Senate.

Having said that, I would like for you to respond to the fact that: Do you feel that Bush has, the Congress, as well as the Senate,—kind of, I wouldn't say baffled—but afraid to speak out, because he has said that anyone who challenges him is unpatriotic?

My second question is in reference to Ashcroft, the Attorney General: Do you feel that he's trampling over the Constitution? I'm a little discombobulated, as to whether he knows his role as Attorney General, or does he still feel that he's in the Senate making laws? And I say that, in reference to a statement that came out in a paper, where he spoke about state and Federal prosecutors as well as judges, not giving longer sentences and being more aggressive in their prosecution. Please respond to those questions.

**LaRouche:** It's fear in part. It came from the Democratic Party, more than the Bush Administration. I mean, the Democratic Party, what they did in thuggery, the Democratic Party did to the Democratic Party. It didn't require Bush. Now, if you want to point at who did it, well, take Al Gore and Lieberman. They're two of the people who typify the forces that did it. I don't know how Joe Lieberman got to be a Democrat. I understand he was elected largely by William Buckley and some right-wing Cubans at the tip of Florida. This does not, in my view, qualify him as a Democrat. And there's a lot of questions on that issue. Gore—I know Gore. I know Gore.

What you have in the Democratic Party, among the so-called right-wing Democrats, you have something just as bad as you can find on the other side of the aisle among the Republicans. So, this was not Republican pressure, on Democrats to be bad. This was Democratic right-wing pressure, to be bad. And people like Lieberman and Gore were, to my knowledge, at the center of this operation, insofar as it was anything involving my name. They have been the problem. There are other people, like Don Fowler from South Carolina. We know him, he's a racist from down there. He's part of it. He should have gone with Nixon years ago. I don't know what happened, some misunderstanding.

Anyway, on Ashcroft. You can't make any apologies for Ashcroft. He's pure bad—the "Crisco Kid." This fellow, look, he was trained at the University of Chicago. He was trained under the influence of Leo Strauss and company, that crowd. He represents the tradition of Nazi law. His thinking is in the tradition of Nazi law. So therefore, this man has no business being in any public seat, any public office. We don't need Nazis in the United States!

On this other thing on the state and other prosecutors, the guidelines I referred to in my remarks today, the first and second

set of guidelines, you had a dictatorial procedure by the right-wing on the Supreme Court, supporting from the Justice Department, a guidelines policy which actually became a headhunters' policy. It became a scorecard for prosecutors. How many years of imprisonment can you get, how many dollars of value can you confiscate, or take in some way or the other? And that would be the score, which measures your performance as a prosecutor, especially in the Federal system, spilling over into the state system. So, they set up a score-card system, and took sentencing out of the hands of the judges, corrupted the courts, and so forth, so we have a system of justice which, as I've described it, is in its effect more criminal than the criminals. It's doing more damage.

Now, Ashcroft represents that. We had Newt Gangrene, and you have the "Exterminator" Tom DeLay. That's his profession, as exterminator. He used to be a pleasure-seeking exterminator. Now he's trying to exterminate the Palestinians. You have the same thing with Ashcroft. You have people who, if our voters had their rights senses and their parties had their right senses, these fellows would never appear in politics. You know them. You wouldn't want them as neighbors, let alone running our government.

And the problem here is, well, let's come back to what my role is. I do things that other people don't have the guts to do. And if you don't have people who do as I do, if you don't have people in leading positions who have the guts to do what other people in politics don't have the guts to do, then everybody runs scared. And we have a bunch of frightened people in politics—most of you who know anything about politics know why, And we have very few of us who have the guts to stand up.

There's this principle called the "Sublime" in Classical art. Take the case of the mountaintop speech of Martin Luther King. Once Martin was taken from us, what happened to the civil rights movement? It disintegrated at the top, even people who had been top leaders stopped being top leaders and began running off into their own projects. Because a Martin Luther King, who had the guts to be a leader, who had a sense of the Sublime, who said, like Jeanne d'Arc, that rather than betray this cause, I will face death, even horrible death, rather than fail this cause. In politics, you have very few people with a sense of the Sublime. It's a part of the rottenness of our culture.

You see, people say, you earn pleasure, you earn rewards, you earn money, you earn honors. You work for those. That is not morality! Morality is doing something because you know you should do it, and because you derive pleasure, motivation, and satisfaction *from doing what you know you should do*. You don't do it for a reward! You do it because it must be done! It's called mission orientation, it's called that in German military practice, or it used to be: mission orientation. You do what must be done, because you know it must be done, and you're there, therefore you better do it.

Most of our politicians do not have the moral courage to do that. Some of them call themselves religious. What does that mean? They say, "I go by God." Well, if you're working with God, then why don't you show a little more courage?

**Freeman:** As I said when we started, that there were satellite meetings going on in various places. Some of them have just sent greetings that I thought we should acknowledge. In Hermosillo, Sonora, Mexico, Alberto Vizcarra and Leonardo Espicia have sent in a message saying, "After a few minutes delay, we were finally able to link up with you. We have a meeting here at the University of Sonora, with over 35 students, and we just wanted to tell you that we are online. We send our greetings to you from here."

We have also a message from Elodie Viennot in France, saying that there are 30 students and others gathered in Rennes, and they are submitting some questions. We have a number of questions that I will try to ask from the satellite meetings in Detroit and also in Los Angeles. I want to welcome all of you to this ongoing discussion. One of the questions submitted comes from Isabel Moreno, who is a Salvadoran resident of Washington, D.C., and it echoes some other questions: "Mr. LaRouche, if you are elected President, how will you solve the problem of immigrants in the United States, whose rights have been restricted, and in many cases, almost exterminated? We consider this to be an abuse of human dignity and

human rights, and we would like your comments on this."

**LaRouche:** The basic answer, I gave in a pamphlet which was published in California, and around the United States, on the question of the relationship of Mexico to the United States. Now, in California and the Southwest, the largest single group of Hispanic Americans is from Mexico. They're citizens, or have been for some generations, even; or they are legal immigrants; or illegal immigrants from a second or third generation now, working inside the United States. They work here, partly because of choice, that they like to be here in the United States, and because of a lack of choice, that they can't get a job any place else. And therefore, in California, for example, whole states in Mexico are largely supported, the majority, by remittances from Mexicans working in California, back to their families.

This is partly a result of a destruction of the economy of Mexico since 1982, by policies introduced then. The same situation becomes a little bit more horrifying, when you go into Central America, where the states have less power, in a sense, than they do in Mexico. And as you see, Ecuador is practically a failed state; it's not functioning; it's been destroyed. Bolivia is now being destroyed. Colombia is more than two-thirds destroyed. Venezuela is in the process of being destroyed. Argentina has been wrecked—remember, Argentina had the fourth-highest standard of living in the world in 1945—look at it today. Brazil is still holding up, but threatened; and so forth.

So, we have a general problem throughout the Americas, which is consonant with what I wrote about the relationship between Mexico and the United States. There are two things, obviously—just to generalize the answer: one, is that we have to be concerned about increasing productive employment and development in the countries, which are suffering these problems. Secondly, we have to develop a consciousness, as well as a practice of law, in the United States, which recognizes the intrinsic rights of human beings, in the way we treat human beings.

For example, this whole questions of illegals from Mexico is a part of the problem. Illegals came into the United States from Mexico because people wanted, in large part, cheap labor—this is before the *maquiladoras*. And so you had people importing these; it's almost a slave system, packing somebody in a truck or rail car, and slipping it across the border. And often letting them die, rather than get the purveyors caught. Absolutely inhuman conditions! We have the drug trafficking across the border, which is largely tied to this kind of problem from the Americas. And therefore, we have to take an attitude—from the United States—and I hate to say this over and over again, but if I'm President of the United States, this is going to change.

It will change for two reasons. It will change because I will act to change it; and I will get support from institutions in the United States to do that. It will change because my saying so will give some of these other countries the gumption to stand up and do the things on their own behalf, which enable us to provide cooperation with them, to solve these problems.

The worst problem you face—in places like Africa, Sub-Saharan Africa, where genocide is rampant, or effective genocide going on in South and Central America, through economic and other means—is that the people who are the victims become engaged in their own self-destruction, out of pessimism.

We must once again become what we were at our founding as a republic. We must be a "temple of liberty, and a beacon of hope" to other nations of the world. If the President of the United States says, "In the Presidency of the United States, you have a friend who cares about you. Let us find out how to work together to solve some of these problems"; then the factor of optimism engendered in the people of these countries will be a major contributing factor to our ability to help them do something for themselves, or help them on our own part.

## Giving a Future to Youth



**Freeman:** Lyn, this is a question from a young man by the name of Don Gonzales, who is a political science student at the University of the District of Columbia, and who has formed an organization called "Mental Warfare," which is "designed to enhance community awareness and encourage youth organizers to achieve financial independence in the Latin and Black communities." His question is: "After factors such as slavery, poor education, and poverty, the Latin and black community finds itself in "social mud," preventing significant progress on the American social ladder. We went from being enslaved to, in an abstract sense, enslaving ourselves, through poisoning ourselves by becoming minority drug dealers and criminals; rejecting the American System, etc. What we need, though, is more than a change in politics. We need self-empowerment. How would you help young people of color, who are still affected by the issues that I mentioned above, operate and turn their communities around, and gain political clout, and become fully respected citizens of this nation?"

**LaRouche:** Well, it's very simple. I'm already doing it. We just have to get the word spread out a little more, and the activity spread a little more.

What I did some years ago, was to form the beginnings of a youth movement in the United States. What you described is the kind of problem which could be dealt with by a youth movement; not on a parochial basis, but on the basis of everybody the same. What we have in the Youth Movement as it is, we have people from every kind of condition and background you could imagine. They're all in it. And they're in it together. What you have to do is break down the barriers; because the very fact that you accept the idea that "we are an underclass," is an impediment to your rising above it. You have to think of yourself, not as a victim of the past; you have to think of yourself as a *person*.

You're living now! You can not carry the burdens and sufferings of the past inside you, all the way through life. You've got to think about developing yourself *now* as a person. And think about the fact that your achievement as a *person*, does honor to your ancestors. You give *meaning to their life*. They're dead. But shall they be buried as if they were nothing? Or shall you be something, coming out of them, which makes their having lived, meaningful?

Therefore, my view is, we have a youth movement which is functioning. It's a pilot movement; but it's shown some claws and teeth, in California and elsewhere. We can do the job. The program on which we're embarked will work; it must be further developed and enhanced. But my remedy is this. We must take youth in the United States—especially those in the university age group, 18-25; where they feel like adults, they don't feel like adolescents any more, and sometimes that frightens them; but they feel like adults, that is, they have an adult sense of identity, an adult sense of the desire and capacity to act; but they also feel, extremely, that they have much to learn, much development to do; that's a wonderful combination.

We have an older generation of Americans, called Baby Boomers, who have retreated into pleasure society, into a consumer society, into a no-future pattern.

So therefore, what you have to do as young people, is, you have to think about what you are going to do for society, not what's going to be done for you. What you have to do is locate your identity—the first thing you're going to do, by doing a good job as a youth movement; and I think there should be a sort of a national youth movement coming out with all kinds of people being involved in this process—what you should be doing is awakening the semi-dead. Your parents' generation; who are now trying to find a new sex, or some other form of recreation, to replace the ones they've used up. To give them back their souls, in the sense that you are their future. That your children—their grandchildren—are their future. They're going to die; we're all going to die. Our future is expressed in our children and grandchildren, and humanity at large.

What youth can do, is to try to reawaken, in a soul-dead generation called Baby Boomers, to reawaken in them a sense of the future; a sense of what they can contribute *now*, to helping to build a future, even by voting the right way, or some foolish thing like that!

And therefore, if you have a sense that you are on a mission in life, to give rebirth to this nation; to give rebirth to humanity; and you are together; the fact that you have many differences in background is a plus, not a minus. The great strength of the United States lies in the fact that *we were created as, and still are a melting-pot society*. We are not a collection; we are not a zoo of different races on exhibit, each trying to fight for a better condition in our cage! Let's not build cages around ourselves!

Let us realize we're all human; we're all the same; we all have the same potential, biologically and otherwise.

**Freeman:** One of the things that has caught the attention of many people in the United States, is the role that youth are playing in Mr. LaRouche's Presidential campaign. I think that probably one of the most notable things about the campaign that Mr. LaRouche ran in California, to defeat the Recall, was that it was a movement that was staffed, almost entirely, by young volunteers from the state of California. It's something that has inspired people; it has given many people in the United States renewed hope; and I think that above all else, it really does signify that this Presidential candidate, and this campaign, belong to the future.

In line with that: At the last webcast, we started something that I think should become a general procedure in the course of these events. Rather than having me entertain questions from the Youth Movement, this movement—as it operates nationally, has its own leadership, and gives itself direction—and I think it's more appropriate that they conduct this portion of the webcast.

I'm going to ask Lyn one more question, that was submitted by Sen. Joseph Neal of Nevada. While I'm asking and Lyn is answering that question, I'm going to ask LaRouche Youth Movement leaders Alex Getachew and David Nance to come up here, because I want them to conduct the next part of the discussion. Senator Neal's question is: "Many states, including the national government itself, are supporting privatization of government services. What's your view of this issue?"

**LaRouche:** No privatization. Privatization is a modern term for what used to be called castration. Taking away that which is essential!

It's crazy. Fifty percent of any sane government's operations in the economy, are by government. Think about what the physical components of economy are. A privatized economy, as I said, is a castrated economy—and you're living in one now, that's why we're bankrupt.

Think of what is involved in an economy, that is, in total domain, it can not be privatized effectively.

Mass transportation: You're servicing an entire area of a nation. To what company does that belong? It's a nation. Generation and distribution of power. What, do you have a business decide who gets power and who doesn't? No: in order to have productivity, you must have a certain availability of power, of a certain quality and reliability, for an entire area. Because the ability of a firm to be productive depends upon the public infrastructure in which it lives, which includes power. Do you have water management in one neighborhood? Or is water management a responsibility of the nation, or of the state? Do you have a private city? Or is the city a composite of many private interests, which requires public services, which depend upon government?

So, therefore, when you add these things up—education, government, health care, and so forth; those things which have to be public by their nature—this amounts to about half of the total economy. So therefore, half of a national economy can not be private. It can be privatized only in such forms as were used in the past: for example, public utilities.

The Federal government and the states agree that certain kinds of utilities can be created by the states. So the state creates,

say, a power utility. Or a group of states creates a power utility as a joint operation. That power utility is to provide the necessary power for that region. The government undertakes the launching of it; then brings in private investors—savers, essentially—who invest as capital in this public utility. Now the community has a public utility; the state, or group of states *regulates* the public utility, to regulate it functioning, is responsible for it. The people who invest in this kind of thing are usually people who don't want to lose their money, they want a secure investment. And since the government is intervening to supervise it, they feel protected. And they used to *be* protected; it used to be a very advantageous way to have things. Roosevelt improved this greatly.

So, in this area of large-scale transformation of the area of the United States as a whole, these must be the functions of government. And, if you try to privatize them, see what you get. Look what you got with the privatization of energy. Look at what happened with Enron. Look at what happened with our energy system as a result of privatization. Look at what happened to our railroads as a result of a similar process. Look at the whole process: It's been one catastrophic failure after the other.

And also, in looking at the present reality of the situation: We have to revive the U.S. economy. The one thing that government can do most effectively, is to use the public credit of the Federal government to generate large-scale infrastructure projects which are needed. And these are big items. We're talking about a power plant: you're talking about a considerable amount of investment. You're talking about a water project; about things of tens and twenties, and thirties of billion of dollars in an area. These things, as projects, involve subcontracting by private agencies. They involve the employment of people in each community they're done in. These things, therefore, create a market, a private market, which can then flourish. And the problem before government now, is that we have to increase the productive employment, largely through capital improvements in the U.S. economy, spectacularly—in order to work our way out of the bankruptcy we're in right now.

And we can only do that through *public* investment, as distinct from private. Yes, private investment is important. Government must mobilize credit to assist private investment through local banking. *But*, over half the job must be done by the Federal and state governments. And the states can't do it without backing of the Federal government.

## How Do You Keep Your Morality?

**Freeman:** Okay, I'll come back at the very end, but at this point, I'd like to turn the podium over to Alex Getachew and David Nance, who are two leaders of the LaRouche Youth Movement.

**Alex Getachew:** So at this point, I would ask members of the youth movement, and other youth, who have questions, who haven't yet submitted their questions in writing, to line up and someone will take down your name, and you'll be called. We're going to alternate back and forth between questions submitted in writing, and questions that will asked live.

So, I'll at this moment read a question asked by Nicole from Philadelphia: "You were talking about what you saw through your life, seeing Americans lose their morale, and the society turning to a consumer one. Well, what gave you the ability to keep your morals, and your mind? If everyone around you was turning into cowards and consumers, then how did you turn into one of the most straightforward, influential, cognitive people in the world?"

**LaRouche:** I was stubborn. I've told this story many times, you know. My poor parents are dead, so they needn't feel hurt about what I'm about to say. But I found out early in life, that my parents lied most of the time.

Now, the way this lying occurred was not unique to those times. It was based on being popular. So, what would happen is, you'd have company in. And I observed this from an early age. And my parents would lie to the company, and the

company would lie to them. And as the company would leave, everyone would say, "We must do this soon again." Once they had left, my parents would begin gossiping about the company. And in similar ways, I discovered that among parents, other adults, peers of my own age, and so forth, they were lying most of the time.

So, teachers lied. Everybody lied. It was obvious. So, I either had to go along with the lying, or get into trouble. And I got into trouble. And I got into a lot of trouble. Not serious at that point, but trouble. I became very unpopular, called all kinds of names. I stuck to my guns.

And I found around me, friends who I otherwise liked, had this weakness. That, when faced with the pressure of what they considered popular opinion, they would remind you—you know, in those days I knew something about the Bible, you know. As a matter of fact, I was heavily exposed to it, at that time. And I thought about Peter, and the cock crowing thrice. And I used to think of my friends Petering out.

**Getachew:** Please tell people who are you, and speak up.

**Q:** Hello, my name is Steven Jeffrey. I'm from the Philadelphia office. Hello, Mr. LaRouche.

You've described a long lineage of this Synarchist movement, and one aspect I have trouble grasping, is: How you can prove the actual intent of these people, to destroy what people are, what we represent, and what we can do to progress? I've got a little bit more to that.

Or, how you can prove that they've been deployed specifically against certain individuals? I mean, I guess it becomes clear. But, on the side of that, for my own good, you've covered a lot of ground today, and in my general work, I have trouble retaining what I study. I find that when I'm doing research for an actual—like, if I'm going to teach, you know, or if I'm going to do research to have a discussion with somebody, I find that I retain, it gives form to the stuff that I'm studying. So, what kind of mission can you, I mean, how do you direct yourself in a mission that will pass through from one event to the next?

**LaRouche:** This goes back to a very interesting problem, the problem of why did I insist on Gauss's 1799 paper on the Fundamental Theorem of Algebra, in which he attacked Euler and Lagrange, among others, as incompetents.

And remember that Euler and Lagrange are generally accepted, by reference, as a standard for mathematics and scientific instruction, in most of the world today. And they were incompetent.

Now, what's the issue of incompetence here? There are two sides to it.

The first side is the formal side, which you can get actually from going through the exercises, replicating the exercises, which Gauss used, and others, to understand the problem. But the other thing is the question of emotion.

You see, the problem in mathematics instruction, is, people say, "Let's keep emotion out of this. Let's go to the blackboard and prove, deductively, what is true, and what is not true." Now, after you've gone through the deductive proof, do you believe it? It's been proven apparently.

You say, "Yes, I know the proof. Wait a minute! I know the proof, I remember the proof, I remember the proof." But, do you believe it?

For example, let's take the classic case, the case of Kepler's discovery of gravitation. Now, Kepler's observation, of course, was that the Mars orbit was essentially elliptical in form. Now, the characteristic of an ellipse, is that it is not a regular action, subject to simple deduction, and there'd been a lot of work done on elliptic functions. An ellipse is a very simple thing. You make a cone, and you have circles, and you have parabolas, hyperbolas, ellipses. And these are all cross-sections of a cross-cut of the cone, or the surface of the cone.

What is so mysterious, then, about why can't you explain an ellipse, the way you would explain a circle? You can't. Why not? Because the ellipse is actually changing its trajectory in most fine, instantaneous moment. It's changing direction, and in the case of the planetary orbits, also speed. Constantly changing.

So, therefore, you can not use a simple deductive approach. You are now forced into the complex domain, to understand how this thing works.

Now, what does Kepler say about this? The other fellow tries to explain by going to the *Mathematica*, and making a construction, or something like that, to say, "Look, I can construct this formula to make it work, make it fit, make it curve-fit." But it's bunk, it's garbage!

What's the key thing? Kepler said, no. This shows that there is some intention that we don't see, which is not accessible to the senses directly, which is causing this behavior. That became known as gravitation. And then you discovered other things from it.

So, this intention indicates motivation. The discussion in the Gaussian case, the study of can you double a line, within the definition of a line— No, you can't do it. How do you double a square, by construction? How do you double a cube, by construction? This poses questions of powers. It's like the Kepler case of discovery of gravitation—it gets you into a new dimension of thinking. What is the *intention*? What is the motive, which creates these new forms, or these anomalous forms?

The same thing is true in drama, in Shakespeare. Can you grasp it?

Let's take the case of Jeanne d'Arc. I used that the other day—it's an excellent case: The concept of the Sublime.

Jeanne d'Arc embarked upon a mission for civilization, to end the condition in which there were no nations, by going to this king, the Dauphin, who was qualified as a semi-king, and saying to the Dauphin of France, "I want you to make France a nation." He said, "What do you want from me?" She said, "I don't want anything from you. God wants you to do it, to make France a nation. To free France from occupying powers, to make France a nation."

This is real life, as portrayed by Schiller in the drama, actually. There's one slight change for dramatic purposes, in the conclusion of Jeanne d'Arc, but it's merely a technicality from this standpoint.

Jeanne d'Arc, at some point in this trial, this Inquisitional trial, was told that if she would capitulate, that she could escape death. And she, knowing that the punishment would be being burned alive in the public square, said, "No, I can't. I can't."

And she accepted death, or faced death, willfully, for the sake of mankind.

Now, that is intention. That is passion.

What we have is deductive learning, the way we behave. We feel if we can make a cheap explanation, a nice insincere, but persuasive explanation of something, we can get off the hook—and that's where the problem lies. Knowledge is not a matter of deductive proof. Knowledge is a matter of *knowing* that it's true, which is why experimental method in physics is so important. You have to *know* that it's true. You have to be able to *prove* that it's true. You have to demonstrate that it's true. As a physical thing, not simply as an idea, on a blackboard, but as a physical reality.

Can you apply this to reality, to make a change? Does it work? Does it always work? And these kinds of questions.

The issue here is the question of passion. And what you realize then, in the way culture has been developed, under the influence of what's called reductionism categorically, empiricism, existentialism, and so forth, has largely destroyed and numbed people *emotionally*. That's why people have such a problem with sex. They have a big problem with that, because they're looking for pleasure. To them, emotion is pleasure, or fear, or hatred. The idea of the emotion which defines you as a human being, as having a passion to do good, and the joy in the exercise of that passion being good, and that joy being a form of knowledge, that's what's lacking. And that's what a rotten culture has done to us—it's taken away a naturally human quality, the quality of love of mankind. Not just liking people, but love of mankind. Being willing to do something, to sacrifice your life, for *mankind*. And doing it, in a sense, willingly, not that you choose to die, but you'll risk that, because you care for mankind.

And we've taken away the *passion* of life. And we've made people stupid, and they think they're learned because they can do monkey-tricks, including with mathematics. And the problem here is, in this inner sense of conviction, is, this is the problem. This is why I raised the question with the youth movement, of the Gauss question. It was to take a problem, which took us from the blackboard, so to speak, from the deductive proof on the blackboard, and didn't let us stop there. Forced us to go into other areas, to try to discover that the problem we had, is lack of passion, lack of intention. And to realize that intention means, what Kepler meant by God's intention, in moving the Solar System.

That's what intention means. It means it *moves* things. It changes things. It does good, and *you like yourself because you're doing good*. And that's conviction, that's certainty.

## What Is Freedom?

**Getachew:** This question was submitted by Jane from L.A. She says, "Hi, Lyn. A simple question that may involve a complex answer. What is freedom?"

**LaRouche:** Well, freedom is the right to be human. That's essentially what it means.

Take it in military policy. Take the military policies of poor Cheney and company, and all these jerks who believe he's a military genius. These guys are going by a set of assumptions. They say, "We know about this weapon. We know about this weapon. We know what this can do, we know what that can do. Therefore, we're going to put it together algebraically, and we're going to scare the world into submitting to our world government, our world empire."

Now, what happens along, as happened to Truman, when he tried to bluff the Chinese and the Soviets, with the threat of preventive nuclear war. The Soviets and the Chinese decided to fight. Despite nuclear weapons! And so the Korean War started. In the meantime, the Soviets developed a thermonuclear weapon, which sort of called off the preventive nuclear war thing, for the time being.

We're now in a similar situation. These idiots go into Iraq, "We can win! We can win!" No. They haven't won. They haven't won in Afghanistan. And they're not about to. The conditions are getting worse than ever before. Iraq will explode

and spread. If they bomb Syria, it will spread further. If they keep killing Palestinians, it will spread further.

These idiots do not understand the principle of freedom. That is, when you press the human species, you press humanity, nations, expecting they *have* to submit because of your rules, you find that humanity discovers a solution. It's just like a problem in medicine. The physician comes up with a disease, for which there's no known cure. Does he say the case is hopeless? No. He struggles.

Freedom—to discover something that was not previously known, to solve a problem. Freedom, to react. We're not animals. We can not be trained to bark like seals! Some do, successfully, but they usually end up as Democratic National Committee members. But anyway, freedom is essentially, the ability of the human mind to create a different vision of reality, than you've been taught up to that point. Freedom is the sense of the ability to do that. That is, the quality of freedom, is the sense. It's a quality you may develop in childhood, by having many experiences of discovery, and you realize that you are not a fixed thing. You're not a wind-up toy. You're a self-generating person, and therefore you have confidence in that.

And when pressed to the wall, sooner or later, if you're really human, you're going to call on that impulse within you, to discover something that no man, perhaps, ever knew before, or at least that you never knew before. And you're going to respond in a way, as Cheney and company have discovered in Iraq, in Afghanistan, and elsewhere, and discovered in the United States—because I think, I think he's about to go; I'm not sure, but I see the signs, the quaking and quivering, suggest something is about to change. So, that's freedom.

Freedom is in the difference between a beast and a human being. Animals, you know, they go from generation to generation. They do the same thing. The only hope for an animal, is to be adopted as a pet by a human being, by a loving human being. No. Because what does an animal do? Helga can give you lectures on this, I won't bother giving you her whole lecture, it's her lecture. Little dog looks at you. Little dog says, "Mummy, mummy." And the little dog responds to the adult human being, and finds her meaning in participating in that human being. And that's somehow why we like pets. Because they get this sense, if they're treated well, of participating in us. And they partake of something human, because they participate in us.

But a little dog, or a cat, without a human being to adopt it, could never develop those qualities, except by participating in us. We, human beings, have that virtue. And the problem is, we sometimes forget, or don't know that we have it.

**Getachew:** We're going to take the next question from the floor here.

**Q:** Good afternoon sir. I think it's more than evident to see, especially with the Bush-Cheney reign that a lot of the problems we face domestically have been virtually put on hold. The focus seems to be on defense and, national security, which, as far as I'm concerned is a guise for imperialistic barbarianism, in many respects, to be brash. But, one of the most potent dilemmas that we face today is the energy crisis. It's the fossil fuel depletion crisis. And I was hoping you would address what you and your administration would do to solve these crises and the steps you would take to repair the damages.

**LaRouche:** Well, first of all the fact is we're going to have to get into nuclear energy, soon, in a big way. This is happening. Of course France is a success. The strength of the French economy depends largely upon nuclear energy, which has now come, temporarily, to a halt in terms of development of that.

But the main problem we have now, at the moment, is deregulation. It goes back to the, shall we call it, the Brzezinski Administration, because I don't think Carter really was in control of his own administration. So, we went through deregulation and we destroyed a system that had worked. Had we continued that system it would have continued to work.

What we have now is a destruction of— just look at the history of, you can look it up yourself, the history of construction of power plants in the United States and distribution networks. And you look at that history, and you see that there is absolutely a *decline*, per capita and per square kilometer, in the reliability of power generation and distribution.

So, what we're going to have to do is this. Immediately as of January, no later, the third week in January 2005, we are going to launch a major program, Federal, state program, of regulated, re-regulated investment in large-scale power generation and distribution networks. So, therefore, for the immediate future, in the neighborhood of four or five years thereafter, we will have no real new problem in energy supplies and in most of production. As we get down the line, we will.

The problem will be that this whole conception of energy is a fallacious conception introduced in the Nineteenth Century—actually, it was introduced by Aristotle. The proper conception is power. Power means going to new physical principles which give you a higher order of magnitude of power to deal with things. We need that.

For example, with nuclear power, that is with a nuclear, say, a high-temperature gas-cooled reactor in the 130- to 200-megawatt range, the unit model, the pebble reactor model, which is the safest we have now. They can be installed fairly quickly because they're small. Therefore the concrete curing is less. With these kinds of high-temperature, gas-cooled reactors we can generate hydrogen fuels from water in the local area. We do not need to haul in large amounts of petroleum into any area to supply the energy. We will power our vehicles with hydrogen-based fuels with things like fuel cells and special other kinds of special processes. So, therefore, you will eliminate most of the environmental problems of combustion. We can supply centralized systems for home heating and other types of uses in the same way with the same kinds of plants. We will have to do something like that. And we'll move in that direction.

So, the future is such that we have new resources, which are coming on line. Eventually we're going to have to master the matter/anti-matter reaction which is about three orders of magnitude greater than anything we do in the thermonuclear area. Eventually, to go into space, we'll have to do that. So there is no limit to where we have to go, but even with what we have now, with contemporary standards of practice, for the next four to eight years, with these technologies that we now have already, we can put them to work on a large scale and thus we can bring the present degree of problem under control.

## Urban Development

**Nance:** We have a written question, from Zach who works out of the D.C. office of the youth movement. "What about the housing crisis?"

**LaRouche:** We've got all kinds of housing crises. You've got these funny shacks that don't burn, they're out there, priced at anywhere from, what is it, \$400,000 to a million-dollar mortgage apiece out there, all over the landscape around here. Part of the so-called mortgage bubble, or otherwise known as the mortgage-based securities bubble, so forth. This thing is about to pop. And finally, you're going to have very suddenly a lot of real estate coming on the market, essentially with no one to buy, to replace the incumbents who are being foreclosed upon. Because the collapse of jobs, the chain reaction in collapse in employment and collapse of incomes, and the collapse of— you see when you get the pressure of a collapse in the mortgage-based securities market, you get a downward pressure, deflationary pressure, on the Fannie Mae, Freddie Mac system. This then goes back to the banks. This goes back, now, to a collapse in the market, the real estate market for housing. This results in a negative flow. People are cashing-out on their, in a sense, on their appreciation of the nominal value of their property; they were taking the fact that the property had increased in nominal value according to real estate dealers. The banks will then issue credit to the mortgagees who would come in and get a cash-out loan to buy groceries with, with this money.



And now, what happens when that's reversed? Now, suddenly they are obliged to maintain, to cover the mortgage, they're required now to take extraordinary steps and they will be forced out. So we have a housing crisis in these areas, such as California, and such as Silicon Valley, a big crisis out there. We'll have a big crisis around Washington, D.C., in these housing areas, where you see these shacks. What they are is a sort of— you take a piece of material, you shrink-wrap it and you put some plastic coating on the outsides, a couple of faucets on the inside, and call it a house, and sell it for \$400,000, one next to the other. And this thing is coming down.

So, we have actually more than a housing crisis. What we have is a problem of urban development and re-zoning. The way we are using land is crazy. Look at the other side of this. People can't live on one job any more for a family. That's been gone for a long time. Now, two jobs aren't quite the same. And the two-plus jobs involve a lot of commuting. And even short distances involve a lot of commuting because the traffic jams are such, particularly the travel hours. So we have people parked on the highway while commuting, which means that the family life has gone to hell. It means the amount of time spent by the family in getting to and from work and other essential functions is added to the hours spent in actual working, which leaves less and less time for life. It cripples social life. It cripples family life. It has devastating effects on the children, which we see in the spread of the drug problem, as compounded by teachers who shove dangerous drugs, such as Ritalin and Prozac, on students. And I won't even ask you what your knowledge is of the drug problem and the drug usage problem among people in the age group of our youth movement. We know all about it, in a sense, collectively.

So, the problem is a zoning problem, an urban development problem. We used to have places of work close to places where people lived. We used to have the shopping center.

I was in a place called Chaux de Fond, recently, in Switzerland. It's up north of the lakes there, near Neuchatel. And I went down a main street. And I thought I had gone back in time about three to four generations. It was a perfectly normal main street, which I think some of you have never seen. Some of you younger people have never seen a main street in the United States: Stores which were well maintained, a street which was clean, and you could walk up and down that street and buy about everything you wanted. No mall. No mugging. So, what we've done, if you look at what we did over the postwar period, we have destroyed the urban, rural, suburban structure that the United States had developed, with all the imperfections of that structure, in an earlier period. We have also destroyed much of life.

So, we don't have just a housing problem, we have an urbanization problem, urban organization problem. What you see out on the landscape, as you go across the border to the south, into Northern Virginia, and other areas in Maryland, is *mass insanity*, which I saw developing in the immediate postwar period, and in the 1950's in particular, when this thing started. It's wild, it's nuts. We didn't organize urban organization and urban housing any more around the conception of individual family life! Originally we had, the idea was a community. You had workplaces available in the community. You could often walk to these workplaces or take a short trip by public transportation to these workplaces. You would come home, possibly at noontime, sometimes, for lunch at noontime. You would certainly come home in the evening. The evening was usually a family time. Breakfast period was a family period. Evening was a family period. You would have weekends. You would have families living in neighborhoods. You had the grandparents living here, the parents living here, and so forth. They were with each other. If you raised children, you had functioning neighborhoods in which the neighbors cared for the children of the other neighbors. It was a general, sort of, "help each other" movement. That's all been destroyed, or to a large degree destroyed.

What we need to do is to put the country back together again. We need an urban development program, which takes this question of adequate housing, and puts the housing question into the box of urban planning and urban development once again. And it also means mass transit. We've got to get the population off the highways. We've got to get them wherever possible into efficient mass transit. We've got to build mass transit systems of that type, where people can walk out, walk to a mass transit connection, and get to work or get to their destination in most cases, where they have to do it commuting regularly, without all this nonsense of jamming up the highways. It's insane. When you come down the Washington-Dulles highway, you see all these ghost buildings along the way where the IT collapse is going out, for sale or rent. We've got to

get past that.

**Nance:** The next question will be from Derek Jones. Can you step up?

**Q:** Good evening, Mr. LaRouche. First of all I'd just like to say, that I think that it's a detriment to the Democratic Party that you weren't able to articulate on as many issues that you have been successfully tonight and in the past and previous. I really think so, based on some of the nine Presidential candidates, based on that debate that I saw on TV not too long ago, I think we really missed you there. [Applause] Seriously. We really missed you there.

Also, you know, you have all these strategies and long-term capital investments in infrastructure, etc., and I, as a former Navy guy, you know, it is ingrained in us that nuclear weapons are a deterrent, and in all likelihood it will probably be around for a long time. In the minds of many Americans like myself, not quite as much as me, because I am familiar with the nuclear program in the Armed Forces and how successful it has been, especially in the submarine Navy. But most Americans don't think that. I think most Americans think that nuclear energy as a whole is unsafe. You know, what is your strategy in part of your infrastructure plan to create safety, in the minds of Americans, that nuclear energy is safe? And that, the threat of any type of terrorism, inside or outside, what have you, is a possibility?

**LaRouche:** Well, death from disease is not safe. Death from want is not safe. Death from fire is not safe. Are you going to ban fire? All these things can kill you. Natural conditions can kill you. The question is that man's responsibility is to control his environment, including the environment he creates. Man must be responsible for the planet, in particular. Man must control the conditions on the planet, for the sake of the planet.

An example of this thing—I've discussed this before, but here's a good example of what the real problem is. You have 1.3 billion, admitted, people in China today. You have over a billion people in India. Pakistan, Bangladesh, Myanmar, Southeast Asia are populous regions. How are we going to take care of these areas, where there are zooming requirements for mineral resources in the coming decades? China's going to grow. China's development which is now in progress will increase the requirement for minerals. Where are we going to supply these minerals? Well, they go up to the North, up to Central Asia and Northern Asia, Siberia, Arctic regions. There are a lot of minerals up there. What's the problem? Can't get at them. No development. Not sufficient development to find them. It's not easy to function in an Arctic, tundra region to get the minerals under the area, unless you have development there.

But that's not the limit of the problem. My expert friends indicate that in some of the resources which the planet has, the mineral resources, we're using them up faster than they are accessible to us. Now, most of our mineral resources are produced by life. That is, the way we find minerals, generally, is the result of what living processes have deposited as their dead bodies. Iron, coal, so forth, are all the dead bodies of living processes, the skeletons, so to speak. And the way you find some of these things is being clever and outwitting the living processes to find where they are. So, this is not a limit on our minerals, it's a limit on accessible minerals. The problem is in some categories, already the world is beginning to use up certain available mineral resources more rapidly than they can be replenished.

Now, what's our problem? Our problem is to develop the higher technologies which include—beyond simply fusion technologies, which can deal with some of these problems of generating new isotopes—nano-technologies for dealing with transforming some materials into more useful materials. All these kinds of things.

So, therefore the problem here is essentially that of managing the planet. And the planet is wonderful for us, it is also dangerous for us. Did you ever hear of volcanoes, earthquakes, things like that? The planet is a very dangerous place. It is also a beneficial place. How do we manage the difference? We learn to manage the planet. How are we able to manage the planet? By developing new powers which enable us to bring increasing control over the planet. In that way we can ensure the future of humanity.

Now, this is going to be a race against time. We have a lot to do, and we are going too slow. So, the question is a race for time. The high-temperature gas-cooled reactor is a safe nuclear energy system. Properly maintained, it's safe. And it is easier to maintain safely than some other, older systems. It is smaller than the large-scale systems, but that makes it more modular. You can put them down in bunches. If one gets a little cranky, you shut it down until you fix it. You don't try to figure out how to run it on half-power. You just shut the thing down, until you get it fixed. It also is useful because of its high-temperature characteristics for new chemical processes that we can't have otherwise.

So, if people would understand the problem, and understand one other thing which is important here—where did the idea come that nuclear energy was bad? Where did it come from? It came from the Missile Crisis of 1962, the assassination of Kennedy, and the launching of the Indo-China War. Now, anybody who is honest about their memory, who is 50 to 60 years of age or older, knows exactly what happened. What happened is, the generation of college age of the middle to late 1960s became anti-technology, got all kinds of queer things, decided that it was better to drug your mind with LSD than to think, confused LSD with sex—thought it came from LSD or something—and things like that.

So, what we had is an anti-technology attitude, which was developed as a reaction against a society which had produced the Missile Crisis of 1962, followed by the Vietnam War, so that the young generation, entering university age at that time, was convinced that technology and technological progress were the enemies of humanity, and we had to go back to a more primitive form of life, a more *ecological* form of life. And this cult of ecology which grew up under sponsorship of various agencies, dirty agencies, of the intelligence variety, during the 1970s, this ecology cult became the basis for this anti-nuclear policy. Once you know that, you know the history of the particular form of insanity, which is called anti-nuclear attitudes, then you can be cured of it. If you know how you became insane, you can become sane again.

## A Not-So-Quiet Revolution

**Nance:** Because of time restrictions, we are going to take one more question here from the floor.

**Q:** Good afternoon, Mr. LaRouche. My question deals with the education system. Personally, I believe that the reason that the youth of this nation are in the rut they're in is, because everything, employment-wise, requires a degree. And in my opinion, I think most of them don't require a pretty piece of paper for you to get a job. I'm an aspiring artist and I don't think I need to pay \$300 to go to class for an hour to listen to something that I already know. So, I think I can just very easily just go out to an art store, buy the supplies that I need, buy books, it would cost me about \$200, \$250 less than to go and listen to someone blab for about two to three hours. So, my question would be, what do you think could be done to change this point of view in, I guess, the employers, so that they can look for someone, to see them as someone with a talent and not someone with a piece of paper with fancy writing and a signature?

**LaRouche:** That's good. It's fun. Now what can be done? What can I do? All right, if I'm President, it's easy. But it's easier when you think about how I can *get* to be President. See, the thing is not something that happens, it happens through a process. Now, how do I get to be President? Well, you know the answer to that. You saw it is California, how we almost stopped the Recall, on the edge. You, of your generation, will make the difference, because you don't want to put up with this stuff any more.

And on top of that—what will happen is, if you do as I have asked you to do, not as I have told you to do, but have asked you to do, 'cause you're going to have to do it yourself, I'll help you, but you're going to do it yourself: You're going to assert yourself as a younger generation of your age interval, and you're going to turn this society's conscience on the problem. Now, if you can do that, as a young generation, they have to listen to you. That's the way—it's a kind of not-so-quiet revolution, as you know, because, if you demonstrate that you have the power to change society and change the direction by your influence on various generations of this—I think your grandparents' generation will probably be a little

more receptive than the parents' generation, I think that the parents generation is also accessible—if you can cause society to change itself, for the better, they're going to listen to you!

**Freeman:** One of the questioners earlier talked about the controversy that swirls around this movement. And, it is actually true that at various times people will argue that there has to be something else going on. One recent rumor was that the difficulty between Mr. LaRouche and the Democratic National Committee was really just a dog-and-pony show and that they were really working together and some big conspiracy. You get things like that all the time. Because, actually you're gathered here and I assume that you are supporters, I'll let you in on a secret. It's true. We do have secret weapons. Two of them happen to be here. One is Lyn's secret weapon and the other is the youth movement's secret weapon. And I would be really remiss if I didn't introduce them to this audience before we moved on. We have Lyn's secret weapon, who is his wife, Helga Zepp-LaRouche, who is the leader of our European organization. And we have the youth movement's secret weapon, who is also Lyn's mother-in-law, Amelia Boynton Robinson.

For those of you here and for those of you gathered at the satellite meetings and for those of you who are just listening on your own, your questions will be answered as best we can over the next couple of weeks. If you just give us a little time we will get to them.

Obviously we have a lot of work to do in the period immediately ahead. Time is very short between now and the beginning of the primaries and ultimately the Democratic National Convention. We really do need your help. There are people here who will help you to get engaged in this Presidential campaign. I think that after today's event it should be very clear to you, that it is not only something that is an absolute necessity, but it also a unique opportunity that we have to actually restore and rebuild our nation. Otherwise, I want to thank Lyn for taking the time out from what has been an absolutely excruciating schedule to participate and to be with us today. I'd like to thank all of you for your efforts and we'll see you on the battle lines. Thank you very much.

Links to articles from *Executive Intelligence Review*.\*

[\\*Requires Adobe Reader®.](#)

---

## Feature:

### The Beast-Man Syndrome and The 'Air Terrorism' of World War II

The following is one section of a forthcoming book on Synarchism and fascism, which will document what Lyndon LaRouche has identified as the three 'Beast-Man Syndromes of the 20th Century.' By deploying these three phases of overwhelming terror against the populations of Europe, Japan, and the United States during the last century, the Synarchist financial oligarchy centered primarily in London, sought to eradicate the idea, and practice, of a nation-state based on the idea of man made in the image in the Creator.

- 'Shock and Awe': Terror Bombing, From Wells and Russell to Cheney...  
by Ed Spannaus

In the run-up to last March's attack on Iraq, there was much talk in the news media of 'shock and awe,' combined with pre-war propaganda leaks predicting that Iraq would be hit with many hundreds of cruise-missile strikes in the first hours of the war. The intention of this propaganda was to obtain a specified psychological effect—to terrify the Iraqis, and everyone else, into the conviction that resistance to the U.S. imperial war machine was futile, and that they should capitulate at the first missile, if not before.

# Economics:

## **Bolivia: IMF Paved the Way to Narco-Terrorist Takeover**

**by Luis Vásquez Medina**

Another Ibero-American nation bursts into flames, and another president is ousted from office. The Bolivian government of Gonzalo Sánchez de Lozada fell Oct. 17, after a month of violent demonstrations against his rule. Although many have dubbed the rebellion the 'gas war'—it was ostensibly triggered by the "s decision to pump Bolivian natural gas to a Chilean port, for export as liquified national gas to Mexico and thence to the United States—it was actually the handiwork of the International Monetary Fund (IMF), and Sánchez de Lozada's unwavering subservience to the IMF's policies.

- **Coca Troops Use Soros \$\$**

## **Argentina-Brazil: 'Buenos Aires Consensus' Should Have Dumped IMF**

**by Cynthia R. Rush**

When Argentine President Néstor Kirchner and his Brazilian counterpart Luiz Inácio Lula da Silva signed a document they called the 'Buenos Aires Consensus' on Oct. 16, much of the international media portrayed it as a bold challenge to the free-market policy framework known as the 'Washington Consensus,' which most of Ibero-America has adopted since it was put in place 14 years ago. In their public statements, both men vowed to make economic growth and combatting poverty their top priority, to which payment of the foreign debt, and negotiations with multilateral lending agencies, would be subordinate.

## **China's Giant Step Into Manned Space Exploration**

**by Marsha Freeman**

For 40 years, although people of many nations have ventured into space, only two have had the ability to take them there. On Oct. 14, China successfully sent its first astronaut, 38- year-old Yang Liwei, into Earth orbit, joining the United States and Russia in manned space exploration. China's Shenzhou V mission had been widely anticipated, following four unmanned tests of similar spacecraft since 1999; but that did not diminish the excitement in China, or the impact the accomplishment will have on space programs around the world. Like Yuri Gagarin and Alan Shepherd before him, Yang, when he returned to Earth the following day, after 14 orbits and 21 hours in space, was an instant national hero.

## **Galileo: Europe Building Global Satellite Navigation Net**

**by Lothar Komp**

In May 2003, after years-long negotiations among the member nations of the European Union (EU), and despite interference by political maneuvers from Washington, the European governments finally gave the green light to the building of the first satellite-assisted positioning and navigation system specially conceived for civilian uses.

## **The CDU's Neo-Con Economics: Borrowing from the bankrupt programs of American neo-conservatives.**

**by Rainer Apel**

Coercing the German Chancellor, Social Democrat Gerhard Schröder, into military and financial support for the Bush Administration's war drive, has proven impossible for the Cheney- Rumsfeld group, because the German government has consolidated its anti- war position through consultations with France and Russia.

---

# International:

## **Iran's Nuclear Agreement: A Victory for World Peace**

**by Muriel Mirak-Weissbach**

The Oct. 21 announcement that Iran, following talks with the foreign ministers of Germany, Britain, and France, had agreed to sign an additional protocol to the Nuclear Non-Proliferation Treaty (NPT), as demanded by the International Atomic Energy Agency (IAEA), was greeted almost unanimously as a positive step.

## **Bush Ducks and Dives Through Asia**

**by Mike Billington**

President George W. Bush survived a whirlwind tour of Asia from Oct. 16-23; U.S. and other nations' security for his trip reflected awareness of the mounting hatred towards America around the world. Huge U.S. security details preceded his visit, and in several locations, practically took over the political buildings, convention halls, and even the streets the President was visiting

- **Bush in the Philippines**

The U.S. President's short Oct. 16 visit to Manila went like clockwork, presumably due to extensive security considerations by both administrations. The streets where his motorcade passed to the Malacanang Presidential Palace, and on to the Batasan (legislative building), were devoid of people....

## **Organization of Islamic Conference: Why They Really Hate Malaysia's Dr. Mahathir**

**by Mike Billington**

The lords of the international financial institutions found yet another reason to spew their hatred of Malaysia's Prime Minister Dr. Mahathir bin Mohamad this month, when he took the helm of the Organization of the Islamic Conference (OIC) summit on Oct. 16 in Kuala Lumpur. Only three weeks earlier, at the UN on Sept. 25, Mahathir had given a General Assembly speech, strongly suggesting a new order of fixed currency parities, capital controls, and currency controls—a form of New Bretton Woods. And a major confrontation took place between Dr. Mahathir and the western financial oligarchy, after the so-called 'Asian financial crisis,' in 1997-98, when he counter-attacked against mega-speculator and drug-promoter George Soros and his backers at the International Monetary Fund (IMF).

- **Documentation**

'If We Are To Recover Our Dignity:'Excerpts from Dr. Mahathir bin Mohamad's keynote speech to the Organization of the Islamic Conference (OIC) on Oct. 16.

## **Blessed Mother Teresa: A Fleeting Glimpse Of the Sublime**

**by Nina Ogden**

A once young and vigorous Pope, now hobbled by age and illness, presided over the Beatification Mass of the woman he called the 'Icon of the Good Samaritan . . . who experienced harsh spiritual suffering [which] led her to identify herself ever more with those she served every day.' Thus, people around the world experienced the beatification of Mother Teresa by Pope John Paul.

## **U.S. Taxpayers Finance Sharon's Settlements**

**by Dean Andromidas**

The best kept secret in Israel is not how many warheads it has in its nuclear arsenal, nor the number and range of its intercontinental ballistic missiles; but how much it spends on the settlements in the Israeli-occupied territories. A study just published by the daily Ha'aretz and available on its website suggests two very good reasons.

## **Who Speaks for My U.S.A.?**

**by Lyndon H. LaRouche, Jr.**

The author is currently rated as second, as measured in popular financial support, for the 2004 Democratic nomination to become the next President of the U.S.A., according to the latest official reports published Oct. 15 by the U.S. Federal Election Commission. This article was released by his campaign committee, **LaRouche in 2004**.

## **Myanmar Is on 'Regime Change' List, Charges U.S. Specialist: An interview with Dr. David**

## **Steinberg.**

### **by Michael Billington**

In September 2003, the Council on Foreign Relations (CFR) released a study investigating the ongoing crisis in Myanmar (referred to as 'Burma' in the report, as a political statement against the current regime in Yangon, which changed the name to Myanmar in 1989). The title of the CFR report is 'Burma: Time for Change'; a concept which, on one level, everyone could agree with. However, in an era of U.S. political domination by a faction centered around Vice President Dick Cheney, committed to pre-emptive war and 'regime-change' against governments not to its liking, the word 'change' takes on a far more ominous meaning.

---

## **National:**

### **LaRouche Webcast: 'Preparing for the Post-Cheney Era'**

Noting that 'time is short' before the next President of United States is sworn in in January 2005, Democratic Presidential candidate Lyndon LaRouche outlined in an Oct. 22 speech an international webcast centered in the nation's capital, series of emergency measures he will take in the first hours in that office.

### **Voices of Rationality From the U.S. Senate: Senators Robert Byrd and Ted Kennedy speak out on Iraq & Empire.**

#### **by Nancy Spannaus**

During the U.S. Senate debate on the Bush Administration's \$87 billion budget for Iraq, a pattern of behavior emerged that indicates that senior Congressional leaders are beginning step up to fill the vacuum of leadership shown in the Democratic, and Republican, Party. The fact that the budget authorization passed on Oct. 17, obscures certain significant elements of the debate.

### **Navy Officers Break Silence on USS Liberty**

#### **by Michele Steinberg**

The affidavit of Capt. Ward Boston, U.S. Navy, Judge Advocates General Department (ret.), was released to the public for the first time on Oct. 22, in a hearing room of House of Representatives Rayburn Office Building, by Independent Commission of Inquiry into the Israeli Attack on the USS Liberty.

### **Congress Probes Coverup Of Iraq Casualties**

#### **by Michele Steinberg**

Veterans' organizations and the families of U.S. soldiers in Iraq have been making their way to Capitol Hill in recent weeks, as anger builds against the Bush Administration's callous disregard and coverup of the high number of casualties in Iraq. This occurs as the number of daily attacks against the U.S. occupation mounts.

### **Israelis' Call for Peace Unhinges Cheney**

#### **by Michele Steinberg**

When the Senate Subcommittee on Near Eastern and South Asian Affairs, headed by Sen. Lincoln Chafee (R-R.I.), met on Oct. 15 to discuss overcoming the 'Obstacles to Peace' in the Middle East—just days after a massive Israeli invasion of the Gaza Strip, and on the day three U.S. security personnel were killed in a terrorist attack, the Bush Administration was nowhere to be seen. The Administration 'hid under the bed,' rather than come face-to-face with two Israelis: Dror Etkes, coordinator of the Settlements Watch team of Peace Now; and Rabbi Michael Melchior, the former Deputy Prime Minister of Israel.

## **U.S. ECONOMIC NEWS**

### **Fed Boss Praises Arnie as Follower of Free-Market Guru Milton Friedman**

What do Robert McTeer, president of the Federal Reserve Bank of Dallas, and California Governor-elect Arnie "Terminator" Schwarzenegger share in common? Both are "devotees" of Milton Friedman, the Chicago school peddler of Adam Smith's "free-market" mania, McTeer boasted in a *Wall Street Journal* op-ed Oct. 23. A fanatic pusher of dollarization for Ibero-America, McTeer is convinced the "Beast-Man" Schwarzenegger has "gone into battle with the right armor—the ideas of Milton Friedman."

Meanwhile, the Dallas Fed is hosting a two-day conference to honor Friedman, on the heels of LaRouche's historic Oct. 22 webcast, with the theme of "Economic Liberalism at the Turn of the 21st Century." Attendees, including Sir Alan "Dracula" Greenspan, Fed Governor Ben "Bubbles" Bernanke, plus privateers from the Cato and Hoover Institutes, are babbling about government "reform" and monetary frameworks—afraid that LaRouche's growing leadership means the "tide is turning" toward FDR-style government intervention.

Meanwhile, columnist Robert Novak, writing in the *Washington Post* Oct. 24, says Arnie gets his marching orders from the White House. Hitler-admirer Schwarzenegger was told he must not raise taxes, but he must cut spending. Bush's re-election planners cannot tolerate a failed Republican Governor in the delegate-rich state of California.

### **Historic Rouge Industries of Detroit Files for Bankruptcy**

Rouge Industries, the steelmaking giant of Ford's historic River Rouge industrial complex, has agreed to sell its assets to OAO Severstal, Russia's second-largest steelmaker and a major auto supplier, the *Detroit News* reported Oct. 24. The deal, subject to approval by a bankruptcy court, likely will mean layoffs and job cuts for some of Rouge Industries' 2,600 workers in Dearborn, Michigan. In addition, Severstal would be allowed to renegotiate Rouge Industries' labor contract with 2,000 UAW workers, and would not have to take over employee pension liabilities.

Founded in 1923, the plant was part of Henry Ford's vision of a one-site, raw-materials-to-finished-product auto-manufacturing complex. Indeed, the Rouge complex was an industrial city in itself—covering 1,300 acres with 23 miles of roadways, 100 miles of railroad tracks and more than one mile of docks. The Rouge was the largest single manufacturing complex in the U.S., and played a crucial role in World War II. It included blast furnaces, steel mills, foundries, metal-stamping facilities, an engine plant, a glass-making building, a tire plant, and its own power house, supplying steam and electricity. Rouge Steel was spun off from Ford in 1989, but remained the automaker's largest steel supplier.

Severstal, before Sept. 24, 1993, was known as Russia's state-owned Cherepovets Iron and Steel Complex.

### **U.S. Life Insurers Hit by Huge Credit Losses**

U.S. life insurers have been hit by a massive \$24.3 billion in credit losses during 2001-02, due to defaults and bonds carnage, according to a new study by Moody's Investors Service. Gross credit losses in the value of bonds and preferred stock held by 175 U.S. life-insurance companies, totaling \$15.4 billion in 2002, and \$8.9 billion in 2001, were due to "unprecedented default rates and severity of loss" in the bond markets, said Robert Riegel, managing director of Moody's life-insurance group. On average, the losses amounted to 79% of a company's pre-tax operating income, while some were much higher. For example, Consec Annuity Assurance suffered whopping gross credit losses of nearly five times its pre-tax operating income.

Companies masked these credit losses in their financial reports, by adding in investment gains from sales of bonds whose prices rose.

### **Union-Buster Wal-Mart Raided for Exploiting Illegal Immigrants**



In a 21-state raid, involving 60 Wal-Mart stores, Federal agents arrested more than 250 illegal immigrants who worked as janitors for outside contractors hired by Wal-Mart, the anti-union cheap-labor employer, the *New York Times* reported Oct. 24. The government believes Wal-Mart officials knew about the use of illegals for the low-end, low-paying cleaning jobs; wiretaps were used in the four-year probe, yielding recordings of conversations among Wal-Mart executives and contractors.

## **Job Cuts at 'Misfortune 500' Reflect Deepening Depression**

Belying all the bombast about a U.S. economic recovery, the depression continues to shut down plants and throw thousands out of work.

\* Pharmaceutical giant **Merck** said it would cut 4,400 jobs, as earnings failed to grow in the third quarter. To reduce costs, the drugmaker plans to eliminate about 3,200 full-time positions, as well as 1,200 contract or temporary employees.

\* **Smurfit-Stone Container Corp.** announced it will cut about 1,400 jobs and shut a Canadian mill, due to manufacturers' increasing reliance on imports. In addition, the Chicago-based maker of cardboard boxes and paper bags said it will idle a machine at a Florida mill and close a paper machine at a Philadelphia plant.

\* **Weirton Steel** won bankruptcy court approval to eliminate 950 jobs immediately.

\* **AK Steel** said it would cut 20% of its salaried workforce, starting by the end of October, as it posted a \$277.5 million third-quarter loss. The maker of flat-rolled steel will eliminate 475 employees.

\* **Boeing** issued 60-day lay-off notices to 115 employees on Oct. 24, while another 860 workers were taken off the payroll. As a result, during the past two years, the aerospace firm has slashed 36,420 jobs.

\* **Exelon Corp.** said it will eliminate 1,200 jobs by the end of the year, thanks to deregulation, as the largest utility in Illinois reported a \$102 million loss in the third quarter. Two-thirds of the job cuts, which were previously announced in August, will be at Commonwealth Edison.

## **Michigan Food-Stamp Rolls Soar by 50% Since 2000**

As a result of rising unemployment from the free-trade induced decimation of the manufacturing sector, and skyrocketing housing and medical costs, the number of Michigan residents receiving Federal food assistance has risen by about 50% to nearly 900,000, from 580,300 in 2000. Currently, about one in 11 state residents needs government help to afford to buy food, including many who work full time, according to the Michigan Family Independence Agency—and it's getting worse. In addition, more people are relying on non-government food banks and pantries, even as the non-profit and charitable groups can no longer count on donations from corporations and foundations.

For example, Metro Detroit's Gleaners Community Food Bank provided food to some 65,000 people in southeast Michigan, a whopping increase from 45,000 people just two years ago; families with children, and senior citizens accounted for the fastest-increasing categories.

Moreover, an estimated 300,000 Michigan residents qualify for, but are not receiving assistance.

"It's really different from a lot of other bad times," warned Jane Marshall, executive director of the Food Bank Council of Michigan that includes about 2,800 agencies statewide. Corporations and foundations, which the network previously relied on when Federal funding was slashed, "don't have resources, nor does the state."

"The poor are getting poorer and people who are the worst off, are going to be even worse off"—unless LaRouche's FDR-style recovery measures are implemented.

## World Economic News

### British Lord Warns of Dollar Crash

London *Times* editor Lord William Rees Mogg warned of a pending dollar crash and end of the post-Bretton Woods monetary system Oct. 21, echoing Lyndon LaRouche for the second time in recent weeks. On Oct. 7, Rees-Mogg editorialized against the California recall, cautioning that Arnold Schwarzenegger was "relying on the appeal of fascism." Now, Rees-Mogg cites a new report by Lehman Brothers, the New York bank, describing the outcome of the current international financial crisis as "extremely worrying," based on 10 economic indicators. In addition, history shows the "unsustainable" U.S. current account deficit, he cautions, "will not, in the end, be sustained."

"The world has now lived with the post-Nixon dollar for 32 years," he declares, as the "key currency" of a "confused" system of floating currencies. The dollar is not limited in quantity, or convertible into anything but itself. Plus, the world's most competitive currency (the yuan), does not float relative to the dollar, but is linked to it. "Such an anomaly can hardly survive."

He concludes: "At some as-yet unpredictable point, major devaluations of the dollar relative to the yuan and the yen, a milder devaluation relative to the euro, and an even smaller devaluation relative to the pound, seem inevitable."

"The dollar ceased to be strong enough to sustain the Bretton Woods system in 1968, and is not now strong enough to sustain the post-Nixon role of a key currency in a world of floating rates. The U.S. has too much debt."

### Nationwide General Strike Against Pension Reform in Italy

A four-hour nationwide general strike shook Italy Oct. 23, organized by all Italian trade unions, to protest the government's plans to reform the pension system, according to the guidelines issued by the EU and the IMF. Union figures give workers' participation to 70-80%, whereas the employers' association downplays it to 30%. As usual, the true figures are probably in the middle. Major demonstrations with tens of thousands of workers each took place in Rome, Bologna, Milan, Turin, Naples.

The Italian government has announced a reform to increase by five years the retirement age, starting in 2008, according to the Lisbon EU guidelines, and gradually transform the pension system from a "pay-as-you-go" system into a capitalization one, introducing private pension funds. Trade unions threaten to keep the mobilization if the government does not withdraw its reform plans.

### Eichel: Germany Budget Deficit Is Triple Estimates

With his report to the Parliament Oct. 23, Finance Minister Hans Eichel confirmed the news that, during the first nine months of the current year, a new government deficit of 54 billion euros (three times the forecast made at the end of 2002)

has accumulated. In particular, unemployment expenses have required an extra 12 billion.

Eichel is now forced to go for a new record borrowing of 43.4 billion, and plans, in addition to budget cuts, to sell assets of Telekom and German Post in the range of 5-6 billion. For the latter move, an ominous maneuver is chosen: The Kreditanstalt für Wiederaufbau will take these assets and loan Eichel 5-6 billion, selling the assets at some preferable time in the future, then.

## **China Resists Pressure To Float Yuan**

Speaking to the Asia-Pacific Economic Cooperation (APEC) CEO Summit in Bangkok on Oct. 19, Chinese President Hu Jintao reaffirmed his government's commitment not to float its currency, despite pressure from the United States, Japan, and others to strengthen it. He said the stable exchange rate between the yuan and the U.S. dollar had contributed to China's economic growth, and was beneficial to all. The currency peg, which has remained unchanged at 8.28 yuan to the dollar for the past nine years, would be maintained for the time being, Hu told the summit. "Keeping the exchange rate stable serves China's economic performance and conforms to the requirements of the economic development in the Asia-Pacific region and the whole world," he said. Hu later explained this to President Bush in their private meeting.

David Hale, founder of Hale Advisers LLC, told the forum that the Bush Administration had come under growing pressure to blame the 2.7-million American job loss on the Chinese exchange rate, but he pointed out that more than 17 million jobs have been lost in China in the same period (since 2000).

## **German Federal Budget Deficit Hits 54 Billion Euro**

After the first nine months of this year, 2003, the German Federal budget deficit is 54 billion Euro, almost three times as high as the 18.9 billion Euro deficit projection by the German government for the *full year* of 2003. Total expenditures of the Federal government in the first nine months of 2003 amount to 200.6 billion Euro, an increase of 9.1 billion Euro compared to one year ago.

The main driver for the increase of expenditures is the worsening economic and in particular employment situation, which caused a 6.7 billion Euro rise in social expenditures. At the same time, federal revenues declined by 3.4 billion Euro compared to one year ago to 146.6 billion Euro. Usually, tax income speeds up at the end of the year. Therefore, the government hopes that the full year 2003 federal budget deficit would be "only" 43 billion Euro, which is a rather optimistic expectation. In this case, the overall German public deficit—federal, state, and municipal budgets combined—would add up to about 80 billion Euro or 4% of gross domestic product (GDP).

The total public debt of Germany has now reached 1.28 trillion Euro, following a doubling from 500 billion to about 1 trillion Euro within the first five years of reunification.

## **Euro Construction Firms Urge Change in Maastricht Rules**

Concluding talks with officials of the Italian Government in Rome, the Federation of European Construction Industries (FIEC) issued a resolution yesterday, calling for an increase of funds for the already existing TEN projects of infrastructure development.

The FIEC also urged a more prominent role of the state, in mixed private-public projects, saying that the genuine long-term revenue character of such projects of public infrastructure implies that the private-sector share cannot be higher than 20%.

Furthermore, the FIEC called for "an interpretation of the [Maastricht] Stability Pact criteria in a way that incentives for investments can be given. It is not justified from an economic viewpoint, to put current expenses on the same level as expenses for infrastructures, for which the common sense justifies a longer term financing as well as a specific mode of borrowing."

## **Even Some Monetarists Cool to Maastricht Rules**

Even some monetarists are beginning to warm up to the idea of modifying the Maastricht rules, according to *Die Zeit* Oct. 23. Michael Rogowski, otherwise a staunch neo-liberal and Maastricht supporter, said in Berlin, after a private meeting with Italian Finance Minister Giulio Tremonti Oct. 22, that European nations should find ways to ease budget conditions to allow investment in infrastructure projects, "without undermining" the Pact.

Whereas Rogowski restated full loyalty to the Pact, Karl Otto Poehl, former governor of the German central bank, argued in a somewhat more differentiated way, in an interview with the Oct. 23 issue of the weekly *Die Zeit*. He said that the "original decision on the 3% GDP rule was rather arbitrary. It could be foreseen that this magical mark could not be met in a recession."

"Credit-financing in an economy with efficient capital markets and high savings ratios cannot be seen as negative, in general terms. Future generations benefit as well from reasonable public investments into infrastructure or education," Poehl added.

And finally, Pedro Solbes, EU Commissioner for Finances, said in Brussels yesterday that if Germany was heading for a 4% GDP deficit in 2004, it could be tolerated, because "the German economy is in a worse shape than the French one," and France had already gotten permission to violate the Maastricht 3% GDP rule, for 2004.

## **Wall Street Firm Understates Worldwide Job Losses**

Manufacturing employment fell by about 22 million in the 20 largest national economies, during 1995-2002, a decline of 11%, according to a misleading pro-outsourcing study released Oct. 10, by Alliance Capital Management, a Wall Street investment firm. In the seven-year period, 15 of the 20 countries saw factory jobs drop, despite having lower production costs than in the U.S. Of the five countries that did show an increase in factory employment, three had a "relative shift in manufacturing payroll patterns, rather than an increase in payrolls": Canada, Mexico, Spain, Taiwan, and the Philippines together gained 300,000 jobs.

China's factory job losses, from 1995-2002, the report emphasizes, were double that of 17 countries combined (excluding Mexico and Brazil). China's manufacturing employment dropped by 15 million, or 15%, to 38 million in 2002; while the remaining 17 countries saw manufacturing payrolls fall by 7 million, or 7%. For example, Brazil's factory payrolls dropped by 20%, while Japan's slid 15%.

EIR's preliminary analysis suggests that the empirical study aims to obfuscate the decimation of the U.S. manufacturing sector, in part by touting faked productivity gains. It lies, in claiming that, "Global industrial production jumped more than 30%" from 1995-2002. The report defends U.S. companies' outsourcing of jobs to China, Mexico, and elsewhere. "Merely lowering operating costs [by exporting U.S. jobs overseas] is not enough," the report says, arguing for manufacturers globally to buy into the doomed "new economy."

Moreover, "Mega Group" financier Roger Hertog, vice chairman of Alliance Capital Management, is part-owner with

Michael Steinhardt and Conrad Black of the *New York Sun*; and one-third owner with Martin Peretz and Steinhardt, of the *New Republic*, long a bastion of Straussian political propaganda.

## USA News Digest

### Jay Rockefeller: 'Five Votes in My Pocket' for Senate Probe of Pentagon

Senator Jay Rockefeller (D-W.V.), the senior Democrat on the Senate Intelligence Committee, is prepared to utilize a special committee rule to conduct his own investigation of how top Administration officials, such as President Bush, Vice President Cheney, and Defense Secretary Rumsfeld, used or exaggerated Iraq intelligence.

At a press briefing Oct. 24, Rockefeller elaborated his intentions, and refuted statements printed in the same day's *Washington Post*, which attributed to the Committee chairman, Sen. Pat Roberts (R-Kan), the claim that the Intelligence Committee's work is 95% complete.

Rockefeller pointed out that, under Committee rules, "all I have to do is to get five signatures that we want to investigate a subject—the use, for example, of intelligence, the shaping of intelligence, the manipulation of intelligence, or whatever; whatever it is we choose to look at, and then, that will be looked at, and we can investigate that. And there's no way that the Chairman [Roberts] can say that we cannot do that. And if it comes to that, we will resort to that."

Asked if he has the signatures, he answered: "Oh, I have the signatures in my pocket, ... speaking euphemistically."

Rockefeller said that what chairman Roberts is doing, "is saying the blame is with the intelligence community, and there will be no questions about the White House." On the contrary, he counterposed, the resolution that created the Senate Intelligence Committee "specifically gives us jurisdiction to look into the matter of use" of intelligence by policy-makers, not merely the "collection and analysis of intelligence."

In an obvious reference to the Pentagon's Office of Special Plans, a rogue intelligence unit run by neo-con Jabotinskyites Paul Wolfowitz and Doug Feith, Rockefeller raised the question of whether "there was intelligence that was being run without the knowledge of the Central Intelligence Agency, the State Department, or anybody else, from certain places." The Senator added, "I'll say no more than that, but that would be rather startling, wouldn't it, if intelligence was being collected overseas which the Central Intelligence Agency had no knowledge of, or the State Department community had no knowledge of? There are a lot of things we have yet to investigate."

### No Cakewalk: Paul Wolfowitz Almost Assassinated in Baghdad

At 6 a.m. local time on Oct. 26, six-eight rockets hit the Al Rashid Hotel in Baghdad, where Deputy Defense Secretary Paul Wolfowitz was staying. There are numerous wounded, and one high-ranking Army colonel is dead.

Steve Marney, a journalist with Middle East Broadcasting based in Dubai, said the two ninth-floor rooms on either side of his were completely destroyed by the attack. The hotel is part of a compound, on the west bank of the Tigris River, used by the U.S.-led administration. It is in a fortified complex that includes palaces built by former leader Saddam Hussein.

A *Reuters* photographer saw five impact holes on the west side of the hotel. He said three of the rockets appeared to have gone through the wall, the others through windows. The whole area was sealed off and U.S. military helicopters circled the building. TV reports said the hotel was being completely evacuated.

*Agence France-Presse* reported that hotel hallways filled with smoke, blood stained the floor, and at least three bodies were carried out on stretchers.

The attack was made in a pretty sophisticated, and bold manner. Initial reports indicated that a truck drove up, pulling a trailer, disguised as a generator, which had been refitted to carry a missile launcher. The truck was driven to a street, which crosses the Tigris River, at the 14th of July Bridge, and parked about 500 meters from the hotel. The bridge had been reopened only the day before, for the first time since the war. Iraqi police said they tried to tell the driver of the truck to move it, but he fled. Several rockets were then fired repeatedly at the hotel where Wolfowitz was staying on the 12th Floor. Severe damage was done on the floor below his.

Wolfowitz, the man responsible for overseeing the Pentagon consultants who predicted a "cakewalk" in the taking of Iraq, appeared before the press and TV cameras, unhurt, but visibly very shaken. He continued to claim that the U.S. is successful in Iraq, despite the actions of "criminals who are trying to destabilize this country." He described them as "a few who refuse to accept the reality" of the "new" Iraq. He said the U.S. would persevere: "We are taking the fight to the enemy, ... getting the job done."

But, on the morning of Oct. 27, the first day of the Islamic holy month of Ramadan, Iraq was rocked by terrorist bombing attacks, including against the International Red Cross, and against four Iraqi police stations.

Military experts in the U.S., such as retired Army Gen. William Nash, strongly disagree with neo-con Wolfowitz's claims of "success" in Iraq. Nash, in particular, on Sept. 8, had warned that unless the U.S. did something drastic, such as airlifts of food and supplies, and an emergency program to provide electricity, clean water, and *jobs* to the Iraqis, that there would be an explosion of violence. He predicted that "it might be too late," if nothing was done by the U.S. to improve conditions by Ramadan.

## **Former CIA Agents Demand Full Investigation of Wilson Leaks**

At the request of two retired CIA officers, Larry Johnson and Jim Marcinkowski, the Senate Intelligence Committee held a closed-door hearing on Oct. 24, on the leak of Amb. Joe Wilson's wife's identity. The two agents are asking the Committee to investigate the leak as a supplement to the Justice Department's investigation.

Interviewed on *CNN*, Johnson said that it is important for the committee to investigate, because "a lot of the damage that has occurred is not going to be seen." He explained that there has been damage to Mrs. Wilson, and that her life "has been put at risk," and that the people she worked with overseas are at risk.

"You could potentially have people dead because of this," Johnson said, but "as far as the CIA coming forth and detailing it, we are not likely to hear that, because they have to protect the sources and methods.... We can't bring the bodies out, because in some cases, it's going to involve protecting sources and methods."

Marcinkowski said of the Wilson leak: "This is an unprecedented act. This has never been done by the United States government before. The exposure of an undercover intelligence officer by the U.S. government is unprecedented. It's not the usual leak from Washington. The leak-a-week scenario is not at play here. This is a very, very serious event."

Both Johnson and Marcinkowski are registered Republicans. Johnson emphasized, "This isn't about partisan politics. This is about protecting national security and national security assets, and in this case there has been a betrayal, not only of the CIA officers there, but really a betrayal of those of us who have kept the secrets over the years on this point."

In a separate briefing, called by the Senate Democratic Policy Committee, Johnson and Marcinkowski were joined by former CIA officer, Vincent Cannistraro. The three said that currently serving CIA analysts were under pressure from Vice President Cheney and others to produce intelligence that supported the Administration's push for war against Iraq. The officers cited the repeated, and what they called "unprecedented," visits to Langley by Cheney and Cheney's Chief of Staff, Lewis Libby.

## **Cheney Tries To Shift Blame for Faulty Intelligence to CIA**

According to a *Knight-Ridder* story circulated Oct. 24, Dick Cheney is behind the comments made by Sen. Pat Roberts to the *Washington Post*, in which he said that "the Executive was ill-served by the intelligence community," and which blamed the CIA for producing "sloppy" intelligence on Iraq's weapons programs.

*Knight-Ridder* reports: "A senior administration official, who agreed to speak only on the condition of anonymity, said Roberts' CIA comments were issued with Cheney's encouragement. The official said Cheney is trying to shift the blame for the lack of progress in Iraq, which is becoming an issue in next year's presidential and congressional elections, from the White House to the CIA."

## **Beast-man Arnie Begins Terminating Services**

Now the \*\*\*\*\* "hits the fan," is how a veteran Democratic insider described the reality behind the media circus this week in Sacramento, as Governor-Elect Beast-man Schwarzenegger made his debut in the State Capitol on Oct. 22. Schwarzenegger's appearance was pure aura of power, as swarms of press followed him around, and supporters were bussed in to fawn over him.

Schwarzenegger announced he will probably call for one or more special sessions of the legislature in November. The tasks he will put before the lawmakers will be: 1) consider repeal of the bill granting drivers' licenses to illegal immigrants; 2) revise the workers' compensation measure passed by the legislature, looking for about a 20% rate reduction for businesses (with the state, or employees themselves, picking up the difference); 3) restructure the state's billion-dollar debt-restructuring plan; 4) repeal the tripling of the car-license fee, and find a way to replace the \$4 billion payments to cities and counties which the fee is expected to generate.

While some members of the Democratic leadership said they are open to these proposals, others said there is no chance for the incoming Governor to get them through. He has threatened to use statewide ballot initiatives, if necessary, to push through these measures.

The Governor is steamrolling the process. "Action, action, action, action—that's what the people voted me into this office for.... They wanted to have a Governor that is filled with action, that performs and that represents the people, and that's what I'm here to do."

## **Profile: HMO Executive To Be Arnie's Chief of Staff**

In his first two major appointments, Schwarzenegger demonstrated that he intends to serve his Synarchist masters well, by targetting the "fat" in health-care spending. His chief of staff, Patricia Clarey, had been serving as vice president for governmental affairs for Health Net Inc., a Woodland Hills, Calif.-based HMO. Prior to this job, she was deputy chief of staff for one of Arnie's controllers, former Gov. Pete Wilson.

She will join Donna Arduin, who is conducting an "audit" of the state budget, designed to find "fat" which can be cut. Arduin, who worked previously for Gov. Jeb Bush as budget director in Florida, is notorious for her nastiness. To save \$1 million in the Florida budget, she cut out the state program to provide eye tests for pre-school children whose parents could not afford eye care. As a result of this \$1 million in "savings," 15,000 children were not tested, and a program to provide free eyeglasses for children was also cancelled.

## **The Cheney Coup: He's the Rider, and Won't Dismount**

Writing for *Inter Press Service* on Oct. 23, anti-neo-con writer Jim Lobe says that Cheney's "National Security staff," led by Scooter Libby, "is the largest ever assembled by a vice-president," and that from this apparatus, Cheney is running "pro-Likud ... neo-con" policies. While providing no information on who comprises that "Cheney NSC," Lobe details some of the Cheney's operations to take over power in the Administration. Most importantly, Lobe assesses that the idea that "Cheney's the one" responsible for the Middle East debacle, and other policy disasters, is "gaining currency in power circles in Washington," with more Republicans beginning to want to move against him.

"Cheney is actively trying to blunt Congressional pressure to reduce the Pentagon's control over Iraq policy and fire several ... hawks beginning with ... Douglas Feith, who are believed to have misled Congress about the evidence used to justify the war and the post-war situation," writes Lobe.

At the same time, Cheney continues to set policy, through control over other branches. Lobe reports that Cheney rides roughshod over Condi Rice, having packed the NSC with "his" people, whom Lobe identifies as Elliot Abrams and Steve Hadley.

Cheney also is behind the campaign against Arafat, having told Ariel Sharon's defense minister in a "private" meeting, that Arafat "should be hanged." "Even before 9/11," says Lobe, Cheney enthusiastically endorsed the Israeli assassination policy. And Paul Wolfowitz is Cheney's man; Lobe says that the VP blocked Richard Armitage, a friend of Secretary of State Colin Powell, from getting the #2 position at the Defense Department, and put Wolfowitz there instead. He also installed "ultra-unilateralist" John Bolton in the State Department to undermine Powell's policies.

## **Medicare Cuts Attached to Prescription Drug 'Benefits'**

The Congressional conference committee charged with melding drastically different, but equally awful, House and Senate bills to provide prescription-drug benefits for 41 million older and disabled Americans on Medicare, is coming up with more cuts in benefits. From the start, House Republicans wanted to use the issue as a first step to destroy the Medicare program. In the House bill, if private insurers refuse to offer a drug-only insurance plan, Medicare patients in that area would have no access to drug coverage at all. One committee compromise lets the Federal government assure a back-up prescription-drug benefit when private insurers don't offer one. But another "compromise" mandates no government subsidy for medication for the elderly who live above 150% of poverty.

Ways and Means Committee Chair Bill Thomas (R-Calif) is demanding that Congress limit Medicare expenditures if they rise too quickly. He and House Republicans demand "competition" between traditional Medicare and private insurers through a flat fee or "premium support" patients would use to buy insurance. The sickest and poorest patients who need traditional Medicare (which sets no limit on hospital care) would be forced to join cheaper private HMO plans who would be allowed to raise rates and cut care. Until a plan is passed, sick patients, desperate for cheaper drug prices, will seek to import drugs, often dealing with a flourishing multi-billion-dollar criminal market in counterfeit or tampered drugs (see item below).

## **Shadow Prescription-Drug Market Endangers Elderly**



Criminal operators are involved in the "shadow" U.S. prescription-drug market that endangers hundreds of thousands of patients who receive tampered or dummy drugs. As *EIR* reported months ago, the country has been plagued with critical shortages of drugs needed daily by patients, nursing homes, and hospitals. Hospitals spend weeks to find needed drugs, and are forced to buy them from unknown operators who "happen" to have the drug available at triple the regular cost. While the Food and Drug Administration (FDA) denied any crisis, in answer to *EIR*, more and more batches of drugs were recalled because they were counterfeit, diluted, or made up of nothing but water, the government is now addressing the issue, but not attempting to forcefully regulate the field.

Criminal operators procure prescription drugs at a deep discount from legitimate distributors under false pretenses, and then resell or dilute them enough to make this a multi-billion "shadow market" that now threatens the integrity of the nation's prescription-drug system. Billions of dollars of drugs are sold, resold, diluted, and have caused a number of deaths, but there is little oversight.

## Ibero-American News Digest

### Brazil-India Discussions Deepen South-South Cooperation

Brazilian Foreign Minister Celso Amorim visited India Oct. 20-21, accompanied by 12 representatives of major industrial and services interests of Brazil, including construction and infrastructure, mining, metallurgy, aviation, transport, and logistics. Amorim met with the Indian Minister of External Affairs, Yashwant Sinha, privately, and then co-chaired with Sinha the first India-Brazil Joint Commission meeting, where discussions ranged from India's offer to launch Brazilian micro-satellites and to sell Brazil India's super-computer (Param series), to furthering coordination between the two countries in World Trade Organization negotiations (both India and Brazil want to strengthen the Group of 22 which was pulled together at the WTO Cancun meeting), and in the battle to reform the United Nations.

India's External Affairs Minister told reporters that Brazil-Indian relations are entering a completely new dimension. President Lula da Silva was invited to participate as the chief guest at India's national holiday, Republic Day, next January, an honor his Foreign Minister happily accepted. The Indian government also accepted Brazil's invitation for Prime Minister Vajpayee to visit, at a date to still be determined.

Most interesting, is the report that the Brazilians expressed an interest in Indian assistance in building up the railway infrastructure in Brazil. Indian Foreign Ministry spokesman Navtej Sarna reported that "the Brazilian side mentioned that they were looking at an integration of South America in which a lot of infrastructure has to be created there, and Indian railway could have a possible role."

Also discussed, was the usefulness of deepening the tripartite cooperation between India, South Africa, and Brazil launched last June in Brasilia. Amorim told reporters that this "is the first case of systematically seeking the tripartite cooperation among countries of the south, and I think it will be a very good example, if it flourishes." Amorim proposed that the preferential trade accord, now being negotiated between India and the Mercosur countries (Brazil, Argentina, Uruguay, and Paraguay), be extended to include South Africa. "South-South trade is an alternative to trade with countries in the north," he stated in his address to a meeting organized by the Federation of Indian Chambers of Commerce and Industry (Ficci). "The G-3 (India, South Africa and Brazil) offer a new opportunity. It will also give a good signal to the world as we would be seen as acting, irrespective of what happens at the WTO."

### War Turned Iraq into Hotbed of Terrorism, Says Brazil's Foreign Minister

Iraq was also on the agenda, when the Foreign Ministers of Brazil and India met on Oct. 20. Although nothing public was reported from these discussions, Brazilian Foreign Minister Celso Amorim commented to the *Hindu* afterward: "From what I know, the Saddam Hussein government could be accused of many things ... but it was not a hotbed of terrorism. Now, because of the lack of government, the lack of clear legitimate authority, apparently it is more prone to these things [terrorist acts] than it was before."

## **Success of Brazil-China Satellite Leads Way to New Endeavors**

The second Chinese-Brazilian Earth Resources Satellite (CBERS) was successfully placed in its designated orbit, after being launched on a Chinese Long March rocket from the Chinese Taiyuan Launch Center on Oct. 21. This was the second satellite developed jointly by the two countries under the CBERS partnership. In total, the program is to develop four satellites, of increasing complexity and sophistication, for the collection of images, which will allow both countries to monitor land resources changes in their respective countries; survey arable lands, pastures, and grasslands; discover natural and human disasters; offer information on aquatic farming and environmental pollution; explore mineral resources, etc. CBERS-I was launched in October 1999, and the next two satellites are to be produced and launched in 2006 and 2007.

"Today is an historic day in Brazil-China relations," Brazilian Science and Technology Minister Roberto Amaral told a press conference following the successful launch. Brazil's cooperation with China in space is a model of South-South cooperation, which not only contributed to the progress in science and technology, but also benefitted the economies of both countries. Brazil is now independent in the collection of images of its national territory, and will save the \$6 million/year it was paying to buy images collected by a French satellite, Amaral pointed out.

New partnerships with China on other high-technology projects are possible. Amaral said Brazil is satisfied with its space cooperation with China, and hopes to extend it to other areas of scientific research, such as the development of nuclear energy, new materials and animal vaccination, colored-cotton production and agriculture.

Among its more esoteric spin-offs, the successful launching of this second rocket will send the Hudson Institute's Constanine Menges into low-earth orbit, albeit a highly unstable one. The July issue of the Hudson Institute's news summary service, "The Americas Report," made clear the neo-cons are watching this Brazilian-Chinese scientific cooperation closely.

## **Orthodox Economics Drove Bolivia to the Abyss**

Newly named Bolivian President Carlos Mesa told Argentina's *Clarín* that "the abyss is still there," and his country still faces the possibility of "total shipwreck." Asked by *Clarín* if his government would "bet" on the neo-liberal prescriptions followed by his overthrown predecessor Gonzalo Sanchez de Losada, President Mesa responded that "to bet on orthodoxy is insanity. The orthodox model no longer has any sustainability." He, however, made clear that Bolivia has very little maneuvering room to take what he called "spectacular ideological decisions." He has given no indication he has any idea of what steps should even be taken, even as he warned that the risk Bolivia is running, "is that of total shipwreck. If Bolivia loses this opportunity, if it does not understand that our destiny is at stake, we could enter into a grave crisis," he told *Clarín*. (See In-Depth, for full story.)

## **Separatism Rears Head in Argentina, Too**

As business leaders in the gas-rich state of Tarija in Bolivia threaten to declare autonomy from their nation, if the national government blocks the state's plans to sell gas to the United States via Chile, at whatever price the market will bear, a similar-minded Governor of the Argentina province of Neuquen stepped forward to grab the business for his province,

instead.

Neuquen Gov. Jorge Sobisch is asking the Spanish Repsol-YPF company, which was one of three foreign companies involved in the Bolivian gas deal, to "refloat" an earlier plan to export natural gas from Neuquen to the state of Georgia in the United States. In an Oct. 15 meeting with Argentina's Ambassador to the United States, Jose Octavio Bordon, Sobisch insisted that "the most important issue we have with the United States is *gas*."

Opportunist Sobisch also happens to be pushing a "regionalization" plan, by which two or three existing Patagonian provinces would be merged into one, with the very strong implication that eventually, Patagonia should become an independent country. Since much of Argentina's oil, gas, and strategic mineral wealth is located here, Sobisch figures there's no reason for the Patagonia to be "burdened" by remaining part of a country, many of whose other provinces are impoverished.

## **Soros-Transparency International Agent Appointed to Argentine Supreme Court**

Transparency International asset Eugenio Zaffaroni has been approved as a magistrate of Argentina's Supreme Court, boosting Justice Minister Gustavo Beliz's drive to "reform," i.e., annihilate, the country's national institutions under the guise of "combatting corruption." Beliz also acts openly on behalf of Transparency International. For years, Zaffaroni, a proponent of drug legalization, has been a key fixture in the campaign to dismantle Argentina's security institutions. In 1999, he was also brought in to "reform" the Buenos Aires police force, which historically has been linked to the province's Peronist political machinery. In an interview with Radio Mitre earlier this year, Zaffaroni bragged that he could become "the brain of the Judicial Branch."

Most revealing is the gushing praise for Zaffaroni, published in the *Narco News Bulletin*, part of George Soros's drug-legalization apparatus. *Narco News* reported on Oct. 17 that Zaffaroni had written the prologue, together with LaRouche hater and former Montonero terrorist Horacio Verbitsky, of the pro-drug book *Drugs Between Prohibition's Harm and Failure: New Perspectives in the Decriminalization and Legalization Debate*. According to *Narco News*, the book, published by the Argentina Harm Reduction Association (ARDA), "was part of a national campaign titled, 'Just Say No to the War Against Drug Users.'" Zaffaroni argued in the prologue that "absolute prohibition" of drug use, "justifies police repression without any legal limits."

## **Argentine Creditors Demand Their Pound of Flesh**

Argentina's creditors vow they will not accept the government's debt restructuring plan, which includes a 75% writedown. As Deputy Finance Minister Guillermo Nielsen embarked on an international tour on Oct. 20, to meet with creditors in the United States, Europe, and Japan, representatives of these groups were telling the media that there is no chance they will accept the plan. "The 75% haircut is unacceptable," said Gianfrancesco Rizzuti of the Italian Association of Banks. Knut Hansen of Germany's Agency for the Restructuring of Argentine Bonds demanded that "there be a change in the proposal.... There can't be a 75% haircut." Kenneth Dart, of the EM vulture fund, which has won a \$700 million judgment against Argentina in a New York court, threatened that if the government's proposal isn't significantly "improved," Argentina "will be excluded from the capital markets, with the resulting greater damage for the country's economy and its people." Dart, who gave up his U.S. citizenship to avoid U.S. tax laws, added that, in the end, should the government of President Nestor Kirchner not "cooperate," he will squeeze every penny out of the country that he possibly can—with the help of the New York court. Thousands of other creditors hope to use the legal system in their countries, to force Argentina to pay—which, of course, it cannot do.

## **Privatized Utilities Give Argentine the 'California Treatment'**

Argentina is also under siege from greedy European utility companies which bought up Argentina's utility firms, during the privatization binge of the 1990s, and are now demanding rate hikes from the government of President Nestor Kirchner. After an Oct. 16 electricity blackout that affected 450,000 residents of Buenos Aires, and a water cutoff on Oct. 19, the government accused the utility companies of blackmail and extortion, and warned they would be sanctioned to the full extent of the law, if it were proven they had deliberately caused these cutoffs in service.

Most vociferous is France's EDF, which owns Argentina's Edenor. EDF executive Gerard Creuzet whined to *Clarín's* Paris correspondent, that his company is being mistreated by the Kirchner government, and he said EDF would not invest any more money in the country, unless it got a rate hike of at least 37% to compensate for losses suffered when their dollar debts were forceably converted to pesos in 2002.

After complaining that EDF had lost \$300 million in the country, *Clarín* reminded him of how much the company had made during the free-market heyday of the 1990s. Creuzet could only grumble that the "catastrophe of 2002" had wiped out everything that EDF had earned during the decade of the 1990s.

## Western European News Digest

### Schiller Institute Calls for New Bretton Woods at Tremonti Speech in Berlin

On Oct. 22, at a reception at the German Industry Association (BDI), Italian Finance Minister Giulio Tremonti presented his plan for infrastructure under the title "New deal—fair trade." The speech had remarkable elements, compared to what is usually heard from European politicians these days: Tremonti spoke about a "historical time of huge problems for Europe, a whole period is coming to an end: We have geopolitical changes, and the crisis of the stock markets is much more severe than in 1929, although the social effects are not as strong." He said that we lost the power of the sovereign state, while the power of new European structures has yet to be found, "we have to look for a new model, after first the social welfare state and then the new economy collapsed."

However, the weakness in the discussion became evident, when Tremonti went more into the details of his own plan, a renewed "Delors plan," as he said, but without ever becoming concrete concerning the financing mechanisms. He said, of course, the European Infrastructure Bank has to be the engine for investments by issuing bonds, but the combination of private and public capital is still in the process of being worked out.

Tremonti was strongest in his rather clear-cut attack on free trade, saying, "Let's look at China. China is a metaphor for all that is happening in the world today—we should not have the illusion, that the competition with them will be forever on the sector of low-wage products. China will become rich, and therefore playing Karl Marx for a moment, so to speak, from the standpoint of the old working class in Europe we try to compete with China by having standardized low wages today in Europe, while the living costs are high—so to speak, eastern wages and western costs.... This can lead to a grave crisis of our continent. Therefore, when, at the last G-7 summit in Paris, all were praising free trade, we said, 'No, we need fair trade.' Finally, what was decided, is to have rule-based trade." Tremonti demanded a stop to "currency dumping," development of new tariff mechanisms, and formulation of a "social clause which defends the dignity of man.... We can demand this in Italy, because we don't have a left government, so we are not suspicious," he said.

When a Schiller Institute representative intervened with the reality of the U.S. economic debacle, and called for Lyndon LaRouche's New Bretton Woods, the limits of the "defined" debate in Europe became apparent. The Schiller Institute organizer noted that \$32 trillion in debt is exploding in the U.S., and that the dollar right now is a kind of financial nuclear bomb; he also added Europe should learn from China right now, which is investing \$200 billion per year in public credit into infrastructure. Here, Tremonti said, "No, I am not supporting this catastrophe scenario, I don't see the situation in the

U.S. as bad, and also Europe—I think, we have in front of us a new phase, everything will be good—concerning Bretton Woods, I think, you mean it more as a metaphor."

The limitation is also evidenced by Minister Tremonti's emphatic defense of the Maastricht pact, and his very emphatic stress on "private capital." He said it is "very complicated." And indeed it is, since some circles have vehemently opposed the whole Tremonti plan, as a violation of the Maastricht "austerity" regime.

## **Italian Prime Minister Urges Easing of Maastricht Rules**

At a Strasbourg press conference, on Oct. 22, Italian Prime Minister Silvio Berlusconi said that nobody calls into question that, "the main task of the European Central Bank is the fight against inflation." But in the present conjunctural crisis situation, "as the economy is stagnating, it is urgent to rethink the inflation fight."

"The European Union must grant exceptions from the deficit rule of 3% GDP, in times of weak growth," Berlusconi said, calling for "a more mature reading of the stability regulations" of the Maastricht Pact.

"We have to accept exceptions for certain countries, if we take into consideration the specific condition of their economy, as well as extraordinary events like Sept. 11, the war on terror, the Afghanistan campaign and the Iraq War."

## **Letter from Princess Diana Predicted Car Plot**

In a letter written 10 months before her death, Princess Diana wrote that she feared the brakes of her car would be tampered with. The letter was addressed to her butler, Paul Burrell, who released it for publication in the *Daily Mail*, a British tabloid, which ran it on Oct. 20.

The *Daily Mail* quoted the letter directly: "This particular phase in my life is the most [the word most is underlined] dangerous. [Word here is blacked out] is planning 'an accident' in my car, brake failure and serious head injury in order to make the path clear for Charles to marry." (Diana named who she believed was plotting to kill her, but the *Mirror* says it was not able to repeat the allegation for legal reasons.)

In the letter, Diana went on to say that she had been "battered, bruised, and abused mentally, by a system for 15 years now" but she felt no resentment or hatred. She also wrote she had "cried more than anyone will ever know," but that her "inner strength" never let her down and she would "never surrender."

Burrell, who waited until now to release the letter, was quoted saying, "With the benefit of hindsight, the content of that letter has bothered me since her death." He said he had released the letter in the hope that it would lead to a British inquest and a "thorough investigation of the facts by the British authorities."

This development follows an announcement by the Surrey County Council coroner in August, that an inquest would be held into the 1997 deaths by a car crash in Paris, France, of Diana and Dodi Fayed. This would be the first British inquest. But county coroner Michael Burgess, who is also the official coroner of the royal family, would not name a date, and no date has been set.

## **French Authorities May Open Diana Crash Probe**

The release of Prince Diana's letter has prompted French authorities to reconsider reopening their own investigation, report

several British newspapers. The 1997 car crash also killed Dodi Fayad and driver Henri Paul, who was blamed for the crash.

A French police spokesman said, "When evidence like that emerges after an investigation is completed, it would be normal to reopen it."

Driver Henri Paul's father, Jean, who did not believe his son was to blame for the crash, commented, "This letter may show what really caused that dreadful crash.... He would never drink while working, especially when driving the Princess. If this letter is true, if it was written by the Princess before she died, it backs up what we have said all along."

The letter was big news in all the British press. The *Times* reports that the blacked out name in the letter was believed to have been a member of her official security detail.

## **Al Fayad Challenges Blair: Open Inquiry on Death Of Diana And Dodi**

Moyhammed Al Fayad, the influential father of crash victim Dodi Fayad, issued a statement Oct. 21, declaring, "I am disappointed that it has taken Burrell six years to reveal this extraordinary correspondence, and it raises questions as to what other secrets he may be harboring.... In what must be seen as a cynical attempt to silence him, Paul Burrell was prosecuted in the criminal courts, but this bungled move has simply served to highlight the involvement of the royal household in the strange circumstances surrounding Diana's death.

"During the investigation which led to the failed prosecution, Scotland Yard acquired a mass of explosive evidence from Burrell, in the form of letters, tapes, and videotapes, which again, has not seen the light of day. It is extraordinary that Paul Burrell did not volunteer this evidence in time for the French investigation into the crash, but it is now vital that he be called to give evidence in an independent public inquiry.

"The Prime Minister must now accept that the time is right for a full public inquiry. Further delay will look as though he is colluding in a cover-up, and the people of this country will not tolerate that."

Fayad refers to the prosecution last year charging Burrell with stealing some effects of Diana. That case collapsed when the Queen personally intervened on Burrell's behalf. According to the *Times*, the Queen disclosed to the Prince of Wales that she had talked to the butler shortly after Diana's death about possessions which he was looking after.

While a *Times* editorial claims the letter does not point to a conspiracy, the paper nonetheless calls for an official inquiry by the Surrey County coroner. This inquest is, in fact, required by law since, Diana, as a British subject, died under unclear circumstances.

## **German Government Prefers Austerity To Making Fight for General Welfare**

The cabinet and the executives of Germany's two coalition parties, the Social Democrats (SPD) and Greens met in Berlin for five hours Oct. 19, and proposed a list of new cuts in the pensions, from 2004 onward.

These cuts include: 1) a freeze of pension increases for 2004; 2) a linkage of any further pension increase to the overall income situation of the pension insurance, from 2005 on (basically, a cut in payments); 3) pensioners must pay a share of the special care insurance (*Pflegeversicherung*), from April 2004 onward; 4) the state pension system will reduce its iron reserve for covering bigger insurance income gaps, from currently 7.9 billion euros (\$9.2 billion) to 3.2 billion euros (\$3.7 billion).

All of these measures together are "believed" to cover the acute pension insurance gap of 8 billion euros (\$9.3 billion)—which has, after all, emerged because of reduced payments of citizens into the pension insurance, which has to do with, for example, increased unemployment and lowered incomes. Whatever the government may think—what is clear is that the vast majority of pensioners will not welcome these cuts. One-third of all German voters are pensioners.

The Red-Green government coalition hopes to appear as the alleged "lesser evil" with its own budget-cutting approach, against the "bigger evil" of what the opposition Christian Democrats (CDU) propose.

But when Health Minister Ulla Schmidt of the SPD portrayed a future in which pensioners would only get 40% of their pay through the modified new state social welfare system, whereas everything above that would have to be covered by individual private revenues, she signalled that the SPD will arrive in a few years where the Herzog-Merkel group of the CDU is now.

For concerned German voters, especially those voters at retirement age, there is no real alternative between the Red-Green camp and the CDU camp, or the CDU and the CSU.

As in the United States, the only alternative that will be posed, will be between voter rage populism of the kind that Arnie Schwarzenegger or stands for in California, or the alternative offered by the LaRouche Movement for a new financial system, and a just economic world order.

## **British Sources Stress Parallels Between Blair and McMillan Ouster**

A British source, knowledgeable about politics and history told *EIR* last week that "the first thought" he had, when hearing of Tony Blair's heart problems on Oct. 19, "was that they were trying on him what had been done to Harold MacMillan, and something was slipped into Blair's coffee."

Blair's drinking too much strong "European coffee" is being cited as one cause for his irregular heartbeat. When Harold MacMillan was forced from office, he developed the symptoms of bladder problems, and thought he had a deadly disease. Yet, just two weeks after he resigned, the source said, he was "right as rain." It is not unlikely, that Blair is getting similar treatment.

Definitely, the way the media—especially the tabloids—are playing the Blair heart issue, is that "Blair could well be on the way out." The media are pushing this spin, the source said, because they know how to read these things.

The source emphasized that the new events in the case of Princess Diana, are not unrelated to Tony Blair's troubles, and that the revelations around the letters released by butler Paul Burrell, are being aimed at circles around Tony Blair and Peter Mandelson. It is notable, the source said, that in the *Daily Mirror*, Burrell also released another letter from Diana, expressing her view that the Duke of Edinburgh [Prince Philip] is "a wonderful man." Also, keep in mind that Burrell is "the Queen's man,"—the Queen had ended the attempted prosecution of Burrell for alleged "theft" of items Diana had left him. Important also is that one week ago, the tabloids were covering reports, that the Queen thought that Tony Blair was out to get her, the source noted.

## **Russia and Central Asia News Digest**

### **Putin Calls For Enhanced Ties With China, India**

In an Oct. 19 interview with Star TV, Russian President Vladimir Putin reviewed the priority items on the agenda of his tour of Asia, which included attendance at the Organization of the Islamic Conference and Asia-Pacific Economic Cooperation summits. The Russian President stressed the importance of developing the natural resources in Russia's Far East, in the context of enhanced Asia-Pacific cooperation. Though problems remain concerning the definition oil-pipeline routes from East Siberia to China and/or Japan, Putin said he was optimistic that those problems will be solved soon.

Putin also called for more to be done in economic cooperation between Russia and India: "Our volume of trade with India is almost 10 times lower than our trade with China. This absolutely does not fit either the level of our cooperation or of our possibilities. I could use all my fingers and more to count the potential areas for our cooperation, for there really are many of them, and they are all of great interest for both countries. We will work with the Prime Minister [of India] to look for opportunities to develop and diversify our relations."

Asked about reports that his two daughters are studying Chinese, Putin confirmed: "One of my daughters did become interested in this, after she went to China at the invitation of the wife of former Chairman of the People's Republic of China, Jiang Zemin. But I think you are right; I think this is a sign of growing interest in Russia in China, its language and culture. This is not happening just by chance. It is not chance because our ties with the People's Republic of China are growing.

"We also want to develop our ties with other countries in the region that have large Chinese communities playing a significant role in the economy. We also take this into account and think that there are interesting opportunities here, for example in the high-technology, aviation, and space sectors. I don't think there is anything unusual about this. I think it is natural, but at the same time complicated."

(Additional reports on Putin's speech at the APEC summit and his subsequent state visit to host country Thailand appear in the Asia Digest.)

## **Russian Air Base Opened At Kant, Kyrgyzstan**

President Putin wound up his nine-day Asia tour on Oct. 23 in Kyrgyzstan, where he and President Askar Akayev opened the Kant military base. It is the first new Russian base outside the country, since the end of the Soviet Union in 1991. The base is at Kant, 19 km from Bishkek, the capital. Ten Russian Sukhoi-27 and Sukhoi-25 fighter jets, five Sukhoi-25 bombers, helicopters, and 500 pilots and maintenance personnel will be stationed there.

In his statement, Putin said: "We intend to strengthen the security of a region whose stability is a growing factor in the international situation." The Russian base is only about 50 km from the Manas military base where 2,000 American troops are stationed. Putin said that the Kant base is specifically to protect Kyrgyzstan. "The terrorists came here as if they were at home. If there had been a base here, events would have developed differently."

## **Russia Plans To Decrease Dollar Portion of Reserves**

Russian Deputy Finance Minister Aleksei Ulyukayev said Oct. 22 that the share of dollars in Russia's gold and foreign currency reserves will be reduced by 5%, and the share of euros increased by the same amount. At present, those shares are 70% and 25%, respectively. Ulyukayev noted the growing importance of European markets for Russia, and the euro's gains against the dollar internationally (17% this year). Russian companies denominate 40% of their settlements in euros, Ulyukayev said.



## **Russia-EU Energy Cooperation May Be Deepened**

Russia is considering cooperation in building up the strategic oil and gas reserves of the European Union, Russian wires reported Oct. 18. According to Russian Vice Premier Viktor Khristenko, the issue of building up such reserves was on the agenda of talks between Moscow and Brussels. The EU wants to take a decision on that by the end of the year, Khristenko said. Russia and the EU are also discussing a framework agreement, which would enable Euratom to allow EU countries to import uranium from Russia, Khristenko hinted.

Despite the mutual interest in increasing trade and investment, not everything was rosy during the talks with the EU delegation, led by Pascal Lamy. Russian papers reported Oct. 17 that the EU did not bend on any of its proposed conditionalities for collaboration with Russia, even after pointed remarks by President Putin—earlier in the month, after talks with German Chancellor Gerhard Schroeder—that Russia would not be "arm-twisted" by the EU or the World Trade Organization (WTO). Specifically, the European Commission representative reiterated its six demands: increase of Russian domestic natural gas prices; demonopolization of Russia's gas exports; free transit of gas; the right for foreign investors to build pipelines; equal gas transport rates for domestic consumers and for exports; elimination of export duties on gas.

In addition, Lamy reportedly demanded free access for foreign companies to Russia's telecommunications market, and the as elimination of duties for European carriers' flights over Siberia. Invoking "free trade" dogmas, Lamy threatened Russia with anti-dumping challenges, if Russia did not bring domestic prices into line with world prices. "In order to enter WTO, each country has to pay," he lectured, "The price for each country is different."

## **Putin Underscores Russian 'Preventive Strike' Prerogatives**

In his Oct. 16 interview to the Arab channel Al Jazeera, Russian President Vladimir Putin again presented possible Russian responses to the "preemptive war" postures, including possible use of nuclear weapons, taken by the Chickenhawk clique grouped around U.S. Vice President Dick Cheney. Putin was asked about recent Russian Ministry of Defense warnings that Russia itself could resort to preemptive military actions. He replied, "Concerning preventive strikes, we base ourselves above all on the primacy of international law. Any use of force must occur only according to a decision of the UN Security Council. But you are right, the Defense Minister did in fact speak of the possibility of preventive strikes. But he had in mind—and this is also my view—that we are against such a policy [of preventive strikes], but if it were to continue to be upheld in the practice of international affairs, then Russia would retain its right to act in exactly the same way."

In the same interview, Putin was also asked about Russia's announced intention to deploy multiple-warhead SS-19 intercontinental ballistic missiles. Putin replied: "Concerning our heavy missiles, the SS-19, there was never any secret about the fact, that Russia possesses these rockets. These are today probably the most powerful missiles in the world. They are called heavy, because they can carry larger payloads into space, which means, they can carry many separable warheads. These are missiles, that can easily penetrate any system of anti-missile defense, that could be built in this decade.

"But there is something new, in what we are now saying. It is contained in the following. Many experts suggested, that these missiles were going to be withdrawn from service during the next five or six years, as a consequence of their natural aging process. [But] in discussions with the Defense Ministry we reminded people, that Russia possesses a significant quantity of such missiles, which were never operationally deployed. In this sense, they are new, they have been in dry storage; and when now-operational missiles are retired from service, we are going to replace them by these new, heavy rockets. That means, Russia will have this kind of weaponry, not just for the next three, four, five years ... [but much longer] ... by which time, we will go over to the production of new types of strategic armaments."

## **Russia: No Funds for Iraq Operations**

Russian Deputy Prime Minister Fedotov, who led Russia's delegation to the Madrid donors' conference, said Oct. 21 that Russian companies are ready to invest even billions of dollars, but Russia is not planning any donor assistance. Russia would push at the conference for the fulfilling of existing contracts, he said. Russian wire services reported Fedotov's words: "There are other non-financed contracts, which we believe are crucial to meeting the fundamental needs of the Iraqi population, including the construction of power plants, water purification facilities, and elevators. We will call for providing funds to them and for implementing them in the framework of new programs and funds."

## **Russia To Bring Road Map to UN Security Council**

Russia is expected to introduce the Road Map for a Middle East peace into the United Nations Security Council in order to make it official UN policy, the Israeli daily *Ha'aretz* reported Oct. 23. The United States is expected to back the proposal. This is something Israel has been opposed to because it will serve to "internationalize" the conflict.

## **Berezovsky Involved in Bizarre Story of Assassination Plot Against Putin**

On Oct. 19, the *Sunday Times* of London ran a story with the dramatic headline, "UK plot to kill President Putin," which claimed that Scotland Yard had "thwarted a suspected plot to assassinate Vladimir Putin, the Russian president, after arresting a renegade Russian intelligence agent in London." Two alleged would-be assassins were arrested a week earlier, interrogated for five days about their attempts to hire Russian exiles in Britain, by whom Putin would be "shot dead by a sniper while on a foreign trip," and then, "released on Friday on condition that they return to Moscow." One of the men is identified as an FSB major.

A tip to Scotland Yard supposedly came from ex-FSB officer Litvinenko, living in Britain the past three years, and an associate of tycoon Boris Berezovsky—now also living in the UK. Here the story gets fishy, as the assassin-hirers supposedly told their plans to Litvinenko, who told Berezovsky, who made sure Litvinenko went to Scotland Yard. Berezovsky's own *Kommersant* newspaper slants its coverage: "Berezovsky saves Putin!" The report in the *Sunday Times* surfaced exactly when Putin was touring Southeast Asia, in a most complex effort of foreign diplomacy.

Berezovsky himself, in a long interview to *Moskovskiye Novosti* of Oct. 21, spun out an analysis about how an FSB faction would want to kill Putin and install "somebody like Yevgeni Primakov." The only related "on-the-ground" activity reported from Russia, was the arrest this week on a road near Moscow, of a lawyer who represented Litvinenko before he defected.

## **Putin And Kuchma Move To Cool Out Border Dispute**

President Leonid Kuchma of Ukraine cut short an important tour of South America Oct. 22, "in connection with growing tensions around Tuzla Island," his press service announced. The next day, Kuchma was on the phone with Russian President Putin, who reportedly pledged to get leaders in Russia's Krasnodar Territory to halt construction of a dam from Taman out to that island, which Ukraine claims as its territory. The location of the controversy is the Strait of Kerch, between the Black Sea and the Sea of Azov. On the eastern side is the Taman Peninsula in Russia, to the west is the Crimean Peninsula—Ukrainian territory, to the disgruntlement of many Russians. Tuzla Island, in the straits, used to be the Tuzla Spit, until a huge storm in 1925 washed away part of the sandbar.

There are conflicting stories about who started building the dam on Sept. 29. Russian Foreign Minister Igor Ivanov, replying to an official Ukrainian protest earlier this week, upheld the line that it is being built out of "economic and

ecological considerations, and has nothing to do with Ukrainian-Russian talks about border delimitation in the Sea of Azov." Various speculation attributes the project to a committee of Kuban Cossacks in Krasnodar; to Ukrainian Parliamentarian Leonid Hrach, who favors more Crimea-Russia trade; or, to various politicians who would like to make themselves look good by solving the crisis.

Whatever its origin, the dispute escalated quickly. On Oct. 16, Ukrainian authorities sent in heavy machinery to block the dam-builders as they approached Tuzla Island. Oct. 20, Ukraine officially protested again and Kuchma termed the construction an "unfriendly act." Oct. 21, Kiev papers reported that Kremlin chief of staff Alexander Voloshin had burst out at a private briefing for Ukrainian journalists, "It's bad enough that Ukraine has Crimea! Just leave us alone, or we'll drop a bomb there." Oct. 22, Kuchma hurried home. Today, before the Kuchma-Putin phone call, Ukraine began installing pontoons with the Ukrainian flag to mark a line beyond which the dam must not go.

## **Russia Sends Three to Space Station**

Russia launched a Soyuz space ship to the International Space Station on Oct. 18, with a Russia, an American and a Spaniard on board. It was the second Soyuz sent to the space station since the American space shuttle Columbia blew up in February. Russia's ability to launch Soyuz ships is the only way to reach the ISS currently, and demonstrates international cooperation on the project.

## **Mideast News Digest**

### **Jerusalem Summit Declares War on 'Radical Islam'**

The Jabotinsky and Darbyite cultists, led by Richard Perle, Daniel Pipes, Gary Bauer, Bibi Netanyahu, Beny Elon and Effi Eitam, who convened in Jerusalem for the so-called "Jerusalem Summit," Oct. 11-15, have issued what could be called a declaration of civilizational war, along the lines of the Defense Policy Board's Eliot Cohen and James Woolsey's call for "World War IV." The Joint Declaration of the "summit," signed by all the participants, who "oppose the conceding of a Palestinian state," says:

"The ideology of radical Islam, which stands behind so much of today's terrorism, represents the third major totalitarian threat to civilization in the past century, following Fascism and Communism." It asserts that the State of Israel is, "symbolically and operationally, on the front-line battle to defend civilization" and that "the war on radical Islam is a righteous cause."

According to a well-placed Middle East expert in the U.S., the phrase "radical Islam" has been completely phased out by neo-con warmongers Daniel Pipes, Meyrav Wurmser of the Hudson Institute, and her husband David Wurmser, now in Dick Cheney's office. The Wurmsers are "making the rounds" in Washington, especially among Jewish circles, to give special briefings, that it is "all of Islam," not just "radical Islam," that is the new worldwide enemy. On July 30, Republican House Majority Whip Tom DeLay (Texas) had delivered a speech before the Israeli Knesset, in which he, too, invoked a global war on Islam, and declared that the United States and Israel took an identical approach to the issue.

### **Iran Will Sign Nuclear Non-Proliferation Protocol**

Following talks with the foreign ministers of France, Germany, and the UK, the Iranian government agreed to sign the protocol to the Nuclear Non-Proliferation Treaty, which the International Atomic Energy Agency (IAEA) has been demanding. The Secretary of the Supreme National Security Council, Hojatolislam Hassan Rowhani, made the announcement on Oct. 21, saying Iran would sign by Nov. 20. Iran also agreed to suspend its uranium-enrichment

program, as a gesture of good will; the spent fuel will be returned to Russia. Rowhani said it was a voluntary decision, of undetermined duration, and that the country would resume it whenever it deemed necessary.

During the talks with the European ministers, Iranian government officials reiterated that nuclear weapons have no place in their defense doctrine, that they are committed to the NPT regime, and that they will cooperate fully with the IAEA to ensure transparency.

The European trio said they welcomed Iran's decision, and that they recognized the right of Iran to the peaceful use of nuclear energy. They said, the protocol in no way is intended to "undermine the sovereignty, national dignity or national security of its states' parties," the government news agency, IRNA reported. In their view, the full implementation of Tehran's decision, confirmed by the IAEA director-general, Mohamed ElBaradei, "should enable the immediate situation to be resolved by the IAEA Board of Governors." ElBaradei is reportedly optimistic about Iran's cooperation.

IRNA added, "Once international concerns, including those of the three governments, are fully resolved, Iran could expect easier access to modern technologies and supplies in a range of areas. They will cooperate with Iran to promote security and stability in the region, including the establishment of a zone, free from weapons of mass destruction in the Middle East, in accordance with the objectives of the United Nations."

The development is very encouraging: Although more detailed information on the content of the talks is required—and will be forthcoming—the following points are clear: 1) France, Germany, and Britain have succeeded in demonstrating that the "constructive dialogue" approach to Iran, works. 2) Iran apparently received guarantees from the Europeans, that it would receive the technological assistance it requires, and has a right to, according to the NPT. 3) Iran voluntarily suspended its uranium-enrichment program, something the Russians had encouraged them to do, as a goodwill gesture. 4) Inside Iran, the fact that these guarantees have been made, makes it easier for the conservatives, who had opposed the protocol, to agree. The fact that Rowhani, considered a hardliner, has been named as a liaison, indicates there is agreement inside Iran on the deal. 5) The references to a zone free of WMD is aimed at Israel, and signals support for the proposal that the Arab League has long held on the issue.

## **Iran Cooperating with West in War on Terrorism**

Despite conflict over Iran's nuclear program, and U.S. accusations that Tehran is providing cover for alleged senior al-Qaeda members, Abdullah Ramezanzadeh, spokesman for Iranian President Mohammed Khatami, told *Time* magazine Oct. 20 that Tehran is supplying intelligence services of friendly Western and regional powers with information culled from some 500 al-Qaeda captives.

"If Americans need any information, they can ask through countries friendly to us," he told *Time*. He further insisted that three top leaders of al-Qaeda—Osama bin Laden's son; heir-apparent as leader of al-Qaeda, Ayman al-Zawahiri; and spokesman Sulaiman Abu Ghaith—are not in Iran.

*Time* furthermore reported that several former senior U.S. officials have recently held informal discussions with Iran. They include Brent Scowcroft, Chairman of President George W. Bush's Foreign Intelligence Advisory Board.

## **Attacks on U.S. Forces in Iraq Increasing**

Attacks on U.S. troops have reached as high as 35 per day, said American Lt. Gen. Ricardo Sanchez, at a news conference in Baghdad Oct. 22. Sanchez attributed the increase in incidents to the deployment of additional thousands of light infantry soldiers who have been conducting patrols and counterinsurgency operations in cities like Fallujah and Ramadi, in the

province of Anbar: "We're taking the fight to the enemy out there," he said.

The frequency of attacks on U.S. forces in the Anbar began increasing in August and September. Although Sanchez maintained that Anbar province was "clearly a stronghold for former regime loyalists," local leaders in Fallujah contend many of the attacks are prompted by anger among young Islamic activists at the sight of American military vehicles on the streets of the traditional town. Mustafa Yaacoubi, a spokesman for the Shiite Muslim cleric, Muqtada Sadr, in Najaf, said, "It's apparent, [that U.S. forces] are trying, in many different ways, to provoke us."

## **Saudi Arabia and Pakistan Will Not Send Troops to Iraq**

Saudi Arabia's Crown Prince Abdullah and Pakistan's President Pervez Musharraf have both declined to send troops to Iraq without the express invitation from the Iraqi populace, in what must be seen as a further blow to President G.W. Bush's "coalition of the willing," Associated Press reported on Oct. 19.

Crown Prince Abdullah, in no uncertain terms, denounced terrorism: "A handful of criminal terrorists have destroyed our relations with other people. They have disfigured the picture of Islam and Muslims. We should fight this small group and prove their claims wrong. All those criminals who create chaos on earth, who spill blood and kill innocent people, they have lost their way. They claim to work for God and his Prophet. They are saying only lies."

With Pakistani Foreign Minister Khursheed Kasuri standing next to him, Saudi Foreign Minister Prince Saud al-Faisal said, on the issue of troops, "The express opinion of the Iraqi people has not been shown to us, and until that time ... we will not send any troops." Kasuri added, "If the people of Iraq ask for help, Pakistan as a brotherly country will do what it can, but we will wait for that to happen."

## **Sharon Vows To Finish Security Wall Within a Year**

At the opening of the winter session of the Israeli Knesset (Parliament), Prime Minister Ariel Sharon said that the "security" fence, including areas around Jerusalem, would be finished in a year. According to this report, from BBC Oct. 20, Sharon had to fight to be heard over the heckling of the assembly.

## **Palestinian Authority Declares State of Emergency**

The Palestinian National Authority declared a state of emergency because of a lack of medical supplies in the Gaza Strip, *Ha'aretz* reported Oct. 21. As this news service warned in advance, Israel has launched a massive military operation against the Gaza Strip, at the beginning of October.

At the same time, the International Red Cross announced it had been forced to end its emergency food program in the West Bank, which was feeding at least 300,000 people. It had started the program last year, after Israel launched Operation Defensive Shield, better known as "Operation Warsaw Ghetto," in which the Israelis reoccupied the West Bank. The Red Cross said that the Israelis were violating the Geneva Convention, stipulating that the occupying power must ensure that food reaches the population. Israel has made absolutely no effort to comply. The Red Cross had been providing \$100 worth of food aid per family per month. Although the World Food Organization will step in to provide some food, it can only provide \$35 per family and only reach 240,000 people. That leaves 60,000 with no aid at all.

## **Israeli Officer Threatens Palestinian Extermination**

The *Jerusalem Post*, on Oct. 23, ran an article quoting from an unnamed "senior military officer," threatening the mass

extermination of the Palestinians.

The officer, suspected to be Chief of Staff Gen. Moshe Ya'alon, told the *Post* that the Jewish state was capable of violent rage against an enemy, and warned that there could be a point where the Palestinians could certainly spark it. Then the officer is quoted directly: "[Dresden] or Nagasaki or Hiroshima?" he said, referring to the allied bombing of German civilians and two U.S. atomic bombings of Japan. "I don't think we are at that point but it could be that the Palestinians will bring us to this at some point." He went to say, "If it becomes clear to us that even after Arafat, the leadership that will take over is not a partner for any kind of solution or arrangement, I presume Israeli society will start to discuss options. It wouldn't go without the legitimacy of society."

## **Israeli Arrested for Selling Bombs to Arab**

An Israeli Jew was arrested in Jerusalem earlier this month for making and selling bombs, according to the *Jerusalem Post* Oct. 20. The undercover policeman who entrapped the man, was posing as an Arab, and had asked whether the three-kilo bomb, which he was going to buy for 25,000 shekels (\$5,600), could be used to blow up buses. The bomb-maker, whose name is Hanan Yadgarov, answered in the affirmative, and claimed he sells the bombs to criminals, and not to political organizations such as Hamas.

## **Arab Knesset Member Target of Assassination Attempt**

Issam Makhoul, an Israeli-Arab member of the Israeli Knesset, was the target of a failed bomb attack, *Ha'aretz* reported Oct. 24. A fire-bomb exploded underneath Makhoul's car, setting it ablaze. Although his wife was in the car at the time, she managed to escape unhurt. Makhoul, who was not in the car at the time, said that he was obviously the target of an attack which had nationalistic motives.

Makhoul is a member of the Haddash-Ta'al party, formerly, the Israeli Communist Party, which is mostly Arab-Israeli in its membership. In February 2000, after an appeal to the Israeli Supreme Court, Makhoul held the first Parliamentary debate on Israel's nuclear weapons, for which he was roundly denounced.

Speaking in the Knesset at the time, he said, "The entire world knows that Israel is a vast nuclear, biological, ... and chemical warehouse that is used as an anchor ... for the nuclear arms race in the Middle East."

This past July, Makhoul gave an interview to the BBC for the latter's special report on Israel's nuclear arsenal. He told the BBC: "Why are the Americans looking for weapons of mass destruction in Iraq? I can show them where there are weapons of mass destruction ... including nuclear weapons. They are in Dimona, in Haifa Bay, in the Eilabun mountain, ... and in the area of Sakneen, Yofhata. Let them send their inspectors to me, ... and I will lead them by the hand and show them."

# **Asia News Digest**

## **North Korea Will Consider U.S. Security Offer**

North Korea said Oct. 25 that it would consider President Bush's offer of multi-lateral, written security assurances in return for dismantling of its nuclear weapons programs. Pyongyang had earlier dismissed Bush's offer as laughable and not worth considering. During the Bangkok APEC Summit of Asia-Pacific leaders last week, Bush proposed that the United States, Russia, South Korea, Japan, and China offer written assurances that the North would not be attacked, if it promises to dismantle its nuclear program. "We are ready to consider Bush's remarks on the written assurances of nonaggression if

they are based on the intention to coexist with the (North)," the statement said.

## **Cheney, Pentagon Named as Saboteurs of Korea Peace Effort**

The *New York Times* Oct. 20 attacked Vice President Dick Cheney and his Pentagon allies as the source of the North Korea problem. "There are a lot of people in the administration who think that the North is bound and determined to plow ahead with its nukes, no matter what," the *Times* quoted a senior official as saying. They noted that this official "has joined the Pentagon and Vice President Dick Cheney's office in opposing virtually any meaningful negotiation with North Korea."

The *Times* further quoted the official as saying that if North Korea does not now cooperate, and take up Bush's new offer, the neo-cons will have a field day. "We could demonstrate to the world that it's time to take more decisive action, from cutting off their oil, to seizing their ships, to having unpleasant things happen to their suspected sites," the official said.

A Korean official told *EIR* that the new proposal from the U.S. for a multi-national security guarantee for North Korea is serious, and reflects more sensible voices in the Administration on Korea policy. "But on the other hand," the official said, "the neo-con voice is still very strong, saying that 'the North is building nuclear weapons, and no treaty will stop them.' They are just hoping this complex six-nation negotiation falls apart, so they can move for their next agenda of confrontation against Pyongyang, as the *New York Times* said."

## **Neo-con Calls for Economic Strangulation of North Korea**

Max (Jack) Boot, writing an op-ed in the Oct. 22 *USA Today*, laments that President Bush has backed off the "axis of evil" theme, while touring Asia this week, and is instead offering North Korea a multilateral security guarantee, prompting Boot to demand: "What's going on?" Is Bush vacillating, he wonders, between the hard-liners and the "accommodationists"? Maybe he is: so Boot is here to take that first goose-step toward what he calls "the third way," i.e., "peaceful regime change" through economic strangulation of North Korea: "The goals of such a campaign are easy to articulate but hard to accomplish: Cut off food aid to North Korea from various nations; halt fuel supplies from China and investment from South Korean firms" in order to topple Kim Jong Il. "This strategy will require the active cooperation of other countries, especially China and South Korea," in order to totally isolate what Boot calls "one of the poorest nations on Earth."

Unable to accept that diplomacy might prevail, Olin Fellow Boot concludes Bush is shamming negotiations in order to justify a hardline approach later: "By putting forth a good-faith diplomatic effort, he makes it more likely that North Korea's neighbors will be willing to get tough if negotiations collapse." But there's a grave risk that peace might actually occur: "But there's also a danger Bush will be trapped by his own rhetoric into striking a deal with North Korea."

"These fools never learn, said Lyndon LaRouche, upon hearing about the Max Boot op-ed on North Korea and similar ravings. "I thought I explained to these idiots how stupid Harry Truman got himself into a war in Korea. This is the same damned thing."

## **Putin Promotes Trans-Siberian Railroad in APEC Speech**

In his speech to the opening plenary session of the APEC summit in Bangkok, Thailand Oct. 19, Russian President Vladimir Putin said, among other things: "One of the main spheres of our economic activity in the Asia and Pacific Region is transport and energy. At previous meetings within the framework of the Business Summit, I have already talked about several infrastructure projects, including possibilities for the Trans-Siberian Railway and its attractiveness for investors. So far, Russia has invested over \$1 billion in modernizing and developing this system. I won't repeat myself today, I only

want to point out that even Spain, at the very west of the European continent, already actively uses this route to deliver cargo to countries of the far East. We expect that our partners in other countries will actively make use of these possibilities."

## **Putin on Eurasian Stability**

In his speech at the official reception at the Royal Palace in Bangkok, the Thai capital, Russia's President Vladimir Putin said Oct. 22 that, "the stable and secure space from Europe to the Pacific Ocean is not only one of the conditions for internal achievements but [also] a strategic factor for the whole planet."

Putin added that Russia and his host Thailand belonged to the same "vast Asia-Pacific region, the geopolitical importance and economic influence of which are growing."

## **Wiesenthal Center Calls for Boycott of Malaysia**

In an ugly irony, Rabbi Abraham Cooper of the Wiesenthal Center, which is financed by Herr Gruppenführer Arnold Schwarzenegger, now Gov.-elect of California, and his criminal backers, called for a "boycott of tourism and investment" in Malaysia, on Oct. 23. "Dr. Mahathir's serial anti-Semitism has now moved the most virulent anti-Semitic stereotypes into the mainstream of the body-politic of the Islamic and Asian communities," he said. Apparently Cooper, who has supported the Schwarzenegger fascist campaign, is yet another Mahathir-hater who rejects Mahathir's call for an end to terrorism, which so neatly fits their purposes.

## **Africa News Digest**

### **Mbeki in India: Developed Nations Cannot Solve Our Problems**

South African President Thabo Mbeki—in India at the head of a large delegation of his Cabinet, and business leaders—declared "We cannot expect the developed nations to find solutions to our problems. Mbeki discussed health care, in Hyderabad Oct. 17, and, according to the *Press Trust of India*, he "called for mutual cooperation in the health-care sector to make it affordable for the common man. 'We [developing countries] cannot expect the developed nations to do research for us and find solutions to our problems,' Mbeki said," after visiting Bharat Biotech International.

Mbeki attacked the Bush Administration in delivering the Third Alfred Nzo Memorial Lecture in New Delhi, calling on India and South Africa "to collaborate and act together against those, who 'wrongly believe they can convey their message through bombs and guns,'" according to *The Hindu* Oct. 16. He also said that the institutions of global governance are in need of "urgent reforms," because they are not democratic.

India and South Africa signed an agreement for cooperation in electricity generation, transmission and distribution, urban and rural electrification, and "renewable" energy.

There were extensive talks on defense technologies. South Africa is working to modernize its navy, and India is seeking to improve its artillery after its deal with Soltam Ltd., the Israeli company, fell through. There was discussion of joint training and joint ventures in defense production. The South Africans discussed shipbuilding with the help of Indian shipyards.

The two governments continued negotiations necessary for a Framework Preferential Trade Agreement between the South African Customs Union and India, and reported substantial progress; the agreement is expected to be signed toward the



end of 2004.

## **Powell Pushes Anti-Sudan 'Peace Deal' in Kenya**

As expected, U.S. Secretary of State Colin Powell, on a visit to Kenya, put more pressure on Khartoum to sign off on the disastrous peace settlement for Sudan, being pushed by Washington, and to do so within a matter of weeks. The "deal" calls for a six-year "transition," during which John Garang's forces will have control of three oil-rich southern provinces, followed by a referendum for independence.

"Both parties have agreed to remain in negotiations, and conclude a comprehensive settlement no later than the end of December," Powell said. "And both gentlemen have committed themselves to that goal of having a comprehensive settlement by the end of December. Once the parties have signed the final comprehensive agreement for peace, President Bush looks forward, and has invited them to come to the White House so that he can recognize their achievement and also endorse the agreement."

Kenyan Foreign Minister Musyoka claimed it was a parallel with Camp David, saying that Naivasha had become "our Camp David" and that Sudan's peace process is now "irreversible."

The *New York Times* noted Oct. 22, that Powell's overt prodding in the talks, not to mention the setting of a deadline and the holding out of the possibility of a White House ceremony, "reflected what African experts say has been an extraordinary amount of attention to a contentious African issue by the Bush Administration."

*EIR* founding editor Lyndon LaRouche responded to this report, by insisting that the only objective of U.S. policy is, as it has been, the destruction of Sudan—that is the *intention* of the forced negotiations, and this will be true until LaRouche is in the White House. Behind the intent to destroy Sudan, LaRouche added, is the intention to destroy Egypt, with Israel having a hand in the dirty operation, and with both U.S. political parties complicit.

Powell will stop in Egypt, on his way to London, when he leaves Kenya.

## **Indian President Visits Khartoum; Two Projects Secured**

The international arm of the major Indian company, ONGC Videsh, has secured two major projects in Sudan for laying a 714 km pipeline from Khartoum to Port Sudan, for carrying crude oil and revamping a refinery in the Port of Sudan at a cost of \$750 million, according to *The Hindu* Oct. 21. Talking to reporters accompanying President A.P.J. Abdul Kalam on his three-day visit to Sudan, Managing Director and CEO of ONGC Videsh, Atul Chandra, noted: "We are the largest investor in Sudan." He said his company would encourage Indian firms to invest in these two projects, playing the role of "door opener," and encourage Indian business to invest in Sudan. Chandra noted that China has invested \$20 billion in Sudan and is providing tough competition to Indian business. He added that American companies had a keen interest in Sudan.

This is the first high-profile visit by an Indian leader to Sudan in more than two decades. Kalam addressed the National Assembly of Sudan.

## **This Week in History**

### **October 27 - November 2, 1825**

This week we celebrate the completion of a major infrastructure project, which linked the Eastern and Midwestern United States—the Erie Canal. This 364-mile, gigantic engineering project came to completion in October 1825, and on Oct. 26, a ceremony was held to launch the official cavalcade of boats which would travel from the western end, in Buffalo, east to New York City, arriving on Nov. 4.

This project is worthy of our attention today for several reasons. First of all, it was a Great Project, outpacing in scope anything else which had been proposed for the growing nation. As such, it corresponded to the vision of nation-building, which the Founding Fathers such as George Washington, had conceived, as they fought to build a continental republic, based on a productive and progressing citizenry. This kind of vision today, would lead us to build transportation corridors with magnetically-levitated trains, not canals, but at that time, this was at the frontier of technological innovation.

Secondly, we should take note of the means by which the canal was financed. First and foremost, the Erie Canal was a New York State project, funded by action of the state legislature through a vote in 1817. Due to ongoing political battles over the concept of Federal funding of infrastructure projects for the general welfare, no credit came from the Federal government. Today, although the states would collaborate with the Federal government in devising and administering the projects, Federal credit would be absolutely essential to carrying it out.

## **Eighth Wonder of the World**

The concept of linking eastern New York State with the Great Lakes was enunciated by President George Washington himself, who, even before the Treaty of Paris was signed in 1783, to end the Revolutionary War, was looking for a transportation route to accomplish this aim. New York's Gov. Dewitt Clinton began fighting for a canal's construction, between the Hudson River and Lake Erie, in 1810. Actual survey work began at that time, but it was cut off by the renewed British attack on America in 1812.

After the war, efforts were made to get the U.S. Congress to pass a bill providing Federal funds for a massive national waterways project, but this failed. Governor Clinton then pushed the bill through the New York State legislature on April 25, 1817, motivating it as follows:

"It remains for a free state to create a new era in history, and to erect a work, more stupendous, more magnificent, and more beneficial, than has hitherto been achieved by the human race."

Governor Clinton also reminded the citizens of New York of the recent conspiracy by Aaron Burr to detach some of the Western settlements from the United States, and of the even more recent activities of the secessionist Hartford Convention during the war with Great Britain. Echoing the earlier warnings of President Washington, Mr. Clinton stated that the most imminent danger to the cohesion of the union lies in the poor communications between the Eastern and Western states. The proposed Erie Canal would provide an easy passage for settlers to Western points such as Detroit and Chicago, and would make it possible for those farmers and mechanics to ship their products back for sale in Eastern markets.

Governor Clinton also heralded the commercial benefits which would result from having the canal available to bring food to the great cities on the East Coast, and anticipated the development of manufactures, as well as towns and cities, along its banks.

Once the bill was passed, New York hired the same lawyers who began surveying the route back in 1810, James Geddes and Benjamin Wright.

At the time the project began, the largest canal in America was the Middlesex Canal, which connected the Merrimack River with Boston Harbor. It covered only 27 miles and was build at the cost of \$1 million. The longest canals in Britain and France were barely a third of the projected length of the Erie Canal, and had the benefit of more experienced engineers to do the work.

## Celebration of Union

Eight years after the New York State legislature set the project in motion, the Canal was complete. The huge task had been accomplished with a largely untrained workforce, which learned from its experience, and was aided by the development of new inventions and methods along the way. Dealing with the rapid downward slope of the land when the canal approached the Hudson, and with the thick rock ledge which guards the passage from Lockport to Lake Erie, were particularly challenging.

After a signal cannon was fired at Buffalo, on Oct. 26, a flotilla of boats took off, led by Gov. DeWitt Clinton aboard the "Seneca Chief." The signal was relayed by the booming of Revolutionary War cannons, or groups of rifles, all along the length of the Canal, and down the Hudson River, to mark the momentous occasion. It took only 90 minutes for this wave of celebration to hit New York City, letting residents there know that the trip had begun.

The flotilla itself arrived in New York City on Nov. 4, to the thunder of the batteries of every fort in New York Harbor, saluting the accomplishment.

Once arrived in New York City, Governor Clinton's flotilla proceeded out into the Atlantic Ocean, where he poured a barrel of Lake Erie water into the ocean, to symbolize the linking of the bodies of water. A special bottle of the same water was saved to send to General Lafayette in France, where he had just returned from his triumphal tour of America.

All rights reserved © 2003 EIRNS

[top of page](#)

[home page](#)