

# EIR

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LaRouche: Fixing Economy Requires Morals, Not Money  
Fascists Cower, LaRouche Youth Movement Sings  
Lula's Re-election in Brazil Worries Globalizers

## The World Crisis on the Eve of the U.S. Election



# EIR

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## From the Associate Editor

We've devoted most of this issue to Lyndon LaRouche's Oct. 31 Berlin-Washington webcast, including the keynote speech and question-and-answer period; LaRouche's written replies to e-mails that came to him in anticipation of the webcast; and a particularly relevant discussion of financial-economic policy, from a private seminar held in Berlin the following day.

The webcast was the best-attended event ever held by the LaRouche movement in Germany's capital—a testimony to the intensive organizing of the LaRouche Youth Movement there. A total of 250 people attended, of whom 170 were guests. Even Germany's established political parties, our correspondent tells us, would be hard-pressed to attract such an audience to a political event.

LaRouche began, as usual, with a bang: He said that the world crisis is now such that surprises are coming for which *almost nobody* is prepared. From financial-economic collapse; to the threat of U.S. nuclear strikes against Iran, leading to World War III; to the march of fascism in the United States—the dangers are intensifying. But the good news is that when the situation gets *really bad*, people shed the foolish axioms and illusions that have kept them from doing anything effective to prevent catastrophe. Then, will they smarten up and listen to LaRouche? If *you* haven't been listening, this webcast is a great place to start. I also encourage you to watch it on the Internet, at [www.larouchepac.com](http://www.larouchepac.com).

But you'd better act fast, because on Nov. 16 there will be a new webcast, this time based from Washington, D.C. There you will learn what LaRouche has to say about the outcome of the Nov. 7 U.S. midterm elections, and where we go from there.

Otherwise, we highlight signs of change and "surprises" from:

- The United States, in our report on the organizing of the LaRouche Youth Movement in the countdown to the election.
- In Brazil, where President Lula returned to office, and is now in a better position to dump the IMF and globalization, should he muster the courage to do so.
- Among Arab dignitaries and U.S. Arabists, who are speaking out more frankly than ever before against our government's policies (see report on the conference in Washington of U.S. and Arab policy-makers).

*Susan Welsh*

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"The worst and best moments in history come to most people, most of the time, as a surprise," said Lyndon LaRouche in his Oct. 31 webcast from Berlin. "And that is going to be the case with what's happening in the world now. We are now at the end of an entire period of history. During the middle of September, in the U.S. and other parts of the world affected directly by the U.S., there was the beginning of a new downturn in the world economy. This is somewhat complicated by the fact that there is an election campaign, so-called midterm election, now occurring inside the United States." Despite the illusions of almost all people and governments, the crisis that is about to hit will be something they are completely unprepared to deal with. How, then, do we proceed?

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LAROUCHE BERLIN WEBCAST

## World Crisis on The Eve of the U.S. General Election

*Lyndon LaRouche addressed a LaRouche PAC webcast in Berlin, Germany on Oct. 31, 2006. The event was videoconferenced to an audience in Washington, D.C., and was watched by “satellite” audiences around the world, including 220 people at universities in Colombia alone. The moderators in Berlin were LaRouche Youth Movement leader Jessica Tremblay and Mr. LaRouche’s science advisor, Jonathan Tennenbaum; the moderator in Washington was Mr. LaRouche’s U.S. national spokeswoman, Debra Freeman. We publish here the full transcript.*

**Tremblay:** Today is Oct. 31, 2006, and I think that this day will go down in history as being a pivotal point in the decision of the direction of mankind, really for the future of the entire mankind.

My name is Jessica Tremblay and I have the great honor of introducing to you the greatest living American, Lyndon LaRouche, Jr., and the greatest economist of our day. I’d like to welcome all guests gathered here in Berlin, this full room, and I’d also like to welcome all guests who are sitting in Washington. I know that there are hundreds of gatherings throughout the world, today, and all of us are very anxiously awaiting the very wise words of Mr. Lyndon LaRouche. And the reason is, the current financial system is disintegrating. Therefore, LaRouche is rallying those forces who are going to really represent and fight for the General Welfare, be they in government, be they in the population. And I would like to say, specifically, also, especially thousands of youth throughout the world, who are those who are looking to live the next fifty years, and to give something great to posterity.

So without any further words, I’d really like to very much welcome Mr. LaRouche, and I think we’ll have a lot of fun today.

**LaRouche:** Thank you very much.

You know, the worst and best moments in history come to most people, most of the time, as a surprise. And that is going to be the case with what’s happening in the world now. We are now at the end of an entire period of history. During the



*Lyndon LaRouche addresses the international webcast from Berlin, Germany on Oct. 31. "We have to have a mission-orientation to organize this world, looking two generations ahead, about 50 years, and saying, 'How can we get out of this Hell we've made of this planet, now?'"*

EIRNS/Helene Möller

middle of September, in the U.S. and other parts of the world affected directly by the U.S., there was the beginning of a new downturn in the world economy. This is somewhat complicated by the fact that there is an election campaign, so-called midterm election, now occurring inside the United States. The party in power is losing power, that is, losing power in terms of support from the people. It is preparing to commit great electoral fraud in the United States, to try to keep some of that power. It is prepared to *go to war*, to try to preempt the situation, the political situation, to retain power. But it also has long-term intentions to establish world dictatorship, called globalization, which would mean a disaster for all humanity.

Now, these events are coming rapidly. There are some good things happening in the world, as well as these bad things: but they're coming together, as often, at the same time. As in war: A terrible war breaks out, and people are prepared for war, but they don't know what war is. Then suddenly, they get a taste of it, and it wasn't what they expected. And sometimes the war goes against the offender, and that's a good thing. That also comes suddenly, as surprising developments and mobilization of people and institutions, mobilizes people to resist evil. The same is true of great economic depressions. Everybody is surprised by a great economic depression, even those who predicted it. Because it doesn't come exactly as they thought it would, when it comes.

So that, in terms of governments around the world today, as I know of them and know what they're saying, most governments of the world, including the governments we've referred to principally today here, in Eurasia, will be taken by surprise: In China, in Japan, in India, in Russia, they do not yet have *any sense*, of what is about to happen. They have a sense of a

crisis occurring, but they have dreams, they have beliefs that they believe they can control their situation by certain beliefs they're operating on now; and they won't be able to. Demands will be made upon them, which will catch them by surprise.

### The Basis for Optimism

I'm not particularly surprised. I've got a pretty good idea of what's going to happen. And I'm also more *optimistic*, because I know that the good thing about this crisis—and there are many bad things, as well—the good thing is that what most people believe is going to be discredited. What most believed yesterday, they're going to find tomorrow, they no longer believe. It is going to seem to them, that everything they believed, is suddenly become untrue.

They believe they know how to manage an economy. Governments believe they can cope with the economy. They're trying to postpone the crash, which is already coming on. They can't postpone it. They may delay it for a short period of time, by another hyperinflationary inflection. Like in the United States: The United States' economy is disintegrating! It's not collapsing, it's disintegrating. The loss of the automobile industry, in the course of the last year, continued this year; the United States no longer has an automobile industry. It has some automobile plants in the United States, but they're no longer a U.S. automobile industry. They're foreign owned, and foreign controlled. The same thing is true of steel production in many parts of the world: All the essentials, are no longer controlled by nation-states and the people of nation-states.

And so, people have illusions: "Everything will be all right—our government will handle it." The government of

France; the government of Italy is not a government. It's death, waiting to be buried. And this is characteristic of many parts of the world.

So that's what's coming upon us. Now, the turn came, as I indicated earlier, in the middle of September, with the onrushing, longstanding decline in the world economy, which has been in the process of decline since about 1971-72, actually. Some people were becoming rich, but at the expense of other people. Economies were collapsing. Look at the United States, every county by county around the United States. In virtually all counties where there used to be production, there is no longer production. People are no longer living by a high degree of skill. They're living as waitresses or waiters, or other kinds of things—so-called “service employment,” largely make-work, which is not even necessary. You don't cook a hamburger at home, you go out to a hamburger stand. You don't need that.

So the economy has been disintegrating. But the upper 20%, particularly the upper 20% which is now in positions of power—people generally between 50 years and 65 years of age—that generation lives largely in an illusion. They think their world has come. They think this is a post-industrial society—they think that's good. They think globalization is good! Globalization is a disease that will destroy the entire planet, and kill off most levels of population today. It's an empire! It's imperialism! It's a return to a caricature of what happened in Europe in the Middle Ages.

And all these things are happening. And people are not prepared for the shock that suddenly is going to change. In the United States, the characteristic, as I said, is the election campaign. The attempt to postpone the appearance of reality, for just a few more weeks, hoping—on the part of the Bush Administration—hoping that they can deceive people, even though they're losing the election, losing popularity. And hoping they can hold onto power for one more round.

### **The United States Is Destroying Itself**

And many people believe, for example, that the evil is coming from the United States. But it really isn't. The United States is not the source of this problem. The source of this problem is right here in Europe. It's in the Anglo-Dutch Liberal establishment of Europe. And what we have in the United States is an extension of that—and we can discuss that—but an extension of that. And what the United States is doing is not trying to conquer the world. What the United States is doing, is destroying the United States. To destroy a powerful nation, how do you do it? You induce that nation to discredit itself. You corrupt it. You lead it to discredit itself. It loses the confidence of its own people. It loses confidence abroad. It becomes desperate in trying to keep power, it makes mistakes, as the United States has.

Look for example, at Southwest Asia. Look at this war in Afghanistan. Look at this war in Iraq. Look at the spread of this same kind of warfare into other areas, the aim at Iran!

The aim to break up Turkey—which is also on the agenda, as well as all of Southwest Asia. The intention to break up Pakistan. The intention to break up India. The intention to disrupt China. The intention to start a conflict with Russia, as in Transcaucasia.

The United States is key in doing these things. It's not the sole author of this mess, but it's leading in doing it. What is the United States doing? The United States which, six years ago, was still admired by many in Europe and elsewhere, is no longer admired. The Bush-Cheney Administration has destroyed the influence of the United States, its credibility throughout the world! The United States has destroyed whole sections of the world, and is spreading that to other parts of the world. What is happening in the process, as leading military figures in the United States, leading intelligence figures, leading political figures, who understand these things, see the United States under Bush and Cheney *destroying itself*!

### **Globalization Means Empire**

Then, who benefits from the destruction of the United States? Well, who put this Bush-Cheney Administration into power? Ask the gentlemen in London, how this was done. Because the goal is a name you know! You've heard! It's the name for a poison, but you don't think of it as a poison. You think of it as the inevitable. The word is “*globalization is inevitable*! You can not go back from globalization to the nation-state! It's inevitable.”

But globalization is empire. Globalization is the lowering of the standard of living throughout the world. You take a plan in Germany, *as in Berlin!* Look at Berlin since 1992: Did Berlin benefit from the breakup of the D.D.R.? In a sense. More freedom, but freedom to do what? Freedom not to work. Freedom not to be able to support the city, because the industry is taken away.

Where'd the industry go? Sometimes it just disappeared. Sometimes the jobs were shipped to parts of the world where people are poor, where they have no infrastructure, where they have no health-care. They work cheaper, because their standard of living is much poorer.

So what is happening, is, with the destruction of Germany, the destruction of the German economy, the Berlin economy in particular—under orders from London and France, the orders from Margaret Thatcher and Mitterrand, that Germany must destroy itself as a price for unification: The world becomes poorer. As the United States destroys itself, its economy, the world becomes poorer.

Work is shipped to poorer and poorer sections of the world. Jobs were exported to Mexico, but Mexico's too high-priced; they shipped the jobs to Central America. The same thing is happening throughout the world. Employment in production is being shipped from areas of high degrees of skill and high degrees of conditions of life for the population, to poorer and poorer parts of the world: This is called “globalization.”



EIRNS/Ilya Karpowski

*Look at Berlin today: Where did the industry go? Germany was ordered, by Thatcher and Mitterrand, to destroy itself, as the price for unification. This is called "globalization."*

It's the elimination of the nation-state, the elimination of the protection, the standard of living, the health-care, the educational systems. All these things are being destroyed. You have—what?—10% of the labor force of Germany has no hope, no future. Germany is being destroyed. Italy is being destroyed. Some jobs are going to China.

## What If the Dollar Collapses?

All right, but let's look at this thing, this American empire myth: What happens if the United States collapses? Let's suppose that a collapse occurs as a 20%, 30% collapse in the valuation of the dollar. Does that mean that other parts of the world suddenly become better? Because they take over from the United States? No.

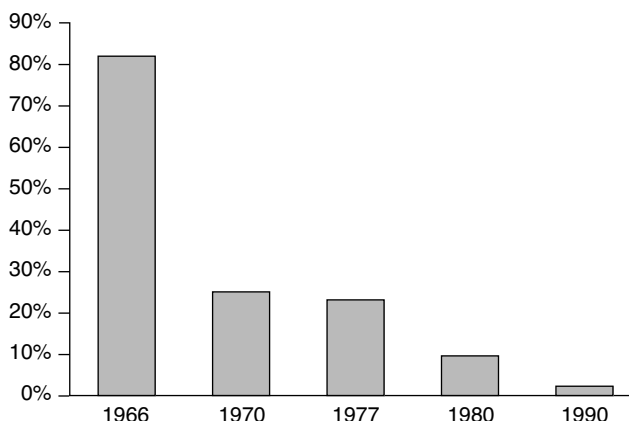
If the United States goes under, the rest of the world goes under, immediately and automatically. Why?

In 1971, in August of 1971, the administration of that time, the Nixon Administration, through an individual called George P. Shultz—the man who later put the dictator Pinochet into power in Chile, together with Henry Kissinger and Felix Rohatyn—floated the dollar! That is, up to that time, the U.S. dollar had been a regulated currency, within a fixed-parity system among currencies internationally. The dollar was still, essentially, as good as gold. It was the dollar which was the only world currency at the end of World War II. The power of the dollar, the stability of the dollar, through things like the Marshall Plan, and similar arrangements, and the fixed-exchange-rate system, enabled a recovery of Western Europe, enabled a recovery in other parts of the world, through things like the Kreditanstalt für Wiederaufbau in Germany; as vehicles for mobilizing credit to reconstruct the economy of war-torn Germany, to reconstruct the economy of France, to build up the economy of Italy, which continued into the late 1960s.

Now, in 1971, the dollar is turned into toilet paper, by an act of an administration [Figure 1]. It is backed up in 1972, by

FIGURE 1

## Falling Value of U.S. Merchandise Trade as a Percent of U.S. Foreign Exchange Transactions, 1966-90



Sources: Bank for International Settlements surveys (1986, 1989, 1992); U.S. Federal Reserve surveys (1977, 1980, 1983); GATT.

*Prior to 1966, the overwhelming percentage of U.S. foreign exchange transactions was devoted to financing merchandise trade. The world economy then entered a period of turbulence, including the floating of the British pound sterling by the Harold Wilson government in 1967, and the 1971 floating of the dollar by the Nixon Administration. After 1990, the percentage of foreign exchange transactions used for merchandise trade has been so small as to be impossible to show on the graph.*

a meeting of the International Monetary Fund. Again, George Shultz was there: They had a floating-exchange-rate system—what backed up the dollar? Well, the dollar was no longer a U.S. dollar. *It was an IMF dollar:* a U.S. dollar denominated in IMF conditions. With nothing underneath it—just good faith and trust that everything would be all right.

Now, everything in the world today, is related to this dollar. China has vast claims denominated in dollars. All parts of the world have vast claims denominated in dollars, assets denominated in dollars. What happens if the dollar collapses by 30%?

Then China collapses. Then India collapses. Because not only is the dollar worth less, in their so-called asset list, *but* the collapse of the U.S. market, and the chain-reaction collapse of the U.S. market, its effects on other parts of the world, mean a collapse of the economy of India, China, and so forth. And also Europe. So, a collapse of the U.S. dollar *is a disaster for every part of the world.*

And people don't understand that. There are a few people in the United States who understand that—I think Paul Volcker, the former head of the Federal Reserve System, I think he probably understands that; I know a number of other leading people in the United States understand: *You can not devalue the dollar.* If you devalue the dollar, you bring down



the whole house of cards of the world system. Because world trade is denominated and calculated in dollars. The largest portions of the claims, the financial claims of the world, are denominated in dollars.

If the dollar goes down, everything goes down. Therefore, you have to worry about what happens to the United States. Because *only* if the United States takes action, with the consent and cooperation of other nations, to make the dollar a fixed value of security, thus maintaining the credit system upon which the entire world depends at this time, only under those conditions can you avoid something happening to the world as a whole, which is comparable to what happened to Europe in the Fourteenth Century, when the Lombard banking system collapsed, and Europe as a whole fell into a prolonged New Dark Age. The collapse of the dollar today, in the world market, would cause a collapse of the planet into a new dark age.

And therefore, this is typical of what happens on the day of crisis: Suddenly, you're faced with a point, a collapse of the dollar is about to occur. You say, "Well, the dollar's going to collapse, the rest of us will get by, China will do well, India will do well, Europe will find a way to manage, Russia will do all right. . . ." *No. No.* The world will go into chaos. As one of those things that happened in a time of crisis, when people are taken by surprise, and things they kept telling themselves were true, are shown suddenly not to be true. And the survivors are those who wise up quickly, and recognize that what they believed was a fraud, was a lie.

## A Culture of Sophistry

Because people live lies. This is also a sophist culture. The post-war world has become largely a sophist culture. Europe, the United States, in particular. We are sophists in the same kind of sophistry that led Pericles' Athens to destroy itself in the Peloponnesian War. That kind of sophistry: Words no longer have meaning. Truth no longer exists. Sophistry! "But, I don't know—you say it's true! But popular opinion says no. You say this is good, but popular opinion says no. Popular opinion says this is good, but you say no." What's your authority? "Popular opinion." Or what you perceive to be popular opinion, or some group's opinion. But a belief in something which is not proven, which is not true.

And that's the way civilizations are destroyed, especially European civilizations, ever since the fall of Athens under Pericles: "Golden Age of Athens"! The "golden age" proved to be something flushing, and Athens went down the toilet. "Golden Age"—this is the way this cuts.

## How To Defend the Dollar

Now, let's look at the other side. That's the bad side. Not only are we in a period of war, we're on the edge of a threatened dark age, a collapse of the dollar, a collapse of the world. All of these things are now in process.

Well, I said, we have to defend the dollar. Let me explain that, again, as I have recently in some questions on this: First

of all, the world is dominated—especially, the world denominated in dollars, it's denominated in a kind of pseudo-currency called financial derivatives, such as hedge funds. Now, what are hedge funds, what are financial derivatives? They represent gambling debts. There is *no product* in hedge funds. There is *no product* in financial derivatives. There's nothing physically worthwhile in them. What this is, *a bet—it's a gambling bet!* And then it becomes gambling bets on gambling bets, where hedge funds compete in gambling against each other. The world has become one giant gambling casino, ever since 1987, since Volcker left office at the Federal Reserve System and Alan Greenspan came in—and legalized what should have been outlawed as criminal practice, called financial derivatives! And the world is now run and controlled by financial derivatives. And this is a bubble, which is about to collapse. Hmm?

So, what do we have to do? The first thing we have to do, is get rid of this paper: *Cancel all hedge funds, all financial derivatives.* Now, you'll get a big scream from some people when you say that, but you have to do it. You'll do it one way or the other: You will either do it in an orderly fashion, by actions of government and agreements among governments. Or, it will happen to you anyway! And if it happens to you anyway, it's going to come like a collision, not a decision by governments. Because, we could never pay, the world could never pay, to support the claims denominated in hedge funds, in financial derivatives generally. It couldn't be done. The debt is so much bigger than the entire annual product of the world, and particularly at today's interest rates, you could never pay it.

So therefore, as long as you cling to financial derivatives and hedge funds, you're doomed. If your country supports them, your country's doomed. And it will find a new government, somewhere—maybe one that solves the problem, but it will be a new government, whether it solves the problem or not. That is, the crisis will occur.

Therefore, the first thing we have to do, is we have to put the world into bankruptcy reorganization. We have to agree, that the dollar must become, once again, a fixed-exchange unit. Why? Because it's worth that? No—because we're going to make it worth that. We're going to shift the world economy by putting it through bankruptcy reorganization, like any ordinary, orderly bankruptcy reorganization: We're going to put the world financial system into bankruptcy reorganization. We're going to convert short-term claims, if they're viable, into long-term claims. We're going to operate on a low interest rate, as we did in the 1930s, when the recovery was started in the United States. We're going to now recreate a banking system, because we have to save the banking system. We can't save many of the bankers, who are insane; but we can save the banking system. Because we need the banking system: The banking system is the method by which you handle deposits of people, by which you circulate credit, by which you build up long-term credit for investments, that sort of thing.



PRNews Foto

*Shanghai's commercial district. What happens when the U.S. dollar collapses? China collapses; India collapses: "A collapse of the U.S. dollar is a disaster for every part of the world."*

So the governments will have to intervene, to re-create, in bankruptcy reorganization, a set of banks, often the same banks that exist now, to go back and do business in a *sane* way, as opposed to the *insane* way we've been functioning recently. Because, we need the banks, we need them to support the investments that are being made in local industry, and so forth, and in personal accounts of citizens and so forth. And in local communities.

So, now we have to have a solid system of credit, based on long-term credit, on the elimination of claims, denominated in financial derivatives or similar kinds of things. Now we find that the world economy, particularly in Europe, as in Germany for example, or in France—but take the case of Germany, here: The problem is, that there's not enough production or productive employment for Germany to be able to pay its taxes in order to have a stable country, and to have growth. So the problem is a shortage of credit, because you have people who still have skills, and if they could be employed back at their professions, if businesses could be started up which were useful, especially in industries, like the industrialization of Berlin, then you could begin to have, very quickly, a recovery of the economy, with sufficient credit and reorganization of finances. This is true in all parts of the world, more or less. Now therefore, that means we need a new supply of credit, long-term credit, for that purpose.

### **A Mission To Develop Eurasia**

This all fits into a global picture: We have two parts of Eurasia. On the one side, you have European civilization, as it grew up in Eurasia since the time of ancient Greece, the time

of Solon of Athens for example. That's European civilization. This has undergone, with all its problems in between, betwixt and before, with all kinds of developments; European civilization is a very solid institution. It may not be solid in the way it acts sometimes, but it's a *very good idea*. As a matter of fact, it's the most successful idea for the development and improvement of the conditions of life of populations. The nation-state as developed in Europe, is a form of institution which, when properly developed, is the most efficient institution we know for promoting the improvements of the welfare of humanity. That's the case today.

So therefore, on the other hand, we have Asian populations. And Asian populations, until recently, until a modernization development occurred, have been essentially treating the mass of humanity as cattle. Yes, some people are wealthy; some people have an impressive culture; some people have this, and so forth—but the masses of people, 80 to 90%, are im-

poverished and living almost as beasts. With the life expectancies of beasts, the standard of living of beasts, *enslaved*. With no real development of the mind of the individual, the thing which in the best instances in Europe and the United States, we had.

So therefore, the problem is, we now have come to the point, on this account alone, that we must think about the world: We have a growing population of Asia. A growth area of Asia. We have to think about re-cranking up European civilization, with a mission-orientation for the development of Eurasia as a whole over the coming two generations. Which means Europe must crank up, as a source again, of scientific and industrial output, in the form of long-term credit, long-term investment, in exchange with Asia, to build up countries, like the 70% or so of the poor of India, of the poor of China, of the poor of other countries, where these poor *have* no future to speak of.

And we have to have a mission, of building up a just world, based upon cooperation among nation-states, with the Westphalian principle, that we must think, in all policies, we must think as the authors of Westphalia did: We must think about the *other* person, rather than our own demands, first. What are we doing for the *other*? What are we, as a nation, as a people, doing for the *other* people, the *other* nation? And to build bonds of cooperation, long-term cooperation among peoples and nations on that basis.

So we have to organize, in coming out of this depression, which is now hitting us, we have to organize on the basis of a long-term, 50-year approximately, perspective for *developing the Eurasian continent*.



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*China's poor: The vast majority, some 70%, of the populations of China, India, and other poor countries, have no future—without a major change in U.S. policy.*

## Change the Relationship of Man to Nature

Now there's another aspect to this, which I referred to the last time I had a Berlin assembly here. And that is, we've come to the point where there's a fundamental change in the relationship of man to nature. The growth of population, and the increase of technology, improvement of technology, which is necessary for that growth of population, has created a situation where we are using up *prime quality* raw materials, more rapidly than the planet can regenerate them.

Now, we have entered also, a period, the period of fission and fusion processes, at which we can actually not only regenerate high-quality raw materials, that is, help the Biosphere recover from the damage of our consumption; we're also entering a period where we're going to create new conditions, and new kinds of materials on this planet which never existed before. Because we're going to go into the transuranic period of development of the planet, where we are developing new kinds of materials, with new purposes, new compounds, new things, we've never done before. We're going to have to, to meet the demands of the population, say, of China, over 1.3 billion; the population of India, over 1 billion people—70% poor! How are we going to produce enough from this planet to meet the demands, for power, for materials, for development and production of food, how are we going to do this, so that we provide the people, the children of the people now existing, in Asia, to provide them the opportunity of a standard of living which enables them to survive, and improve?

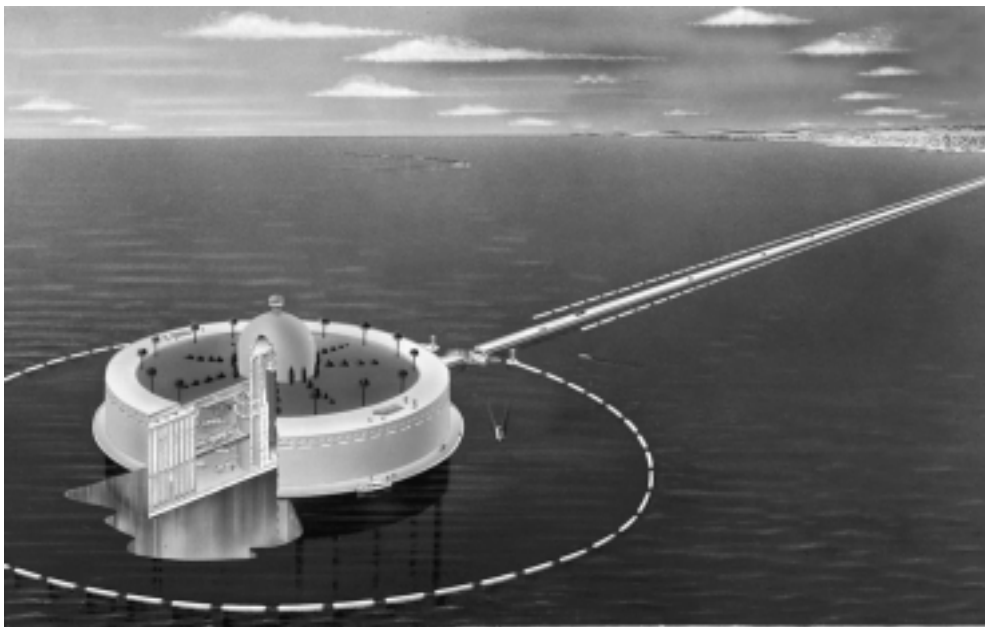
Therefore, we have entered a period, in which we no longer think about *taking over* and exploiting raw materials. We think of taking over and *developing* the planet's equivalent of raw materials, today. Which means an emphasis upon largely thermonuclear fusion and related technologies.

## Return to Nuclear Energy

So the next 50 years will have to be that kind of transition. It means, now, a return to nuclear energy. For example, let's take the water crisis: We have on this planet, a freshwater crisis. This is particularly true in India. Look for example, at Southwest Asia: The essential crisis, apart from all the political problems, in Southwest Asia, is a lack of water, lack of potable water! Water for crop growth, water for drinking! The wars, like Israel's war with Syria, was over water! Israel had an expanding population; it had to steal the water from Syria; and grabbed the water from everybody around there, to meet their requirements. A water crisis. This is something we knew at the beginning of the last century. *Before World War II* began—we *knew* that you could have no stability in the Middle East *without development of freshwater supplies*. Without the change of climate, by the application of power and water management, to create an environment which would support a larger population, per capita, throughout that area.

We have, in India now, and other places, populations are living on what's called fossil water or semi-fossil water resources. You have water that's been stuck in the Earth, down in a hole someplace, for over the past 2 million years of glaciation. The melting glaciers and so forth, put water, deposited like some kind of metal, down there, deep under the soil. And people are now, as in Australia, they're drawing water up, that's fossil water. Or, they're drawing water, as in the United States, the Ogallala Reservoir, withdrawing fresh water from reservoirs, more rapidly than they can be replenished, at present.

So therefore, we have a water crisis. We have plenty of water. You know about the oceans! We have plenty of water. That's not the problem. But we need a quality of potable



Oak Ridge National Laboratory/Battelle

*An artist's conception of an offshore nuplex, for production of power and desalination of water: "We have on this planet, a freshwater crisis. We need fresh, clean, potable water for people. We can not get that economically, without the massive use of nuclear power, nuclear fission."*

water, for the development of agriculture, for greening and improving the climate by simply trees—trees and grasses and so forth, improve the climate. The more life you have in the ground, in the form of plant life, the better off you are, especially the green growth. So have it. We need that. We need fresh, clean, potable water for people. We can not get that economically, without the massive use of nuclear power, nuclear fission.

India has a very poor population: 70%. It's a very poorly educated population, this 70%. Therefore, you have to find a lever, to raise the standard of living, when you don't have the educational base in the population for getting this through simply technology by people. So what do you do? You come in with nuclear power. You suddenly get an infusion of power and water, cheaply and efficiently, and you've changed the conditions of life in which people live, and you increase their productivity by improving their environment, as a productive environment. This is true in other parts of the world, as in the Middle East; we have to transform these areas to make them more livable to meet the needs of their populations, today and tomorrow. And this must be the kind of mission we have over the next 25 and 50 years.

So, when we're building an economy, rebuilding an economy from the wreckage we've made of it since 1970 in particular, we have to think in these terms: We have to think two generations ahead. We have to think in terms of the Treaty of Westphalia: *What are we doing for the other?* What are we doing for Asia from Europe? What are we doing for other nations in Europe? What are we doing for Africa? The world as a whole? And therefore, in a sense that our life now has a purpose. We're not living like greedy Baby Boomers, trying to satisfy our own pleasure while we're still on this planet.

We're now giving back a purpose in life, a mission in life.

We all die: What's our purpose in life if we all die? Our satisfaction while we're alive? Or is it what we're doing, while we're alive with our life, which is of continued value for the human race afterward, that makes our life having been lived, worthwhile for humanity? The thing that we can take pride in, in the eyes of our children and grandchildren, that we're doing for them, and for the world after us?

This is the passion which must grip us, if we going to come out of this mess. And therefore, we have to think in global terms. Not in terms of globalization. We have to think of mission-orientation, for bringing nations together, to bring their own houses in order, to bring our relations among nations in order. To create a world system of financial and related cooperation, which is organized to meet these kinds of needs, and to give us, again, not the pride of arrogance, but the pride that we are necessary, each of us, and each nation, is necessary for the benefit of the world as a whole.

That's the point we've come to, and that's where we stand now.

### **What Is Economics, Really?**

Now, one of the problems here, is that most people think they know something about economics. And I can tell you, most people don't know *anything* about economics. They know what they've been taught. They know what they've been taught about money, money procedures.

They don't understand physical economy, for example—and Baby Boomers particularly *don't* understand physical economy, at all. Remember, the generation of Baby Boomers, the people in the upper 20% of family-income brackets, now, say, between 50 and 65 years of age, they don't have any



EIRNS/Helene Möller



EIRNS/Helene Möller

*Members of the Berlin LaRouche Youth Movement chorus perform J.S. Bach's motet Jesu, meine Freude at recent a cadre school in Berlin. "Bach was the foundation of modern civilization, his work in music, his work in counterpoint; his rediscovery which had been understood by the Pythagoreans a long time ago: the comma."*

understanding of economy. First of all, the 68ers, which they generally are, the 68ers were against production—it meant work! And they didn't believe in work, they believed in pleasure! All kinds of pleasure. And they picked up some pleasures and it got them sick. And so, they went to a different pleasure—or they went to sadism as a form of pleasure.

So we have a society which no longer thinks in terms of real values. It no longer thinks in terms of immortality, in the sense of, "Are you an animal?" If you're an animal, you come and you go, and you die. You live happily or you live miserably, but you die. What's the consequence of your having died? Somebody remembers a pet, an animal you had on a farm? But what importance did that animal have as an individual, for the future of the species? None.

Human beings are different. We are capable of reason. We're capable of discovering universal principles, as in physical science and Classical art. We transmit to develop these principles to coming generations. We thus increase the power of coming generations. We benefit the future generations of humanity.

The Baby-Boomer generation lost that. They didn't want to produce, they wished to have pleasure. They wished to have thrills. They wished to be able to ignore what was happening to the world around them. So we destroyed—. We had the green revolution, not the green in terms of vegetables, but the green in terms of, "I don't work, I don't produce." We live in a world in which most people are starving, and their starvation is increasing, and we don't *care* about what we produce or don't produce. We're *indifferent* to the rest of humanity. We think in terms of our greed or our pleasure, our lifestyles, our habits. We don't think of what *we're* doing, which makes us immortal, in the sense of what we're contributing to the future of humanity.

We've lost the sense of identity which was the basis for

European civilization. Formerly, we thought in European civilization of what we're doing for our grandchildren and those who come after them. People would sacrifice for the sake of their children and grandchildren and what came beyond that. They would sacrifice to build something in which a future generation could take pride, that they'd done that. They'd built this, they'd accomplished that. We went from a generation which thought of making contributions, permanent contributions to the future of humanity, to one which was totally selfish: "what I get, my satisfaction, my pleasure." And this is how we were destroyed.

We were destroyed by our own sophistry. We wanted to be respected among people like ourselves, especially Baby Boomers. We didn't care about what happened to the rest of humanity. We wanted to beat them. We wanted to find somebody to *beat*, to get the better of them. We didn't, as people learned in the Treaty of Westphalia, after a horrible experience, learn that the way you succeed, is taking care of the other person first. And that's how you build a civilization which has a future orientation. That's what we need now.

The problem is, because people don't have the value that used to be the basis for European economy, that is, the idea of *better production*: better conditions of production, producing better conditions of life, better physical conditions of life, better mental conditions of life for physical production, and so forth. A culture, rather than just arbitrary pleasure—we've lost that. So we've lost the sense of what real value is.

## The Power of Ideas

Value lies, in what? Value lies in those kinds of ideas, discovered and developed ideas, which enable us to improve the condition of humanity, per capita and per square kilometer of this planet. Which gives a better world, for a coming gener-

ation, than we had. This is done by *work*. By producing *things*. By using more advanced skills. By increasing the power per capita, to increase man's power in and over nature. By developing minds! So people can think clearly. People today don't have time to think, they're too occupied with pleasure-seeking, or avoiding pain. So therefore, we don't think about a purpose in life. Therefore, we don't understand what an economic value is.

Obviously, a *physical* economic value is what we can do, today, to improve the life of humanity in terms of developing things that are useful for the future, which means *physical production of things* that are useful for the future, and developing ideas which, passed on to future generations, will be used by *them* to make things better. So this is all tied up with what we call scientific and technological progress. And also, cultural progress.

For example: We've been working with this question with the Bach. People have forgotten what Bach was—some never knew. Bach was the foundation of modern civilization, his work in music, his work in counterpoint. His rediscovery which had been understood by the Pythagoreans a long time ago: the comma. Which is expressed in great performances of choral works by Bach, and by the great works of the Classical composers: *All* are based on this. Which involves the same spark of genius, in a different application than we have in the development of fundamental scientific discoveries.

So, what is important, in a healthy society, is the fact that you're dealing with *ideas*, whether in terms of physical scientific implications, or cultural artistic implications, ideas which you are creating, or improving in the sense of creating, that you pass on to future generations, so that somehow, mankind is progressing, because the generations of the future will be more powerful and smarter than we are today, in coping with the problems that humanity faces.

And as we see, we have to have this, because we've now come to this point of raw materials crisis. We could no longer solve the problem we're facing today, with the kind of approach we had to raw materials two generations ago. Couldn't do it. Without the development of a thermonuclear fusion technology, and what that connotes, *we could not deal*, successfully, with the problems of this planet, today. Without nuclear power, *we could not deal*, efficiently, with the water crisis of many parts of this planet, today. So this process of progress, of scientific progress, of cultural progress in general, is necessary, and is the essential *value*, the *physical* value, the real *human* value, which should dominate an economy as a sense of value. And what we put a higher price on, or what we value in money terms, in greater degree, should be those things that are of value, *to the future condition of humanity*: physical improvement in the conditions of humanity; improvement in the physical ability to survive, of human beings, for future generations; the development of the human mind, to a higher level of development of culture, through



USDA/Tim McCabe

*A National Resources Conservation Service technician adjusts a meter to measure the flow of irrigation water. "What we value in money terms, should be those things that are of value to the future condition of humanity: physical improvement in the conditions of humanity; improvement in the physical ability to survive, of human beings, for future generations. . . ."*

cultural development, which gives us an individual who's risen to a higher level of outlook, about man's position and function in this universe. *These* are the things of value.

## A Society Without Values

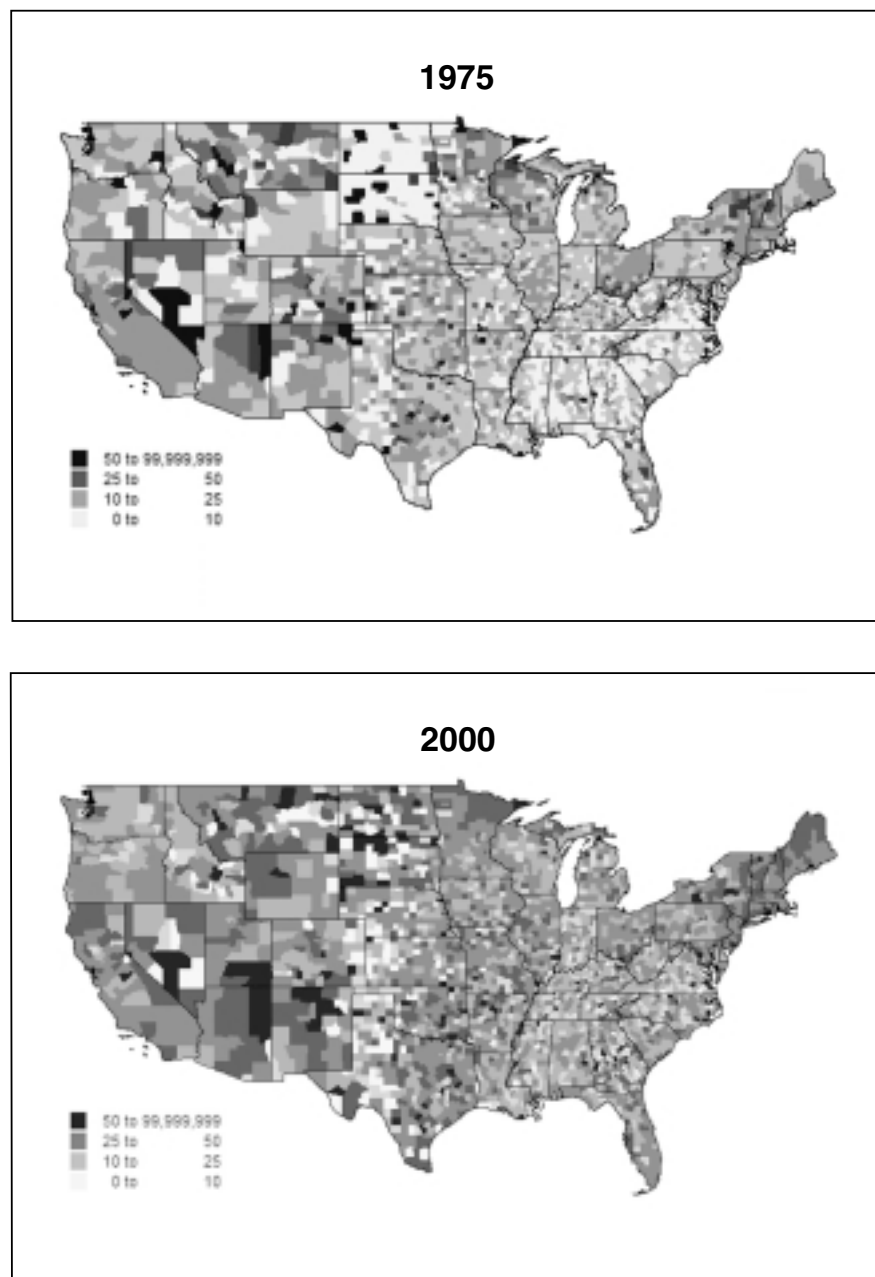
And what do you have now? The highest prices, the highest wages are paid to the most useless people, the predators. Whereas the people who are denied the right to work, even simple work, respectable work which corresponds to their given skills, they don't have the jobs! The opportunities for farming, in a traditional sense, don't exist where they existed! The opportunities for the machine-tool designer, for the machine-tool maker, for the maker of a better-produced product—most people are *denied the opportunity to have that!* Oh, you can have a job, a single-euro job.\* But you can't have a job which has *value for society!* A job which gives you the opportunity to have self-respect for what you're doing in society, a kind of job which says, "You are useful in my community. You have to be respected as a useful person." They don't have that kind of job.

You look at the figures in the United States, as we look at: Every county of the United States, we studied. And you look at, in the county, how much employment and how much economic activity was for producing useful things? Agriculture and industry, and so forth? As opposed to so-called "services employment"—doing somebody else's dishwashing? Being a waitress in somebody else's eating place? Picking up

\*Under Germany's Hartz IV welfare plan, an unemployed worker can only receive a welfare payment if he or she agrees to work at a job for 1 euro per hour (about \$1.28).

FIGURE 2

# Services Workers by County, 1975 and 2000, as a Percentage of Total Workforce



Source: Bureau of Labor Statistics. Maps produced by Mapinfo.

garbage, doing odds and ends, make-work? And you find a shift in the United States over the past 30 years, from people who were productive—county by county—counties where the majority of people were employed in productive employment, to a situation where a very few, a very small ration, of the people are in productive employment [Figure 2].

European civilization: We've got to change, and we're going to be forced to.

If we don't change, most of the languages of the world will disappear, as the nations disappear, as national borders disappear, in globalization. That's where we stand today.

Okay. I think we'll get some discussion now.

And the people who supervise the useless employment, are the people who get the biggest money!

So therefore, there's a moral problem here, and it's a problem of value. The problem of value, this term "value" has physical connotations as I've illustrated. There are physical benefits for humanity in this kind of production. Whereas simply pleasure production, which prostitution exemplifies, is not very productive. It is not intended to be productive. And that's our problem.

So therefore, we have to have a mission-orientation to organize this world, around a sense of mission, looking two generations ahead, about 50 years, and saying, "How can we get out of this Hell we've made of this planet, now?" And say, that 50 years from now, when the generation which is now becoming adults is approaching the age of nominal retirement, that that generation having completed its two generations of work—50 years—will be able to say: "We have contributed something to the future of humanity. We have contributed to the benefit of the conditions of life of people in Asia; we have built up our respect for ourselves, for what we're doing in Europe, or in the United States. We have stopped these practices which we know are immoral and abhorrent. We have stopped this abuse of whole sections of the human race." And take that as an objective.

And that's what we need.

We're coming to a crisis. We're coming to a crisis of values. What people accept today as normal, is rotten and evil. We have to change. We're going to have to change, because we're going to be *forced* to change. We can not continue to function, the way we've functioned since about 1970. We can't *do* that any more, in



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## Dialogue With LaRouche

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**Tremblay:** . . . What's important to say is that the dialogue that Mr. LaRouche has started has been going on, obviously, for quite some time, and Mr. LaRouche answered some of these questions that were submitted already in written form, in the last couple of days. I would just like to mention, very shortly, that this dialogue is at a very high level. Among the people who have submitted questions are members of Parliament, also from Italy, Andrea Ricci, he asked about the question of the New Bretton Woods system. And that's what the first subject of the questions will be. There's a question from also an economic journalist from Italy, [Giorgio] Vitangeli is his name, where he's asking about the collapse of the U.S. real estate bubble. And part of the written dialogue, there's a question from Prof. Dai Lunzhang who is the former chief economist of the central bank of China, and he asks Mr. LaRouche something along the lines of the direction that the International Monetary Fund is going; and whether the International Monetary Fund represents an institution to change.

But I would like to read one question which I think is more of a statement, and I'd ask you to comment on this. And this is from the former Secretary of State of the Argentine Republic, **Julio González**. And he states the following:

"Mr. LaRouche, a coalition government must be established immediately in the United States, in order to save the world economy. The political program of this new government must be to stop the expansion of wars based on oil, and those economic resources must be applied to building railroads over the entire globe, as your marvelous development project has indicated. Such wonderful plans will put an end to British supremacy and will stop their clash of civilizations, intended to eliminate the world's population.

"How to do it? The philosophical and mathematical genius Blaise Pascal said once, that power rules the world, but opinion based on reason leads power. With Lyndon LaRouche's world economic program to save nations, such world public opinion will be immediately established.

"Lyndon LaRouche, victory, and future."

**LaRouche:** As you probably know, in Argentina, they have very few illusions of the type common to Europe. They don't believe the British are good. So therefore, they tend to be more objective about the world situation than many other parts of the world. But this is true.

We have a development about the crisis in Mexico now. Throughout South America, which is extremely important, because South America is coming out of the dirt after being put there, from the 1970s on, increasingly over the course of the 1970s. And you have Lula, who—I don't pass judgment on Lula—but his reelection in Brazil is significant in the sense that it creates a solidification of a process of adjustment—I wouldn't say just cooperation, but adjustment—among the nations of South America, which will have some impact mov-

ing north. They do want to develop. They do have practical ideas. The role of the current President of Argentina is extremely useful in this respect. He's taken initiatives—in cooperation with other nations of South America, not just as Argentina alone—but in cooperation, which are really quite beneficial and very promising for the future.

But what this gentlemen expresses is, I find, most agreeable. Thank you.

**Tremblay:** Do we have a question from Washington?

**Freeman:** Good morning. We do have a number of questions from institutions here in Washington. Before I ask Lyn the first question, I'd like to just mention that there are a number of audiences, in addition to the audience in Berlin and here, gathered and participating in today's event. There are five university campuses in four cities in Bolivia; there are six universities in Colombia that are participating, as well as three separate trade union organizations; and we have an event ongoing in Argentina, as well.

### Clinton's Effort for a 'New Financial Architecture'

Lyn, the first question comes from a senior staff member from the U.S. House of Representatives. It's someone whom you know very well. Her question to you is this: "Lyn, during the 1998 economic crisis, then-President Clinton and Treasury Secretary Rubin discussed proposals which sound very similar to those you are suggesting now, for a 'new financial architecture.' It was a very hopeful time for all of us. What happened to hinder their plans, then? And how can you overcome renewed efforts from those who sabotaged a changed direction in the past, under what was an arguably more auspicious situation?"

**LaRouche:** There were two problems there. At that point, I was very much involved—this is particularly in August of 1998—because I'd seen this coming, this GKO bond crisis, and we'd dealt with in 1997 a similar kind of crisis, which George Soros was sort of a figure in, at that time. So we were prepared. I was prepared.

And at that point, in August, at a meeting of his own staff, President Clinton then just came to the conclusion that I had been right, and they had been wrong in their estimate of the situation. And with his Treasury Secretary Bob Rubin, at the time, moved to craft a sense of planning, which in the month of September, came out in a meeting he had with the New York Council on Foreign Relations—a private organization; but he came out of that thing, and didn't have a follow-up.

The lack of follow-up was—what he had done, is he had actually threatened to bait the bear, and hadn't followed through, and the bear began to strike back at him. And the bear struck back with a scandal and an attempt at impeachment—we call it "bear facts" I guess—an attempt at impeachment of the President. So that made a mess of everything. And the forces which were being mobilized by the President





U.S. Treasury

*President Clinton and his Treasury Secretary Robert Rubin threatened to “bait the bear,” by proposing to adopt a policy similar to LaRouche’s, for a “new financial architecture,” at the time of the 1998 GKO bond crisis. The impeachment of Clinton sabotaged it.*

to act for a monetary reform were neutralized by this set of circumstances, which is what often happens.

I think that, today, that President Clinton probably has a clearer retrospective view of what the issues were then, than he had then. I think he’s clearer on this now, than he was then. Unfortunately, he’s not President. You know, we have a lot of problems that wouldn’t have occurred to the planet, if President Bill Clinton had had a third term. We’d have avoided a lot of disasters, this way. The past six years have been really a mess.

So, we’re at the point now, that either, as I’ve indicated today, speaking here today: Either we go through a reform which *reverses* the decisions of 1971 and ’72, to reestablish the modality of a Bretton Woods system—at that point, that does not mean we’re simply going back to the Bretton Woods system, because at that time, when the Bretton Woods system was formed, the United States dollar was the *only* currency in the world, and every other currency in the world depended upon the dollar. Today, we’re not the only currency in the world. And therefore, you have to use the dollar as a mechanism of organizing other currencies together, for a fixed-exchange-rate system by agreement among a number of nations. That’s essentially the change.

Otherwise, it’s the same thing: We have to put the thing through bankruptcy reform; we have to bankrupt whole banking systems *to save them*—not to shut them down, because they’ll shut down themselves, if we don’t do it. They’re hopelessly bankrupt. But we need the bank as an institution, therefore, we’re going to save the bank as an institution, not because it’s worthy or because it’s solid or something of that sort. It’s made a mess! It’s mismanaged, it’s terrible! But we’re going to save it, because we need it. *You need private banking institutions, and you need a national banking system to coordinate private banking institutions.* That way you can resume economic activity without missing a step.

If you try to start to reinvent banking, you lose. So we’re going to have to save the banking system, and we’re going to have a general bankruptcy-type reform, of banking systems in various countries, together, simultaneously, by heads of government meeting, and agreeing on these things. We have to reform the system, we have to create a new form of credit—government credit, because there will be no private credit net available—so it must be *state* credit. It must be long-term state credit by governments for assigned mission objectives: for both public infrastructure, and for private industry, agriculture, and so forth. On that basis, we can do just fine.

So, today, I think, looking from 1998 to the present—we could take that as a benchmark, President Clinton’s experience during the months of August and September of that year with the GKO crisis—as a benchmark for what we have to do.

But we have to add to that some very specific, positive, affirmative objectives, in the reorganization of the world system, because we’re dealing with a world system. We’re not dealing with just a U.S. crisis, or a U.S. agreement with other states in a crisis, we have to create a design: *a new world, monetary and financial and banking system, based on experience.* We have to design it *quickly*. We have to get agreement, *quickly*. We must have agreement, for example, with China, with India, with Russia, with at least some nations in Europe, and the United States and some other nations. If we get that kind of principled agreement, we can save this planet. If we can’t get such a principled agreement, I’m sorry fellas, we won’t save this planet.

## Economics and Human Dignity

**Tennenbaum:** It’s my pleasure to announce to you a special guest, who came here this morning from Moscow, from Russia: Yuri Krupnov, who is a well-known expert on technology and on education. He’s among other things, a member of the Council of Experts of the Young People’s Nuclear Academy. He has just recently founded a new political party in Russia, called the Party of Development, and I think some remarks that he could make to us could be very interesting in the light of what we’re discussing right here.

**Yuri Krupnov:** Thank you.

Distinguished ladies and gentlemen, I’m very glad to be



EIRNS/Helene Möller

*Yuri Krupnov, founder of a new Russian political party, the Party of Development, spoke at the webcast, and called for an end to deindustrialization. "We should organize an all-world, or global coalition for industrial development," he said.*

here, and right now to take part in discussion with outstanding economist and thinker of our time, Mr. Lyndon LaRouche. And I think that this discussion and all our speeches are important, first of all, because of our understanding that the situation in the world is very unique. Just now, we have not only the world finance and economic crisis, and I think that all people, all over the world understand that the crisis exists. And there is not any honest man who could deny it.

But more important, that the situation is changing just right now. Ten years ago, when I was introduced to Mr. LaRouche, I thought that we haven't got any near future, and we haven't any opportunity to take part in economic development, to take part in political development, and to take part in world development. But just now, I think that we've got the main orientations and the main goals. We have the understanding of the situation, and I'm very proud to say that we've got quite a different Russia. Ten years ago, in my country, we had a very strange crisis, which was organized by the government itself. And when, today, Mr. LaRouche speaks about the government of the United States, which is in the situation to destroy the United States, the situation is very similar. Yet at the same time, the situation is different, because we know the experience of Russian so-called "reforms," we know the experience of Asian and other crises, we know the experience of the last five very strange years of government in the United States.

And I think the main problem now, and we understand this problem, is deindustrialization. Deindustrialization is a process which is also organized, and we understand that there are actors who organize deindustrialization, not only in some countries, but all over the world. And I think that the main idea should be, how to stop deindustrialization, and how to organize industrial development.

To my mind, industrial development is not a problem for some country, any country. Industrial development is the main idea, which could unite mankind, and really give the proper aim for our actions, and for our attempts to change the

world. Just now, in Russia, we are trying to organize the so-called Coalition for Industrial Development, and this coalition is not for political action, but first of all, it is organizing for uniting the industrial men, and the men with industrial logic and with an industrial mentality. Mr. LaRouche said very clearly that today, it is not obvious for many people, the idea itself that every man should work. And that should be obvious, and we should support every man, every industrial man, every man with an industrial mentality, who tries to put their ideas and their mentality as a norm, a normal thing, and a norm for all people in the country and for all mankind.

I think that we should organize not only one coalition in Russia, but we should organize an all-world or global coalition for industrial development, and first of all, it should be organized, I guess, here in Berlin.

Jonathan Tennenbaum has told me many times about the situation in Berlin, which was the industrial center, 20, or 100 years ago, and was a very prominent industrial center, but now has only 5% of its industrial capacities. And to my mind, this is a great example of what shouldn't be done, in any situation. We should organize our coalition in order to change the situation in Russia, first of all, and in Berlin, and in any industrial center, or in the city or in the country which has industrial capacities, or would like to have them.

And I think that the main idea, and I was very happy to listen to Lyndon LaRouche, today, when he talked about the dignity of man as a main idea of industry. We all know the expression: "It's the economy, stupid." We are talking about economy. And Mr. LaRouche also is an outstanding economist, without any doubt. But to my mind, we are discussing here not economy, first of all: We are discussing the destiny of man, and we are discussing the dignity of man, as the main goal for any political action, in any country.

So we should discuss quite another economy. We should distinguish between different economies. Well, we see a casino economy. This economy is not similar to an economy of development, to an Isotope Economy, which Mr. Tennenbaum suggested. And I guess, just now, we should formulate this mission and this idea, that the dignity of man is the aim of *any* economy. And only such an economy should be called an economy.

I think that the idea of development, and Mr. LaRouche said today about even world development, or development of the universe, or development of all mankind: The idea of development is now, such a thing which should be implemented in such a community as this. Because, in conclusion, I should say that I'm very proud to be here, and to listen to Lyndon LaRouche, which united people all over the world, but special people, who like only to make things which could develop the world. And this advanced community is a development itself and should develop the world. I guess it's a mission, and in Russia, I make anything that could develop not only Russia, but take part in world development.

Thank you.

**Tennenbaum:** Perhaps, I would add two brief questions from Russia, if you would like to comment: We had a question from **Prof. Eduard Afanasyev**, who is the dean of the Economics Department of the Russian Orthodox University in Moscow; which he also asked his classroom for this question.

So, first question: What does Lyndon LaRouche think of Nobel Prize-winning economists?

Second question: What does Mr. LaRouche consider should and can be the role of Christianity in solving the present world economic and civilizational crisis?

Perhaps, I'll just throw in another question. This is by **Alexander Nagorny** who is on the editorial board of a weekly in Moscow, called *Zavtra*; it's a very well-known weekly in Russia. And he simply asks, "Mr. LaRouche, what is your vision of Russia in general, and Russia's role as a possible geopolitical and geo-economic center, and the future of the Russian currency?"

**LaRouche:** Well, I don't think much of Nobel Prize-winning economists. I don't know of any of them who are competent. They generally have won their prizes for failure: That is, they have won the prize after their theory has failed catastrophically. So it's sort of a negative accomplishment: It's like getting a pension: "You're worthless. Here's your pension. Go away and don't bother us any more."

### An Ecumenical Standard of Statecraft

Christianity has a very specific kind of role. Now, first of all, that in dealing with humanity, we have to recognize we can not shove religion down anybody's throat, as an economic policy and otherwise. But we don't have to.

You have two great documents coming out of modern Europe, which pertain to this question. The first one was by Cardinal Nicholas of Cusa, who was the founder of modern science, as a matter of fact; revived it from its grave, hidden in various empires which had preceded him. And then in the Treaty of Westphalia. One of the things that Cusa did, of course, was his *De Pace Fidei*, which was the first ecumenical statement—this was in the context of the conflict between Christianity and Islam, in the context of the Ottoman Empire. At that time, he presented this *De Pace Fidei* as an ecumenical doctrine. Now, the ecumenical doctrine of Cusa, then surfaced in the Westphalia Treaty of Cardinal Mazarin, his successor, as the great policy in which civilization in modern Europe emerged, out of the bowels of over a century, a century and a half, of religious warfare, started by Tomás de Torquemada, and concluding with the 1648 Treaty of Westphalia.

So, these two things are the lessons, I think, for politics globally.

We're dealing with two areas of culture: We're dealing with European culture, in which Christianity is a crucial part, the dominant part, at least the cultural part. But you're also dealing with Asian cultures, which are by and large not Christian. And therefore, in this case, you have to go back to the ecumenical standard of statecraft, rather than a specific reli-

gious standard. And what you do, is you take a religious belief like Christianity, for example the Epistles of Paul and the Gospel of John, which are the most relevant from the standpoint of the Christian view of humanity, as a whole—ecumenical doctrines as well. And you have to find the *common ground*.

Now, the common ground—this is an important question—I'll keep it as short as possible: The common ground is the difference between man and beast. The difference is not simply a distinction, like a brand label, which it often is treated as. The distinction is, that man can *think*. Man can think in the sense of discovering universal principles of the universe. Man does not discover mere values. Man discovers *universal* values, as in a scientific discovery; or say, Johann Sebastian Bach's discovery of well-tempered counterpoint actually is not a novelty introduced to modern experience. It actually is the discovery of a universal principle, a principle of the universe! And that can be demonstrated. I won't go over it here, but that can be demonstrated.

And therefore, man's ability to discover, or rediscover, principles of the universe, and to apply these principles to problems or challenges which confront man, is essential.

In Christianity, and Christianity's characteristic for this purpose, is not only the mission of Christ, but it's also the mission of his followers, particularly John and Paul, from whom the understanding, the assimilation of the highest level of civilization at that time, which had been Classical Greek culture; so from the distillation of the highest level of culture which had previously existed, Christianity adopted, through such instruments as Paul and John, adopted an understanding of the distinction between man and beast, and of the universality of man, as distinct from the beast.

Now, what we must achieve, in dealing with humanity as a whole—we're dealing with different cultures. Not only different languages, not just the dictionary value of the language, but the *connotations* of the use of the language. The habits of the use of the language by a people, the values of that form of language in the experience of the people. And it's through that medium, that a people is capable of working together in the realm of ideas, as opposed to words and objects.

So therefore, it's essential, if you wish to have a society which is based on the *will and participation of the people*, you must respect their language, their language-culture. Because their language-culture is the repository of their communication about all kinds of values, including the deepest values.

Therefore, when you're dealing with the factor of Christianity, its values, you can only deal with that, from the standpoint of taking what culture *you* represent, and transmitting the values in the terms of the *other* culture which you're addressing. So the approach has to be an *ecumenical* approach. It means an ecumenical approach in the case of Christianity, of going to the most *profound level* of Christianity, its conception as typified by the work of John and Paul, as Apostles.

And proceed from that, as in the case, actually, Cusa did. And as actually in the case of the Westphalian Treaty. The Westphalian Treaty is based on I Corinthians 13: the concept of *agapē*, the Greek concept of *agapē*.

So, that value is universal: It's a part of Christianity, but it's also universal. And there are ways in which, say, a good missionary, or an astute politician, can carry universal values from his own language through the language-culture of another people. And that's the way we should approach this. And in that sense, as our friend from Russia points out, Christianity *does* have a significant role in statecraft: *this role*, for the Christian. We're trying to reach the mind, the values, as they may be experienced in the language-culture of another people and a different religion: Ecumenicism.

### Russia's Unique Strategic Mission

Now, on the role of Russia itself: Russia has some very interesting specific qualities, among which one is exemplary. You had a famous Russian, who was once a prince and once a Tsar, known as Peter the Great. And he showed up in Germany on two occasions in particular, at one place: at a famous academy in the mountains abutting Saxony. And from leaving there, once as a prince and once as a Tsar, he established academies of geology in Petersburg and in Moscow. One of them has the tradition of the Vernadsky Museum Institute today in Moscow.

Now, Russia's achievement in physical science, especially in the areas of geology, is *outstanding* for the world. It not only is outstanding in the world, but Russia represents a territory, both developed and undeveloped, which Russians know how to deal with, because they have this particular kind of development of geology: Is, how do we take this mass of land-area, which contains all kinds of undeveloped mineral resources, as well as developed ones, with a hungry China, a hungry Asia to the south, which *needs* the development of raw materials. Russia has the ability, the scientific ability, lodged in the Russian Academy of Sciences—which also went through the evolution of being the Soviet Academy of Sciences; and the Ukrainian Academy of Sciences—it has the ability to deal with understanding how we have to approach the management of the development of raw materials in these areas, which the rest of the planet *needs*—especially the population of Asia.

So therefore, Russia has a very specific quality which is built into the Russian character, and expressed particularly in certain aspects of the Academies



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*Tsar Peter the Great established academies of geology in Petersburg and in Moscow.*

of Sciences in Russia, as a tradition. They think better about this thing, than anybody else on this planet does, generally. And that's where they are outstanding.

Also, you have, typical of this, is the work of Mendeleyev; typical of this is the work of Vernadsky. And the ideas of Mendeleyev, even though they were not completed by him, and the ideas of Vernadsky, which also were not completed by him, typify the things in Russia which are specifically Russian, culturally, which are of specific value to the rest of the world. Apart from that, Russia is also a *Eurasian culture*



*"Russia has a very specific quality which is built into the Russian character, and expressed particularly in certain aspects of the Academies of Sciences in Russia, as a tradition. They think better about this thing, than anybody else on this planet does, generally. And that's where they are outstanding." From left: Dmitri Mendeleyev, V.I. Vernadsky.*



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*Lyndon LaRouche addressing a conference in Khartoum on "Peace Through Development Along the Nile Valley, in the Framework of a New, Just World Economic Order," January 2001.*

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because of the history of its development. It has elements of *Asian* culture, as well as European. So Russia is a *Eurasian* culture.

Now, what're we trying to do? We're trying to bring together, all of *Eurasia* over the next 50 years, into a cooperative scheme of development. And Russia's particular value, is being the *Eurasian pivot, which unites the function of Europe in Eurasia, with the functions of Asia*. This is typified by Russia's relationship to India and to China. And the time has come, that the world has to recognize, that Berlin—which is one of the reasons I stand here, today—that Berlin, as the epitome of Western and Central Europe, is the link to Moscow and other places in Russia. And Moscow and other places like that in Russia, are the link of Europe, to India, and to China, and to other places in Asia, and to the *development* of the natural resources *in Asia*—in Russian Asia and elsewhere—which is necessary for Eurasia as a whole.

So, Russia has a very nicely defined, primary mission, from the standpoint of the interests of nations which abut it. Thank you.

## What's Behind the Darfur Crisis?

**Tremblay:** Debbie, do you have a question from D.C.?

**Freeman:** Lyn, this question was submitted by a policy foundation. It reflects a whole series of questions on the same topic that we've just been bombarded with over the course of the last few days. The question is as follows:

"Mr. LaRouche, you have a long history as an outspoken defender of human rights, especially in the developing sector. At a recent event in Washington, D.C., former President Clinton addressed the current tragic situation in Darfur, and at that

meeting, he voiced his support for an aggressive U.S.-led intervention to remedy it. We were very surprised at that time to learn from your spokeswoman that you emphatically disagreed. Given your record, we assume that you do not condone the current stance of the Bashir government, and since this issue is going to continue to escalate as a major strategic factor in the immediate days ahead, we would really appreciate it if you would explain your view of the situation, both in terms of its cause, and also of its remedy."

**LaRouche:** First of all, the problem is caused by the United States; the problem of Sudan is caused by the *United States*. It goes back to the time that, in this case, the current President's father, who may wish to disown the connection, was a Vice President of the United States. And he, with his wife, made a visit to the capital of Sudan, and did some unpleasant things. But he was also involved, as Vice President, in what became known as Iran-Contra. He was a key part in organizing what we call today al-Qaeda, together with the British, because they've got people who are highly religiously motivated in the Arab world, especially in Saudi Arabia, and went to religious people in places such as Sudan and elsewhere, and recruited from Muslim Brotherhood circles, which were religious, people who were enthusiastic for this prospect, which we call al-Qaeda, which was then what the United States organized at the behest of Brzezinski and company earlier, continued by Vice President Bush and by Jimmy Goldsmith of England, and so forth, as what was called the Afghanistan War of the 1980s.

So, in this period, the United States in the person of Vice President Bush at that time, and others, had this grand war going over there, and they used people from the Arab world,



Claire McEvoy/IRIN

*West Darfur: A displaced woman tries to find shelter from the rain in al-Junaynah. "The problem of Darfur is caused by the United States," going back to the time of Vice President George H.W. Bush and his Iran-Contra operation, said LaRouche.*

particularly religious Arabs, particularly Saudi connections and so forth, to conduct this war in Afghanistan, which we are still experiencing at the present time—what they did then. It was a war on the underbelly of the Soviet Union, which was in a sense a bad idea. We had a better approach to this than they did, to deal with this—the Soviet Union. So in this process, that happened.

Now, at the time that President Clinton was leaving office—and I think his administration had a very poor comprehension of Africa, in practice. And I think I have a much better comprehension of the problems of Africa, though I'm not perfect on the subject, than he does, still. Though I think his ideas have improved greatly, and I think his administration served him badly, particularly on the Africa question, as in the case of Uganda and so forth; I think he was very badly served by many people in his administration, in the State Department at that time, and this is part of the problem.

*But*, I was last physically in Sudan at the end of January of 2001, and I ran into a buzz saw. I was there doing work on the question of water. I'd been there a number of times before. I was very familiar with the problems in the country, and the complexity of these problems, which this problem of Darfur is a reflection of, but a reflection of something else specifically. If you want to deal with the question, you have to deal with it honestly.

First of all, the objective of some people, recognizing that the key to the whole area, from the so-called Lake Victoria (which I think is a name that ought to be changed, to some respectable name), all the way to the Mediterranean Sea, that this area is governed now by a water agreement which involves Egypt, on the measurement of the Nile water. Now, the objective was, the imperialist objectives, were to destroy Egypt. How? If you break the Nile water agreement by split-

ting off parts of these micro-state creations in this area, then you will break the water agreement, and then what will happen is Egypt will blow up, and the entire Arab world will blow up!

So, looking at these things as isolated human interest things, is a mistake, because it is sophistry; it's ignoring the problem. Now, as I said, I was there in January of 2001. What I ran into was a buzz saw. The Arabs coming out of Saudi Arabia, of Prince Bandar and so forth, told the people in Sudan that they had a friend in George Bush, George W. Bush, and the George W. Bush Administration. And I said, "No!" I said George W. Bush is here to *destroy* your country! He's not your friend. But they said, no, the Clinton Administration made a mess of the place. Bush is going to make it better. And I said, he's going to destroy you. And it happened. It's been destroyed.

Now, this crisis down there is a product of what the Bush Administration has done, and the ignorance on the Africa question on the part of Clinton's own administration. Clinton's own administration made a *mess* of Sudan policy. It was not the cause of the problem, but it made a mess of the whole thing, failing to understand, because of very bad advisors on the question of this area. And, as I said, I think the former President would recognize today that some of his former advisors served him very badly on this question. And this mess is created by Bush, so why don't you clean up the Bush Administration? And then we can settle the Darfur thing.

Yes, it *is* a problem, but it's a problem which is *orchestrated*. You want to treat this thing, you want to solve it? You're *not* going to solve it, not by those methods. You may think you have excellent intentions, but it's not going to work. You don't understand the area. And you have to understand this area, and not just by intelligence reports, you have to understand the *people*, you've got to understand the *history*. You've got to understand Egypt. You've got to look at what some people thought about *Museveni*. You want to understand the problem in Darfur? Look at Museveni! And look at what the Clinton Administration's attitude was on Museveni. That's where mistakes were made. And the problem is, the former President has to look at this this way. You cannot be so attached to the idea of doing a humanistic act, that in the course of doing what is ostensibly with humanistic intention, becomes a contribution to a disaster, again. And that's what the problem is.

People should listen to me, and talk to me a little more about these things, and then they wouldn't make those mistakes.

**Tremblay:** My friend and colleague from France, **Elodie Viennot**, is going to take the microphone.

**Viennot:** Good evening, I'm speaking here in particular from the Presidential campaign of Jacques Cheminade, who's here with a small delegation of the LaRouche Youth Movement, as we're campaigning there. We're very happy to be here at a moment which is completely critical, obviously also



EIRNS/Philip Ulanowsky

*These young people, photographed in Harvard Square in 1987, have become today's "Tweeners." "They tended to become religious fanatics, in reaction against the absolute immorality of the older generation, the Baby-Boomer generation."*



EIRNS/Robert Detloff

*The new generation, LaRouche Youth Movement organizers in Harvard Square, April 2005: "You have a younger generation, of young adults, 18-30 years of age approximately—there's some destroyed people, but you find in there a repository of people who, under the right conditions, can develop and provide leadership for future society. . . ."*

for France. And I have a question coming from, in particular, mayors of villages and smaller towns of the country, who are those who can make it possible that Mr. Cheminade is an official candidate in the Presidential election that is scheduled for April of next year. And, in general, they are extremely disgusted with the course that our civilization has taken, what France has been doing, Europe in general, and are very distraught, in terms of what they can actually do. And in general, the question is the following: As local and regional leaders, what can we expect from Mr. LaRouche and Mr. Cheminade's campaigns; and beyond signing for Mr. Cheminade as a candidate, what can we do from our grassroots position for your movement?

### **Mobilize the Youth!**

**LaRouche:** Well, there are several things that have to be done. First of all, as in all things, we have a generation of people between the ages of 18 and 30, who are not messed up in the same way that the older two generations are—the Tweener and the Baby-Boomer generations, as they're called in the United States, and also here. That the Baby-Boomer generation, apart from a few excellent individuals who are valuable, have been a disaster for humanity, in their role in policy. You see, for example, you look at the 1980s, the 1970s: We had in the 1980s, things I was doing and things that were associated with me—for example, we organized major forces in countries around the world, such as France, Italy, Germany and so forth, in major projects, strategic projects, that I was involved in. These involved an attempt to try to secure an avoidance of a collision with the Soviet Union at that time. But people were committed to that. When you go into the

'90s, the later part of the '90s and the '90s as a whole, we're in a disaster area, because what had happened is, the generation which had been still leading governments in Europe and the United States, the generation that began to die out toward the end of the 1980s, was replaced by the Baby-Boomer generation, and the policies have been an absolute disaster.

Take for example, the case of the United States. The Baby Boomer, the 68er, was typified, especially the upper 20% of family-income brackets, by the most *crass* immorality ever invented. It was Sodom and Gomorrah revisited, the 68ers. They were not a heroic generation. They may have fought against some things that were bad, but they created worse things than they fought against. They became sexual freaks. They were known for their sexual freakishness and other kinds of things. Their habits, entertainment habits, their recreational habits in general. You had another generation that came along, who were very poorly educated, called the Tweeners. They tended to become religious fanatics, in reaction against the absolute immorality of their older generation, the Baby-Boomer generation. See, when you're dealing with politics in the United States or in Europe, you run right into this problem. That the Baby-Boomer generation, that is, the upper 20% of family income brackets, who are now generally in service between the ages of 50 and 65, are generally hopeless, morally, intellectually hopeless in dealing with any crisis situation.

You have a Tweener generation, which is very poorly educated, which is raised in a post-industrial orientation and environment, has a very poor mooring in reality, from a practical standpoint. You have a younger generation, of young adults, 18-30 years of age approximately—there's some de-



stroyed people, but you find in there a repository of people who, under the right conditions, can develop and provide leadership for future society. They have no money, because there's no money around. They have a very poor living standard. They come mostly from broken families. You know, it's very hard to find out who your daddy and mother were in that generation, because their marriage habits were such-and-such. So, this kind of problem.

Therefore, today, the key thing to focus upon is: Can you mobilize an effective operation? Can you mobilize people from the 18-30 age group of young adults? If you can mobilize that generation, or a significant part of it, you can then build a core of leadership, which, like youth movements in the past of all European history, every important change in culture, in politics, in the history of Europe, has come from a generation of that age group of 18-25, 18-30 age group. They are adult, they think like adults, they have adult orientation, but they are open to change. It is the initiative: Take the American Revolution.

The American Revolution, except for an old geezer like me, Benjamin Franklin, was largely people of this generation, youth generation, young adults. They made a revolution that shook the world: the American Revolution at the time. Same thing was going on elsewhere. And when the leadership of youth was bad, the revolution failed, or the progress failed.

So the key thing here is, the organization, and all serious politicians, all serious political leaders and other leaders, must recognize that the mobilization and development of the 18-30 age group, as a force of leadership to inspire the rest of the population to move to necessary actions and decisions, is the future of humanity. And nothing else will work. *Nothing else will work.* Everything else will fail, without that factor.

I work with this young generation, and I've seen them do things that the older generation would never dream of accomplishing.

## The American System vs. the British

**Tremblay:** The next block of questions is basically on the situation in the United States, as you can well imagine. Again, this process of dialogue has been ongoing, so you have answered some of them in writing. There's a question from Col. Eberhart Möschel here in Germany, perplexed about the situation in the United States. We've gotten many questions, from different citizens here, who are asking what is happening to the civil rights in the United States, and why is it just being accepted that civil rights are being destroyed inside the U.S. There've been questions on the Iran policy, etc. What I'd just like to do, very shortly, is read just one sentence from the question from **Prof. Lokesh Chandra**, an eminent historian and former member of the Indian Parliament. He asked, "How do you view the aggressive policies of the present U.S. administration, in alienating vast sections of the world's people? How do you see this?"

**LaRouche:** You have to look back to the end of World



National Archives

*President Franklin D. Roosevelt and Prime Minister Winston Churchill at Casablanca, January 1943. The two leaders clashed over the shape of the post-war world, but FDR managed to pull Churchill away from support for Hitler.*

War II. You have to look back to the point of the death of Franklin Roosevelt, and the accession of his enemy Harry Truman to the Presidency. Roosevelt's policy had been, from the beginning of his administration—it was a policy of a conflict with Churchill during the time of the attempted cooperation between Churchill and Roosevelt. Churchill, for bad reasons, took the good step of helping to break up the fact that most of the British monarchy was organized behind Hitler, and but for a few people such as Churchill, who Roosevelt managed to pull away from support from Hitler—and remember, the leadership of French banking, typified by Lazard Frères, Worms, and so forth, and Deterding in the Netherlands, were Nazis. That's what they were. They may not have been Nazi Party members, but they were behind Schacht, and Schacht was a Nazi. Schacht was a master Nazi. He organized the Nazi Party, as a force, for the head of the Bank of England. And the British were using again, their intention was to use Hitler, originally, to have Germany go into a war against the Soviet Union. And then, to have Britain and France fall on the ass of Germany, while Germany was deeply involved in the occupation of the territory of the Soviet Union. That was the original plan, in support of Mussolini, support of Franco later, support of Hitler, all came from Anglo-Dutch liberal and French Synarchist circles in the continent of Europe. They are the guilty parties. Of course, at the end of the war, things were cleaned up. But by 1948, the French fascists were all out of prison and back in their old jobs in finance. That's the reality.

So, in the process, the issue between Roosevelt and Churchill, throughout this war period, was, as Franklin Roosevelt said, "*Wi-i-inston*, when this war is over, there is not going to be a British Empire! We're going to free these people. We're going to help them develop," referring to Africa and



other colonized areas. The policy of the United States, during the period of the war, was the liberation of all colonial territories, to become independent sovereign states, and to develop with assistance from an American war machine, which would be converted to producing goods, capital goods in particular, to help them develop.

The day that Roosevelt died, Truman, who was a stooge for Winston Churchill and company, reversed the policy. Vietnam had been liberated, Indochina had been liberated, by support of the United States. And Ho Chi Minh was a United States ally in the liberation of Indochina from French occupation. The Netherlands was kicked out by a revolt, which the United States supported, under Roosevelt. And so forth and so on.

The entire effort at liberating the colonial empire of the British, the French, the Dutch, and so forth, this thing was cancelled. The peace agreement which had been struck with Hirohito was suspended. Why? So that Truman could drop two unnecessary nuclear weapons on Hiroshima and Nagasaki, in order to signal to the world that U.S. policy was the British policy of using nuclear weapons as a threatened weapon to be dropped on the Soviet Union, to get the Soviet Union to give up, to join in world government, the elimination of the sovereign nation-state. Now, that was the situation. And the problem today, is that the fight is still that, except that we lost in the United States. The British faction in the United States took over. People think that the United States is the problem. It is *not* the problem. There's a faction in the United States which is tied to the Anglo-Dutch Liberal faction of Europe, the imperial faction, the faction behind globalization. That is the problem.

And what is happening to the United States—in order to have globalization, you have to get rid of the United States. What is happening under George W. Bush and Lynne Cheney's dog, the President of vice, what is happening is that the United States has, in six years, discredited itself as never before in history. The world hates the United States, despises the United States, and says the planet would be better off if the United States were to disappear. If you want to destroy an empire, to destroy it from the outside, you destroy it first from the inside. If you think back to Nov. 7, 2000, think back, what has been the change in the view of the United States from around the world since Clinton left office, to the present day? The United States in the Middle East is being destroyed. By whom? By the United States! The U.S. military is being destroyed in Afghanistan, in Iraq. U.S. credibility in the entire area is being destroyed. They're now going to destroy Turkey—that's one of the next targets—by using Kurdistan, the Kurdish issue, to split up Turkey. What do you think *that's* going to do? The threatened nuclear bombing of Iran is still on the agenda. The breakup of China is on the agenda. Wars against Russia are on the agenda. All seeming to come from the United States. The Orange Revolution—it's actually the Lemon Revolution, eh? This is how the United States is being

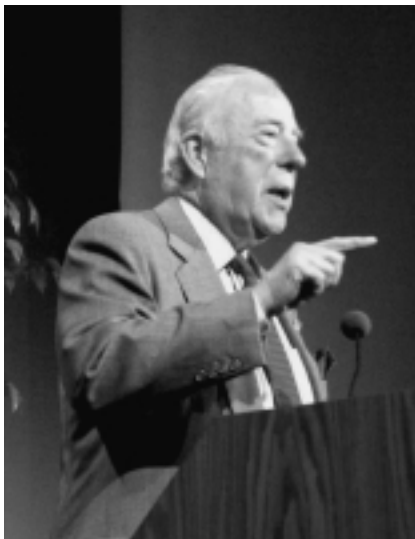
destroyed. It's being destroyed, as all empires are destroyed. If you can destroy them from the inside, then you can easily destroy them from the outside. That's what's happening.

**Freeman:** This is Debbie Freeman in Washington. When I mentioned the audiences that were gathered in Ibero-America, I failed to note—and I want to note, most emphatically—that five important universities in Peru are holding gatherings where these proceedings are being monitored, and among them is the National Agrarian University in Lima, where we would like to send particular greetings to Professor De la Vega and the new LYM chapter there. This, I understand, is the sixth LaRouche webcast that is being shown at that location.

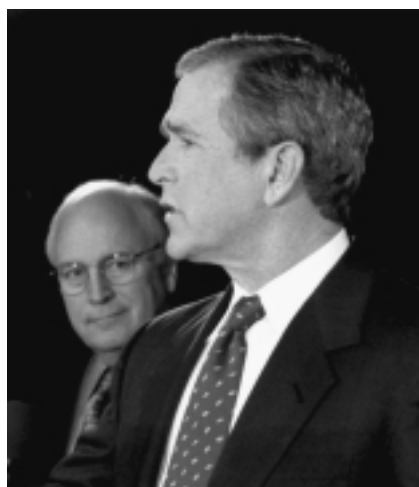
In terms of additional questions from the United States, I thought we were doing a one-to-one ratio. It doesn't seem to be going that way. We have a lot of institutional questions here, so we're going to have to figure out how to deal with it. I will defer to a request from Berlin, and ask the next question, which was submitted by **Prof. Jorge Hirsch** from the University of California in San Diego, but I will note that we have a number of congressional and other questions as well. Dr. Hirsch says:

"Mr. LaRouche, given that the Bush Administration has radically changed the U.S. nuclear weapons policies, to make nuclear weapons more useable without consulting Congress or the American people, and it has explicitly confirmed that a U.S. nuclear strike against Iran is an option on the table, and this was explicitly stated in George Bush's April 18 press conference, and that the decision to launch a nuclear strike is solely President Bush's, I'd like to ask: What do you think the international community could do to help foreclose the real possibility that America will use nuclear weapons against Iran, which would have catastrophic consequences for Iran, for the United States, and for the world? For example, do you think it would help if our European allies demanded that President Bush take the nuclear option against Iran off the table, as a condition for them to continue supporting our joint diplomatic effort on Iran's nuclear program? Or do you think it would help if Russia and China would ask that the U.S. make a firm unconditional public commitment not to use nuclear weapons against Iran, while Iran is a non-nuclear weapons state, in exchange for them agreeing to support sanctions against Iran if it doesn't suspend enrichment?"

**LaRouche:** Well, the problem is, that if you're going to fight war, and you're going toward a global policy of fighting war, as the United States and Britain have done so far under the Blair-Bush alliance, then any weapons that can be used, will be used. And trying to get bans on nuclear weapons under those conditions is a waste of time. What you have to do is get at the root of the cause. There are two roots. First of all is the root of war, and the root of war is called, in this case, "regime change." If you don't like what a nation is doing, overthrow its government, or else. And that's not really the



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U.S. Mission, Pristina/AP/Kenneth Lambert

*“Why would George Shultz [left]—this ever-loving evil totalitarian—want to stick an idiot, a congenital idiot like George W. Bush, into the Presidency of the United States during a period of crisis? . . . The Bush-Cheney combination was put in to clear the way for globalization, by discrediting and destroying the United States.”*

purpose, but that’s what the idiot says. (I’m speaking of the President, of whom I’m speaking kindly by calling him an idiot. You could call him something else, much more appropriately.)

The problem is, you have to eliminate the factor of war. Now, you can not eliminate the factor of war as long as you have a Bush-Cheney Administration. There’s no way you’re going to get the agreement, so why propose to seek an agreement with an idiot who will not agree to it under any circumstances? They will go to war. Look, what is Bush? You have to understand this clearly. People don’t think sometimes, strategically. They don’t think globally. Bush is an imbecile. A mentally ill imbecile, a moral imbecile as well as an intellectual one. Now, why would someone like George Shultz take an idiot, a deranged, morally inferior person like George W. Bush, Jr., and say to him, “You’re going to be the President of the United States”? And the entire Bush Administration was orchestrated by the same George Shultz who organized putting Pinochet into power in Chile. Who also gave us Operation Condor in the Southern Cone of South America in the 1970s, which committed some of the worst Nazi-style genocide, using Nazi veterans to guide it. And this was done under George Shultz. Now, why would George Shultz—this ever-loving evil totalitarian—want to stick an idiot, a congenital idiot like George W. Bush into the Presidency of the United States during a period of crisis?

Obviously, the tadpole is a tool. He’s not really a political figure. The Bush-Cheney combination was put in to cause the United States to destroy itself, and to clear the way for globalization, by discrediting and destroying the United States. Because as long as you had a patriotic instinct for

saving the United States as a sovereign nation, as a sovereign republic, you could not have globalization on this planet. If you destroy the United States, Europe has no guts! Western and central Europe are gutless. Don’t talk about what they’re going to do. They don’t have the guts to do anything really strong. They don’t have leaders who will do it. Leaders who might have developed were broken. My generation of Europeans might have done something, but they’re dead or almost dead. So they’re not here to save civilization. You have weak secondary leaders, who don’t have the guts or the understanding to do these kinds of things.

So therefore, there’s only one remedy. It has two parts. Number one, get rid of the Bush-Cheney Administration. Don’t waste your time trying to improve what can not be improved. Don’t try to improve poison by giving it a better flavor.

Get rid of it! Get the United States to immediately impeach these two clowns. Get ’em out of there! We have not had a double impeachment of President-Vice President. *Let’s have one; it’s time!*

See, the problem here is the wrong kind of thinking about war. What do we have to go to war for? I can not think of any case in which we would want to go to war, on this planet. I can think of instances where we might want to engage in military defensive action, which would be an act of war. I don’t like the idea of Desert Storm, but we know that at least George Bush the father was not as insane as George Bush the son. George Bush’s father was advised, and he accepted the advice, that after he had defeated Saddam Hussein in that engagement called Desert Storm, he would not try to occupy the country, knowing that occupying the country would lead to an internal revolt, which would lead into asymmetric warfare! And the United States had just gone through asymmetric warfare in Vietnam. They had seen the Russians go through it in Afghanistan, and by that time, everybody had understood, you don’t start asymmetric warfare! So therefore, Bush did it! Why? To destroy the United States. Did Bush intend to destroy the United States. Who knows what he intended? What difference does it make? You don’t ask a rattlesnake why it’s poisonous! The point is, people who are afraid, who don’t see the possibility of doing what is necessary.

## The Westphalian Approach

What we need to do is get back to the idea of a Westphalian approach to politics. We have to bring nations together, even badly behaving nations, by doing something *good* for them. Look, like North Korea: North Korea is not a pleasant place

to live, but kicking it doesn't do any good. You make it desperate and mean. You starve it, you're not helping it! What you do is offer something, as the Clinton Administration in a sense was doing. You offer the opportunity for integration, for economic development, for feeding its people, for building up industries. You take the "enemy," in a sense, your foe, and you make him your ally! How? By doing something good for them. Because if you do something good for the nation, the government of the nation must sooner or later respond to the fact that the people like what you're doing for them. They don't want to fight you.

What we need to do is have a policy toward Africa. You have to have a policy. Our policy must be to *care* for the people of other countries, and to do the things that we can do which will benefit them. And once they understand they're working on a beneficial basis with us, we can talk to them! We can conduct diplomacy. We have to be prepared, in some cases, to defend ourselves, if one of these nations goes amok and decides to attack people, but we're going to behave the way the United States behaved in Desert Storm. Once the issue of the fight is settled, the shooting stops! And the reconstruction begins. So you may have to use military force to *defend* institutions from aggression, but you do *not* use military force for regime change or to try to impose a regime or to try to make an enemy by provoking it, in order to create a pretext for attack. Don't worry about how to settle these wars; *don't have them! Don't seek them!*

Have a good defense, which the United States has destroyed. The United States has no good military defense. We're like Israel, which is absolutely impotent. Israel just lost a war in Lebanon, by its own stupidity and foolishness—what it did in the aerial attack. That's all it really had, and made a mess of everything. Israel's about to be destroyed, by itself, by this kind of warfare.

So these are the kinds of problems we face. We've got to go away from this idea of conflict orientation, to the idea of a Westphalian approach, to treaty agreements with other nations. And also have a defense if you need it, but don't use it except to put out the fire. And don't go any further than putting out the fire. Make friends, not enemies.

### What Should a Democratic Congress Do?

**Freeman:** This is a question that was submitted by **Jake Schechter**, who's a political consultant here in Washington. He's involved in 50 key races for the Democrats around the country, and his specialty is policy development, both for the campaigns but also in the post-election period. He says:

"Mr. LaRouche, as it stands today, one week before this all-important Federal election, we have a better than even chance of taking control of both Houses. Although I do want to say that nobody should be overconfident, my own view is that we have not yet felt the wrath of the Rove dirty tricks apparatus, and you can be sure that it will be unleashed, sooner or later. But for the sake of today's discussion, let's assume

that the Democrats break profile and that we actually *do* win both Houses. What are your instructions to the Speaker of the House of Representatives, and to the President of the Senate, in terms of what you think they should set as an agenda for the first 60 days of the new session?"

**LaRouche:** Well, as he knows very well, you have two particular problems to deal with. Number one, you do have to try to bring Democrats together, but you don't let that hold you back from doing what you have to do. You have to do some serious talking in your own ranks, rather than giving anyone veto power, in the sense of vetoing things that have to be done. You can not have incompetence used as a way of compromise. "We're not going to do anything to offend one of our own groups; therefore, we'll come up with an incompetent decision." You're now in a crisis where civilization's about to disintegrate! You have no margin for making rotten compromises, even in your own ranks. There are some things you can't compromise on. What you do is you give away everything that's not important, and trade it away in order to do what *is* important. Rotten compromise is no good. Giving away things which are valuable to you, but which are less important than the main things, means you concentrate on the main things. You may sacrifice some things which you think are important, but they're not crucial. Because you do, as a matter of fact, have to get some kind of consolidation.

### Lower 80% of Population in Revolt

The problem is, the politics of the Democratic Party has been oriented to the upper 20% of the family income brackets, and to the money from the upper 3%! What's happened is the lower 80% has been essentially ignored, or treated as an also-ran, or tolerated, at best. Now you've gone through a period in which the lower 80% is in a revolt. You see this reflected in—it's not the fact that sodomy was being practiced and covered up, in the House of Representatives, or things like that. That is not what caused the revolt. That was the trigger. The population wanted an excuse to break from the Bush Administration, and the fact that a member of the House of Representatives, Foley, was caught with his pants down made a good excuse for the evangelicals to break from the party. Because they already have.

Who are these lower 80%, including the evangelicals? They're people with children, as boys in service in Iraq, or returned from Iraq and can't get medical care, or families which were destroyed by being sent to war in Iraq, because the government doesn't protect them, doesn't support them. Economic conditions which are intolerable. There's every reason for the personal lower 80% of family income brackets in the United States to hate the Bush Administration. Only ideological factors like conservatism, fundamentalism, and so forth, have held them in. So now what you get, often people react—and you know this—people react not because they react on conscious issues, and political issues. They may know the issues, but their political behavior somehow does



U.S. Air Force/Staff Sgt. Aaron Allmon

*A wounded soldier is evacuated from Tal Afar in May 2006. The lower 80% of Americans, including evangelicals, have sons and daughters serving in Iraq, or returned from Iraq: "They can't get medical care; the government doesn't support them. There's every reason for the lower 80% of family-income brackets in the United States to hate the Bush Administration."*

not seem to register. But then you see they react! They react on a secondary or tertiary issue, which expresses something to them, which they wouldn't dare express by going directly and denouncing the party politically, that is, the Republican Party.

So you have a revolt, now, of people who are suffering: senior citizens, health care generally of people over 50 years of age, or 40 years of age, all have health-care problems they can't meet, are not covered. Whole towns are disappearing, whole sections of the country are disintegrating, the conditions of life of the lower 80% of the American people are miserable, and desperate. It's coming into the upper 20%, with the housing crisis. You're going to have a housing crisis, a collapse of housing prices, a mortgage-based crisis. Everything is being lost. They're suffering. Doesn't this suffering somehow find a channel to express itself? Yes it does.

Now, the Democratic Party's mistake is, is that it is oriented toward the upper 20% of family income brackets on the blue side for political support, and the upper 3% for financial support. So, how can they get the money to finance their campaigns, and how can they get the turnout from the upper 20% of family income brackets on the blue ticket? That's the issue. That's the problem.

Why don't we look now, where they didn't look last year, at all, at the auto crisis? Now, look at the effect of the auto crisis? Whole sections of the United States are destroyed. The

United States no longer has a U.S. auto industry. They have an auto industry in there: Japanese, French, so forth, but not the U.S. You don't have the structure of an automobile industry, controlled by U.S. forces and U.S. interests. And the auto and aerospace industries are the gut of a modern industrial society. You don't control the gut of your own modern industrial society? You don't have control of your machine-tool capability? You rely on the good faith of foreign governments? No. And that's the mistake. What we have to do is correct the mistake. Look, in February of 2005 and March more emphatically, I emphasized, you have to act now to save the U.S. auto industry, as a part of a program of saving the United States economy. "No-o-o, we're not going to do it. We're not gonna do it. We're gonna kiss the butt of Felix Rohatyn and other swindlers. Ye-e-es we'll have infrastructure. We'll let Felix Rohatyn finance it." A fascist! The guy who financed putting Pinochet into power in Chile. Eh? That's where the problem lies.

The problem of the Baby-Boomer generation and the problem in the leadership of the Democratic Party is opportunism, but there's a better name for it. It's sophistry. We have to give up sophistry. We have to realize we're in a crisis, we're at a turning point in world history. We're about to lose the nation as a whole. Fiddle-faddling, trying to horse-trade issues in the usual sense no longer makes sense.

You have to think like Franklin Roosevelt. If you can't think like Franklin Roosevelt, keep your mouth shut!

## Questions From Eurasia

**Tremblay:** We have a series of questions that deal with the problems of the interaction between nations in Eurasia. The first one is from **Chandrajit Yadav**, the former Union Minister of the Indian government from New Delhi. He says:

“Dear Mr. LaRouche, I agree with your assessment that the world economy is in serious crisis. One third of the youth in the world are unemployed. The time has come for an alternative, the LaRouche Eurasian Land-Bridge idea should be carried out as soon as possible. But, there’s a problem with that. Because the governments of the three Eurasian nations which should be the most involved—China, India, and Russia—are not providing the required leadership for the Land-Bridge. I think, with the weaknesses of these three governments, we need a people’s movement to support the Eurasian Land-Bridge.” And he asks for your comment.

I would mention that **Prof. Dai Lunzhang**, a former chief economist of the central bank of China, and his colleagues, raised a couple of other points relevant to that. They talked about the problem of rivalries between China and India. They raised also the question of how to deal with the Sino-Japan relationship, and in that relationship with U.S. policy vis-à-vis Japan. I would add to that, particularly one question raised by the former vice-minister president of Czechoslovakia, who is also the former justice minister of Slovakia, **Jan Carnogursky**, who pinpoints the weakness of the European Union as a partner of this and says that we’re threatened with a possible collapse of the euro. Would this mean a collapse of the European Union? What will happen with the European Union?

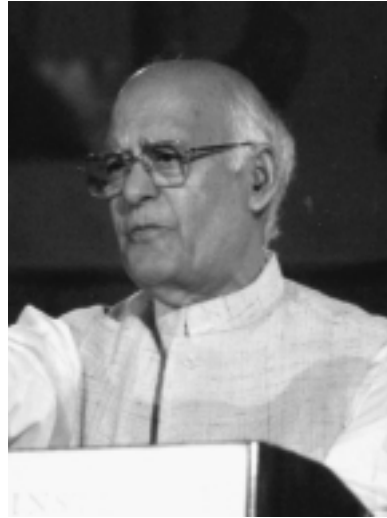
And perhaps one last element to put into this, is from **Jagdish Kapur**, who’s a leading Indian intellectual and one of the co-chairmen of the Dialogue of Civilizations forum from New Delhi, who refers to the failure of world policy, including U.S. policy, with respect to the use of nuclear energy for development purposes.

Comments?

**LaRouche:** The problem here is, these countries—China, India, and Russia—do not yet understand the world situation. That’s the problem. They don’t have a sense of what the real issue is. They’re looking at issues they do know, but in a context which does not correspond to the actual reality, the onrushing reality.

For example, China has not yet understood—they’ve improved their understanding, but they’ve not yet understood—the implications of a collapse of the dollar for China. They know they’re “agin” it, but they don’t understand that this policy as such, this U.S. policy, means an impossible situation for China. India does not understand that this means an impossible situation for India. And of course, on the Sino-Japanese thing that our Bank of China friend mentions, this is something I dealt with otherwise.

The problem is that, remember, the reform in Japan occurred under the influence of the United States against the British



EIRNS/Stuart Lewis

*Chandrajit Yadav, the former Union Minister of India, shown here at a LaRouche movement conference in Northern Virginia in August 2003. “We need a people’s movement to support the Eurasian Land-Bridge,” he told LaRouche.*

and Dutch. So Japan would still be an Asian nation, completely backward, with no industry to speak of, except for the United States’ intervention during the period of the 1860s and 1870s. But later, the same Japanese Emperor who accepted the United States’ advice on the industrialization of Japan, was won over by the British monarchy, which said to him, “You are a monarch, you are the Emperor of Japan. We are the Emperor of England. We emperors got to stick together—against the United States!” Now, the British wanted to get rid of the United States’ influence in China. So what they did was, they launched—under Prince Edward Albert—they launched in 1894-95, the first Sino-Japanese War, the aggression against China by Japan. That was followed by the occupation of Korea, again an imperial acquisition, which was then followed by the Russo-Japanese War, which was orchestrated entirely by the British monarchy. The orchestration of this was done by Prince Edward Albert; it was done in order to prepare for World War I in Europe. And then you had Nicholas II, the fool, the Tsar of Russia, who was the nephew of the King of England, who made a treaty with the British and French, the Sykes-Picot Treaty, on the partition of Iran. Now he was fully in the business, and he lost his life. He lost Prussia.

So this is the kind of thing that was going on in this period, and people fail to understand that the imperial policy which the British monarchy stuck into Japan, against its friend the United States—which was what caused the Pearl Harbor incident which was organized by the British in the 1920s first, and then the British changed sides—that this policy has its reverberation today, and the conflict between China and Japan today, is a reflection of the continuing British influence in dividing the nations of East Asia against one another in order to control them.

And the British influence in India is the same kind of problem. I was there. I was actually technically under the command of Mountbatten, when I was in U.S. military service

in the China-Burma-India theater. Mountbatten was the commander, I was in his service, and I was about to make a revolution against him. But anyway, that's another story. But this is the same kind of problem today. Therefore, the failure to understand, and to look back at history at least 100 years, preferably two or three hundred years—to understand today, you must do that, not just try to take the over-the-fence backyard issues of today. You won't understand them.

What you need to do in a case like this, you have to rise above the issue, get to a higher level, define what are the actual interests of mankind, and propose an action which may have nothing to do with the way the issues are defined, but changes the subject completely. Say, let's not debate that. Let's not have that family quarrel. Let's talk about what we want to do that's positive. And that's the best way to solve these problems.

### **The European Union Is a Coffin!**

Now, on the problem of the European Union. The European Union, forget it! It's a coffin. Do you want to spend your life there? The European Union was set up to destroy continental Europe, to destroy every nation in continental Europe, and it's done a very efficient job at that. Here's Germany, with tremendous unemployment, with lack of industry, and you have the occupying powers, chiefly Mitterrand and Thatcher, impose a European Union on continental Europe and then don't join it themselves. Because it's a slave ship. The British organize the slave ship, get the Europeans to join it, but don't come aboard themselves. They sit outside and watch the fun. So here's Germany, which technically, could—except for the European Union and the ECB [European Central Bank], and the euro, which is the name for a poison pill. They sit there, vast unemployment, decay of industries, loss of everything which Germany was capable of doing, hamstrung because they can not create state credit to build up employment in the industries which are needed to bring the deutschemark or the equivalent up to a balance. There's not enough productive employment.

Like Berlin itself: The city is not allowed to become able to support itself with its own income. It is in a permanent state of bankruptcy, when a solution would be obvious. The government must build up the industries again. We've got an excellent relationship with China, India, and so forth, on Germany's relationship on behalf of Europe with this part of the world, Eurasia. Well, why don't we just do what we should? Here's the railroad center, Berlin, it's the access to the East. We've got tremendous markets to the East—why don't we have the industries right here where we have the people? Build up the industries, export to the East. We can put people to work, we can balance the budget of Berlin. Germany can make money again. We can stop the one-euro jobs and all this other nonsense. People can have a future. The German government could do that, simply by creating intelligent application of state credit. But they can't! Why?

Because of the European Union suit, which is a new form of the Iron Maiden. So, we shouldn't really worry about that at all.

On the nuclear power, look, the problem is really very simple. The people have been sucked into the "green revolution" and globalization. In India as elsewhere. Fine. The problem is that, and the problem is that in other parts of the world, they don't want to fight the nuclear power issue, which anybody in India knows they need. India of all countries absolutely requires the immediate widespread application of nuclear power, in 100-900 MW capacities. They require it because of the nature of the country. It needs it! The water question alone requires nuclear power. You have to dot the whole country with nuclear power plants, just to deal with these problems. It's the *only* solution for India! Other people are not realistic, they're Baby Boomers. They think about not what you eat, but how you *feel* about eating, is what's important.

### **Impeach Bush and Cheney**

**Freeman:** Before I ask a question from Washington, we did get a communication from **Peter Ruffino**, from the University of Chicago Law School. He said:

"Mr. LaRouche, thank you for your remarks regarding the impeachment of Bush and Cheney. As I'm sure you know, House Minority Leader Nancy Pelosi, who hopes to be the Speaker of the House in January, has repeatedly made public pledges that if the Democrats win control of the House, that she wants to make clear that impeachment of this administration is off the table. I drafted a letter to her, asking her to withdraw that pledge, in which I outline a series of already documented impeachable offenses by this administration, even prior to any substantive investigation by Congress. As of today, over 150 leading constitutional law experts have added their signatures to this letter. I just wanted to use the opportunity of this webcast, to invite any American law professors who are listening to this broadcast, to join in this effort."

I don't know if he wants me to give out his email address or not. If there are people listening who would like a copy of the letter and who would like to participate, perhaps the best thing to do is to respond to the email address of LaRouche PAC, and we will forward your name and information to Dr. Ruffino, and he can contact you himself.

### **'Core Labor Standards' and Infrastructure**

The next question that we have was submitted by a senior member of the professional staff of a leading House Democrat. And again, they are charged with trying to draft policy for the immediate period ahead. The question is as follows:

"Mr. LaRouche, you have spoken and written a great deal about salvaging the American manufacturing sector for national infrastructure and defense purposes. In this sense, America would produce things that it would purchase for its



EIRNS/Stuart Lewis

*House Minority Leader Nancy Pelosi, who expects to become Speaker of the House after Jan. 1, 2007, has promised that the Democrats will not move to impeach Bush and Cheney. But a group of American law professors has launched a campaign, asking her to withdraw that pledge, based on documented impeachable offenses.*

own purposes. But what about salvaging a manufacturing sector that still sells to the rest of the world? How can American manufacturing regain a competitive edge in the world's marketplace, and how important are core labor standards to that project? And if you think they are important, how would you suggest that we make core labor standards enforceable around the world? This question could just as well be about German manufacturing or French manufacturing, or really the manufacturing sector of any highly industrialized nation facing competition from other countries that simply do not respect fundamental workers' rights."

**LaRouche:** We've got to put some teeth in this issue. Now, the problem is, the mistake is to assume that we go to manufacturing jobs as such for export. That would be a mistake. It's not a mistake to export manufactured products, that's not the mistake. The point is, that people have to understand the composition of the process of production and how an economy works as an economy. The problem the United States has, the thing that tends to drive up the cost of production, is the lack of basic economic infrastructure. The United States wastes a tremendous amount of money on building highways. You may have seen our super-highways; they're called parking lots—at every rush hour, parking lots. You see the congestion of moving populations around a few centers which have super-highways used as parking lots at rush-hour time; and rush hours go on six to seven hours a day. There's something wrong here. We've gone in the wrong direction.

What did we do? We destroyed infrastructure. The way you have to look at the United States economy—and people have to rethink—don't listen to what the accountants say. The accountants don't understand economics; that's why they're accountants—they flunked economics. The problem here is, to have a productive industry, you must have an economy which is productive. You measure productivity per square kilometer and per capita. You measure it for your total average territory. You develop private agriculture; farmers, real farm-

ers. You don't destroy the hedgerows in order to have cheaper farming for mass grain production. You don't do all the stupid things to destroy whole states, whole sections of states, by de-industrializing them, by destroying agriculture, by destroying education, and then having a few large areas and taking the average as if you were making some gigantic soup, as opposed to an economy. Where we've lost it, we've lost it. We don't have power production; we've lost whole sections of the country in terms of power production. You can no longer get drinking water out of a faucet; *you buy bottled water*, or you get a disease; you've got a choice. We don't have schools, health care; we don't have the infrastructure which supports a highly productive population with the means of production which infrastructure provides.

## How a Productive Economy Works

Therefore, the way you build an economy, is the way economies were built well in the past, in European systems. You develop an economy by developing the people—education, sanitation, health care—the people. You develop the communities in an organized way. You emphasize private corporations, not large corporations. You don't ban large corporations, but you don't want to consolidate conglomerates. What you want is, you want the entrepreneur; you want the typical German entrepreneurial firm.

For example, let's take the case of MBB in Germany, which I had some acquaintance with some years back. MBB was the aerospace center of German industry. It was very highly developed; 10,000 people worked in engineering design. The industry was destroyed by Reuter of Daimler-Benz. This was a firm which not only had about 10,000 people in that category of work, but which had relations with small shops all over Germany, where you had a physicist with two people, a firm with 25 people, which were subcontractors, who were the repertoire of firms such as MBB. And people at MBB who want to make a product, know that this guy over here, this guy over here—they can call him in to assist them with any particular problem they have to solve. And therefore, the private firm, the small, closely held private firm, the *Mittelstand* firm, is the essential part of any well-organized economy. And Germany was the pillar of this kind of development in former times. It's gone, or it's going. There's a little bit left of it in Bavaria and a few other places, but generally it's going. It's insane!

What does that mean? It means you have communities which have diversified characteristics, different kinds of industry in the same area, a great dependence on things like the *Mittelstand* for these industries, a few larger firms which combine the work of a lot of *Mittelstand* firms together with the process of making the components, which make the final product. And you have a nervous system, where you can go into one firm, say a key firm, "We want to do this." "Well, let's see, we've got this firm, we've got this *Mittelstand*, this one here. We can put it together." That was what Germany



Transrapid

*A German maglev train. A top Democratic House staffer asked Mr. LaRouche: "How can American manufacturing regain a competitive edge in the world's marketplace, and how important are core labor standards to that project?"*

used to be able to do. That was the high quality product. That's what the United States used to be able to do, by depending on these small firms, with 5 to 100, 200 people, which were specialized firms in technology. And large firms that wanted to make an automobile, an airplane, and so forth, could rely upon these firms to do the testing and design work, and you got a product. And that's what you want to do.

Now therefore, we don't have that structure. If we want to build an industry which is competitive on the world market, the United States could do that; but what it would have to do is, it would have to start by building infrastructure, which is what I emphasized last year. I said, take the auto industry: don't let it be shut down; don't close it down. Leave it alone; keep it there. Convert the part of the auto industry you aren't going to use for automobiles, convert it for infrastructure. We can build locks and dams. We can build all kinds of things which are necessary for infrastructure, and build us back an economy. Use this auto industry, with its machine-tool capability; use the same plants in the same places. That's the way it works—like Lockport, New York. They had a plant up there, Delphi. The plant had produced all kinds of things—aircraft; it could produce components for water-management systems, canal systems. It's on the St. Lawrence; it's on the Great Lakes; it's connected to the Ohio River. You can move your product down the very rivers in which it's going to be used for that kind of production. The space industry used to have that same kind of ability.

So, what we have to do is build up the productive potential per capita of the United States per square kilometer. Therefore, don't worry about being competitive in this area or that area. Don't let the accountants talk to you on this one. Get

your engineers, get the scientists, not the accountants, and go calculate physically, per capita, per square kilometer, how much productivity and competitive is it in terms of technology? Build it up. If you do that, and you turn the ingenuity of the entrepreneur loose—not the large corporation run by the papier-mâché accountant, but a real man, a real human being, who knows production. Turn him loose with his firm; let him fight for his market, help him. And you will increase the productivity of the United States the way we did under Roosevelt, under comparable conditions. That's the way to do it. It's the way to do it here—Germany's the ideal comparable example to what we can do in the United States. Just do the same thing.

So, that's what we have to do. Go with my program; the way I said it. We still have some of the plant facilities; we still have the personnel who are put out of work, the communities that were shut down by the stupidity of the Congress in allowing this to happen. Put these people back to work; create a government corporation; create the funding of a government corporation. Take these things over that are being idled; put them under government protection. Get them moving again! Move them ahead to the point that they become self-paying operations.

### **What Should Foreign Governments Do?**

**Tremblay:** We have a question here from the audience. It's from **Mr. Jihad Yakan**, an entrepreneur here from Berlin. He's originally from Syria. He'll ask the question in German, and then I'll translate it. [Question in German.] "Mr. LaRouche, you mentioned that the policies of George W. Bush are destroying the U.S. What is your advice for the



Chancellor of Germany? In this respect, what is your advice for the governments of both Syria and Iran that wish to preserve peace?"

**LaRouche:** Well, it's something I'm working on—getting rid of the Bush Administration—because if we don't get rid of the Bush Administration, nothing's going to work; the United States will be destroyed. I mean, if you keep taking poison, you may die. If the United States keeps taking the poison of the Bush Administration, it will die; it will die very soon. We're going into a crisis. Remember, I said at the beginning today of this event, I said we're already, as of the middle of September, we've gone through a phased downshift in the U.S. economy, which means that the U.S. economy and the world economy are about to go into a chain-reaction collapse. A collapse which is potentially comparable to what happened to Europe when the House of Bardi went bankrupt in the middle of the Fourteenth Century, and Europe went into a Dark Age. We're in that kind of situation. You have an economy which is based on managements which in large degree are totally incompetent, by governments which are incompetent in the matter of economics. That is, they've lost the kind of competence that existed in governments, say in the 1980s and the 1970s. They've lost that competence; they don't know how to run *anything*, except to run it down. Every policy they make is generally a mistake.

What we have to do is two things: We have to have a mission orientation ourselves: that we're going to go back and become what we should be. And that we are going to get rid of governments that refuse to make that kind of reform. And we will be able to do so, because everything is falling apart, as it will be very soon, in every leading government of Europe. You're going to find that governments in Europe are going to suddenly disintegrate the minute this tidal wave of collapse hits, and you'll find governments which will disintegrate which you think are strong governments, and have good chances of being re-elected today, you'll find that those governments are going to disintegrate before your eyes.

## A Revolutionary Period

So therefore, you have to take a completely fresh view of the situation, knowing as I said at the beginning today, that we're in a time when things are going to change very suddenly, very soon. Anything you think is established habits or traditions in your area, don't trust it, it probably will fail. We're going through a revolutionary period, of a crisis beyond belief; you have not seen in the past century, anything like this. The closest probably is what happened in 1923 in Germany, to what is going to happen now, to what is going to happen on a broad scale.

So therefore, what we have to do in this area, is decide we're going to do that; we're going to change the government of the United States. We're going to have a positive policy towards relations among nations. We're going to be looking for economic development in terms of industry and related

things, and infrastructure. We're going to base relations on trying to find ways of utilizing the desire to cooperate in the economic sphere wherever possible. We're going to negotiate the way we used to: to negotiate projects, which are projects through financial agencies, such as new banks organized in a new way—fresh start banks—to fund contracts with the aid of government-to-government agreements, treaty agreements, which cover certain projects among certain nations. And that's the way we're going to do it.

You take the case of Iraq and Iran—it's no problem. Iraq is a problem because the country is being destroyed, disintegrated. It's very hard to rebuild a country that is being disintegrated, but if you rebuild around it—for example if you use Syria, which is next to Iraq, use Iran, which is next to it, if they're both proceeding healthily, if Lebanon is being reconstructed, if you've got the Palestinian crisis under control, and start to give the Palestinians some opportunity, some hope for some kind of relief, then you have an environment in which you can introduce treaty agreements to sponsor economic development. Under those conditions, yes, it will work. The opportunities in Iran are tremendous—maybe not tremendous on some scale, but relative to the area. It's got 70 million people, some of them have a high degree of technology and culture. You can do a great number of things there. It's a good opportunity, but you need to have the agreement among governments to provide the protection to enable this agreement to go forward. The need for the market, the need for the jobs, the need for the economy is there; the incentives are all potentially there. But you need to have governments agree; and to do that, you have to get rid of the Bush government.

**Tremblay:** Debbie, you have one more question. This will be the last question from D.C. then.

**Freeman:** Lyn, we still have a number of institutional questions that we will submit to you, and perhaps you can answer in writing. They include questions from here in Washington, but there are also several questions from some key labor leaders in Argentina, and there are a couple of institutional questions from both Africa and from other nations on the Ibero-American continent.

## Assessing Bill Clinton

But what I'd like to do is to make the last question here from the Young Democrats, from a community college in Missouri. There are about 25 of them who gathered to listen to the webcast, and **Bobby Stiewell** submitted this question for you. He says:

"Thank you for calling us to seek justice by doing all we can to preserve the lives of those around us. You call for justice and love, and you refer to Apostle Paul in I Corinthians 13. Now, admittedly, Bill Clinton is a Baby Boomer. And he did enjoy a lot of controversial pleasure while he was in office—and I guess he was impeached for lying under oath.



UN photo/Eskinder Debebe

*Former President Bill Clinton on a recent visit to Sri Lanka to inspect tsunami recovery work. "The valuable part about Bill Clinton is that he's extremely intelligent, which none of his rivals really are. And he is capable of changing his policies on the basis of being intelligent," unlike most politicians, who are more like wind-up toys.*

But, you said that it would have been useful if he had served a third term. What of his specific policies would you want to have seen continued and developed if, in fact, he had a third term in office? I think this is important from the standpoint of the immediate political period ahead."

**LaRouche:** In this case, I think the important thing is the man and not the policies. The valuable part about Bill Clinton is that he's extremely intelligent, which none of his rivals, approximate rivals, really are. And he is capable of changing his policies on the basis of being intelligent. See, most politicians are like wind-up toys. Whatever they're built to do is what they do, whether you want it to do it or not. The valuable politician is a statesman—not as a politician, but a statesman. The statesman is the person who starts from the standpoint of a conception of care for the country, and care for humanity as well; and who responds to not only what he sees, but what he *foresees*. Who concentrates on getting advisors, specialists who will help him *foresee* what is coming down the road. Who will help him *see* what the options are for dealing with each of the problems he's thinking about. He functions not as a politician, but as a leader, a person who is groping into the future, and knows how to do that job of groping into the future. A person who knows how to change; who knows how to develop and respond to the situations as often as possible before they happen.

Now Bill showed, through his Presidency and through what I've seen of him since he was President, that he continues to grow, as very few leading American politicians do. They

may improve slightly, but they don't grow. Bill has been growing, and therefore, had he had a third term, I'm sure he would have grown even more than he has being out of office. But he's shown to me growth in being out of office. He does have a streak of outward opportunism (which he would explain otherwise, and I understand that), but underneath the opportunism, there is a man who cares, and there is a man who wants to find the real answers. Who, in the short term, will try to politically maneuver his way through a situation, by gathering support by being an opportunist, a Baby Boomer, in short. But he comes by that honestly—he is, after all, a Baby Boomer. But at the same time, underneath there, is a man who can think, who has a sense of history, who has a sense of an historical perspective in respect to the things he does or chooses, that he's committed to, whether he says so publicly or not, but what's working in his mind behind the scenes. With all the faults I might find in him, he has that quality of the statesman, and there are very few of his generation who actually do. So, I take Bill—with all his faults—and say "Hmmp." But that's plus; you want to criticize Bill, look at what the competition is for his position, and you'll come back to Bill.

### **'Marching Orders' for the LYM**

**Tremblay:** We have many, many more questions, but unfortunately we just don't have the time today to be able to ask Mr. LaRouche directly. But, of course, all these questions will be forwarded to him in written form. For the last question,

Portia, from the LaRouche Youth Movement here in Berlin, had something she wanted to ask Lyn.

**Portia Tarumbwa:** Hi Lyn. We're having fun here to-night. Actually, parallel to this meeting, intervening on some suckers from the DLC [Democratic Leadership Council] who wanted to sabotage tonight's meeting. But in fact, I think we're having a lot of fun in Berlin overall, in the past period, warming it up for a revolution. My question, on behalf of the LaRouche Youth Movement, and also on behalf of young people gathered around the world is: With the great danger, and the great promise of the period of history we're in, I mean, it's hallowed what you're proposing, basically. I've come to realize the necessity of a whole generation, my generation, to more and more to think like you. Mastering your discoveries and the implications of them on the past, but more importantly, on the future. And we have very few role models today, so could you give us some pointers or, rather, marching orders?

**LaRouche:** Yes; we have a project which I've started in the United States. I started it because I saw that the youth movement's education program, while useful in respect to getting into some of the theses of *Sphaerics*, for example, and a few other things, was very useful, but it was not getting the kind of thrust and continuity which is needed. So, I said, we're going to scrap this. We're going to do another program.

So, I took three phase questions out of, largely, Kepler. First of all, to re-enact Kepler's discovery of gravitation; not to learn how to repeat it after me, but to re-enact the act. To go through the mental experience of Kepler. Because Kepler writes what is happening to his mind—he doesn't change it. So, by studying Kepler's works, you can see how his mind was working at successive stages in developing an idea. Very unusual—very few writers do that, very few scientists have done that. Secondly, actually Kepler is the founder of modern science. The design for the founding of modern science was by Nicholas of Cusa; contributions were made by Leonardo da Vinci—and very important ones—but it was Kepler who first took the question and divined a universal approach to science and modern science. All modern science that's successful comes out of Kepler. If you relive Kepler, and two of his discoveries in particular, and a third one by Gauss—first, the discovery of the principle of gravity, which no English-speaking person ever knew, until recently. Secondly, the discovery of the organization of the Solar System—now it's even more than that, because the discovery of the Solar System is the discovery of the fact that the universe is not entropic. That is, the astronomical system is not a fixed system, because the Sun was alone in its corner of the universe, all by itself. Nothing there; it was spinning fast, spinning rapidly around, looking for something. It couldn't find anything, so it made something. It spilled off some plasma, when it was fast spinning. This plasma took the form of a plane of plasma, looking pretty much like the image of Saturn, with all its moons and rings. This material spun off, and in it you begin to see that there's



EIRNS/Helene Möller

*Portia Tarumbwa, a leading member of the Youth Movement in Germany, asked Mr. LaRouche how young people can learn to think like he does. LaRouche responded by outlining the program he designed to develop the LYM, based on re-creating the scientific discoveries of the greatest thinkers.*

fusion occurring; going from the limited number of elements you find in the Sun, outside there are more elements are being created by the Sun, by radiation from the Sun impacting upon this plasma. And then some years ago, I decided this had to be polarized, because you couldn't get the table of 92 elements without polarization—then it would work. So, here's a polarized plasma spinning off this material; this material is spun off by distillation into planetary orbits, one after the other. They have certain characteristics in common. They never lose their connection to the Sun; even stray bodies that come into the planetary system, are locked into that system by the Sun. And this has an ordering. Now, we have thermonuclear fusion, which is what the Sun was already doing. So, thermonuclear fusion is a universal principle; it's not something that happened, and then happened. It was there in the beginning.

The universe is not a fixed creation; it's a developing creation. The world is anti-entropic; the universe is anti-entropic; it's creative! And *our minds* are creative. We are in the image of creation; we are the personification of creation, and our duty is to develop. Not to do the same, but to do something different; to move forward, to make the next step up. That's our destiny; that's what we existed for, and that's what we have to make it—our morality. We never try to perfect ourselves to sit in the same corner. We never allow ourselves to do exactly what our parents did, and grandparents before us. We must do something new; something better. Not to throw away what they accomplished, but to build upon it. To build a better future. And in Kepler, you've got that, in the way he approaches the discovery of gravitation; that's how it takes you someplace. But then, the way the organization of the planetary system spun out; created by the Sun, around it.

Then you have a third case. Not done by Kepler, but done by the effect of Kepler. Kepler, in looking at the harmony of



EIRNS/Adam Sturman

*A LYM cadre school in Washington, D.C. explores Kepler's laws of planetary motion. "Our minds are creative. We are in the image of creation; we are the personification of creation, and our duty is to develop. Not to do the same, but to do something different; to move forward, to make the next step up. That's our destiny; that's what we exist for. . . . To build a better future."*

the system, saw that there's a missing planet in the system. A missing planet in a location of dissonance. And so then, when Gauss saw some phenomenon—41 observations of something, that's all he had. From 41 observations, he discovered the orbit of the first asteroid, Ceres, which had the characteristics which belonged in the Keplerian harmonic system. Once he saw that, he knew that this was an asteroid, not just some stray piece of garbage out there. That shows you the importance, the understanding of the relationship of these characteristics of universal physical principles, and how they're derivatives, and how they apply to reality.

Then you go on to the final stage beyond that; you come to the work of Riemann, Bernhard Riemann. And as Einstein said, but nobody seemed to understand what he was saying. He said modern science begins with Kepler, who is valid, and it continues through Riemann, who completes the cycle of the definition of what modern science is.

So, I have these young guys working on these successions. Start with gravitation of Kepler; get to the organization of the Solar System—Kepler. Realize the implication of Kepler's discovery—the asteroids by Gauss. Then go beyond Gauss, to the realization of the implications of Gauss, and then you get to Riemann; Riemannian hypergeometry, a physical hypergeometry, not a formal one. Now, you know everything *essential* about the entirety of modern science. You can think like modern science. You don't know just a few things, you're not a guy who can babble off and say "I know this thing; I know this thing." Now you have a sense of how the universe

works, and how man works in the universe.

We need a generation of youth who think like that. Now, it doesn't mean everybody of that age group is going to think like that right away, but we need in society, a core of young people, who in their search for an education which they can't get, even if they could afford it in the university, need an education. We need an educated population. We can't afford the prices of universities anymore, not for many people. But we can't throw people in a ditch because they can't afford the price of a university education at a university where they *can't get an education*, no matter how much they pay for it. Therefore, we have to educate them, so we go economically. We take a core program, identify the greatest central achievement of European science. We say, you know this; know from Kepler to Riemann; know that, and then branch out from there to the next stage, yourself.

**Tremblay:** Unfortunately, we've come to the end of the meeting today, but fortunately for us, Lyn has given us a lot of work, so we'll have a lot to do in the next weeks. And, there is a webcast on Nov. 16, from Washington, D.C. I know everybody will be watching, and there will be probably thousands of more people, because of the result of the American elections in one week, and therefore, what Mr. LaRouche has to say on the future of humanity, based on these election results. So, with that, I'd like to end the event here, and of course, thank Lyn very much, and we hope to see him here in Berlin as soon as possible again.

# International E-Mail Dialogue with LaRouche

*In the days following Lyndon LaRouche's Sept. 6 international webcasts from Berlin, and leading up to his Oct. 31 webcast from the same city, scores of e-mails continued the dialogue. Here is a selection:*

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## Italy

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**Mario Agostinelli**, a regional councilman for the Lombardy region in Milan; the former head of the CGIL trade union in Lombardy; and the author of a project at ENEA (National Association for New Technologies and Energy) in Ispra to retool Alfa Romeo in Arese for the production of hydrogen-fueled cars.

In an interview with *Nuova Solidarietà* and *EIR* Oct. 29, Agostinelli endorsed Lyndon LaRouche's retooling plan (translated by *EIR*):

I read with extreme interest LaRouche's retooling plan as it was presented to the U.S. Senate. It has a tremendous political significance. Its originality consists of the fact that LaRouche combines a retooling plan for GM/Ford with his plan to reorganize the entire financial system. Industrial policy and the reorganization of the financial system should be combined; LaRouche is right on this point. It is clearly a political issue.

In Italy, we do have a trade union plan to retool Alfa Romeo and reindustrialize: 36 researchers at ENEA worked with me on this proposal, but the Italian left is split over it. One part of the left thinks that Alfa can be shut down, as long as temporary unemployment benefits are ensured. However, others in the left would prefer a policy of reindustrialization. This is the key. You can continue negotiating, but that means that in the meantime, deindustrialization will go forward. The key must be reindustrialization.

Tronchetti Provera proposes transforming Alfa Arese into a Telecom call center; we think it should produce hydrogen-fueled cars and overcome the rigidity of this economic system. If Ford's policy is to sell to India and China, it will not endorse a retooling plan which involves producing more expensive motors, such as the hydrogen one. When I went to Mercedes Benz to talk about this project, they were very interested and told me that they could put a hydrogen fuel cell motor on the market in the next six years, but they then extended that to 12 years in order to amortize the costs of the Series A and Series E cars. It is a political decision, and it involved industrial policy.

My question to LaRouche is: How can an industrial policy

be combined with your reorganization of the financial system?

**LaRouche:** Certain features of a more ordinary sort of reorganization of an industrial enterprise in bankruptcy can be applied to either bankrupt national economies, or international monetary systems as a whole. The situation of both the present international monetary system is such a case.

From that standpoint, not only is the present international monetary system itself bankrupt, in addition to many individual nations within it, but it could not be brought out of bankruptcy without purging the system of all claims based on what are in fact merely gambling debts, as this is typified by hedge funds and so-called "financial derivatives" generally.

Therefore, the first step in the required procedures for organizing a recovery, is to take the international monetary system itself, nation-state by nation-state, to allow a purging of the system of all gambling-debt-type-rooted nominal obligations by the action of cancellation/nullification, of relevant sovereign nation-state governments.

We are then confronted with two principal kinds of remaining problems within the surviving "distillate." First, in most cases, current obligations vastly exceed attributable current assets. Second, for each nation, we must create a margin of net assets, through creation of new credit, above the level of current obligations, required to finance a margin of growth to bring the currently added margins of current assets of the national economy above the level of currently accumulated margins of net debt of the nation.

In presently industrialized nations of the form of typical European-type economies, the factor of net physical-economic current and cumulative growths will require an approximately fifty-fifty percentile division of new investment-credit between basic economic infrastructure and what has been traditionally private enterprise in agriculture, industry, and professionally skilled services to production and the care of households of the population and their communities.

The expansion of credit for these underlying purposes requires an emphasis on scientific-technological progress. This defines a system in which the physical content of the production by industries and the labor force itself must increase per capita, and, also, implicitly, per square kilometer, largely through continual advances in technology of facilities, materials, and labor.

Taking the several considerations represented in total by the foregoing considerations, the rate of progress in science and technology must run ahead of the rate of net gain expected in productivity of the employed labor-force. The improve-



*Italian mathematician and topologist Enrico Betti (1823-1892) was a friend of Bernhard Riemann. "A glance at the Fifteenth Century Renaissance and the era of scientist Enrico Betti and his associates in northern and central Italy during his time, typifies what must be done," LaRouche said.*

ment of the quality of education and standard of cultural life of the population of emerging adults, is the characteristic consideration here. This means sharply cutting subsidies for "sinful" social practices, such as subsidy of "bread and circuses" programs, and taxing "sin" wherever it is in reach, as a way of increasing the relative flow of support for noble and healthy practices.

The emphasis for investment must be directed to scientific and technological progress, but incorporating more traditional elements wherever those are necessary features of a scientific-technological improvement.

In sum, these considerations mean that recovery must be driven by emphasis on advanced technology, especially at the start, advanced technologies in development of the basic economic infrastructure needed to drive both technologically driven growth in the private sector, and the increase in physically defined net growth of technological growth in productivity in the economy as a whole. A glance at the Fifteenth-Century Renaissance and the era of scientist Enrico Betti and his associates in northern and central Italy during his time, typifies what must be done. The flexible role of the scientist and machine-tool design specialist in development of each and all aspects of infrastructural development, agriculture, and industry, plus the function of *bel canto* vocal development from the period of the great ecumenical Council of Florence, through the work of Giuseppe Verdi, must be contrasted to the dismal trends downward in culture and economy during the latter decades of the Twentieth Century and the pathetic decadence of today.

In this picture, the role of the machine-tool design specialist in the automotive and

aeronautical industries, exemplify the multi-faceted, central role of this section of the labor-force as a whole. In fact, the labor-force which is suited for high rates of technological achievement in the automotive and aerospace industries is the same labor-force which is easily adapted to development and production in virtually every aspect of the economy as a whole. Therefore, while we must take into account the specific kinds of products we are going to produce, we must not become parochial; we must regard this as an interchangeable function of that labor-force, and also of the particular enterprises it represents.

A great leap upward in technological design of a new type of automobile, for example, is not only a better product, but a productive potential, applicable for many missions, better than the nation or world has had available to it before.

In summary, we need a mission-orientation, like that which Europe's aerospace pioneers adopted, during the early to middle part of the last century, as in Italy, too, like yesterday's for the new missions of today.

—Lyndon

**Andrea Ricci**, member of the Italian Chamber of Deputies, and author of a book entitled *Dopo il liberismo* (*After Free-Market Economics*), which quotes and endorses LaRouche's New Bretton Woods. After analyzing the failure of globalization and International Monetary Fund conditionalities, particularly in Third World countries, Ricci writes a paragraph entitled "A New Bretton Woods to build a new international monetary and financial system," in which he says: "In order to achieve these ambitious political aims,



*"We need a mission-orientation, like that which Europe's aerospace pioneers adopted, during the early to middle part of the last century, as in Italy, too. . . ." Here, an Italian engineered C2J Spartan, which was reengineered and produced in collaboration with Lockheed Martin.*

the European Union, 60 years after the Bretton Woods conference, should work with the South of the world to promote a new international conference to be called by the UN in order to define the rules and organization of a new global economic order. The history of economics shows that radical reforms of the international monetary system are rare, and usually take place when societies are faced with traumatic events such as wars and depressions. Well, today, we are in exactly that type of situation, with the war and a prolonged and creeping economic crisis, and we have to act before the catastrophe.”

Ricci refers to LaRouche’s New Bretton Woods proposals, and adds: “On the occasion of the 60th anniversary of the Bretton Woods conference, the proposal for a new international conference in order to redefine global financial and monetary relations found an authoritative supporter in the Nobel Prize winner in Economics Robert Mundell (2004). The American economist and intellectual LaRouche (2001), who ran in the Democratic primaries to choose Bush’s opponent in November 2004, was a convinced supporter of this proposal even earlier.”

The bibliography cites LaRouche’s speech at the Catholic University in Milan in 2001: “LaRouche, Lyndon, “Towards a New Bretton Woods: a plan to solve the international financial crisis,” Milan, Cattolica University, published by the Association for the Development of Banking and Stock Exchange Studies.

His question to Mr. LaRouche is translated by *EIR*:

What is the perspective in the United States for such a New Bretton Woods reform of the financial system, considering the fact that the Bush Administration is going in the opposite direction? How will the U.S. be able to make such a change, considering its increasingly weak, but influential economy, and the country’s enormous trade deficit?

**LaRouche:** As I have emphasized in locations published on sundry earlier occasions, the developments initiated in 1971-1972, largely through the instrumentality of the U.S. Nixon Administration’s George P. Shultz, the Bretton Woods system was dissolved, and replaced by a floating-exchange system located within the institutional premises of the IMF. With this action, the U.S. dollar ceased to be a U.S.-denominated currency, and became, instead, an IMF currency.

The effect of these changes in 1971, 1972, 1975, was later aggravated in an extreme degree by the process of global deregulation centered, at that time, within the Anglo-Dutch Liberal system. With the advent of the French government of François Mitterrand, through the Maastricht agreements made early during in the post-1989 developments, and the non-functioning European system brought into being under the European Central Bank and the installation of the euro, a deadly condition of global monetary-financial instability now exists; the situation is advanced to the degree that an imminent global monetary-financial explosion and threatened general collapse of a form comparable to the Fourteenth-Century

chain-reaction set off by the collapse of the House of Bardi now prevails.

The role of the U.S. dollar, as usually discussed among either the press’s amateur commentators, or even leading governments of Eurasia and elsewhere, is dangerously incompetent. The widely circulated deadly nonsense is, the idea that a collapse of the U.S. dollar would not bring down the entire world system in a chain-reaction collapse. Various among us in leading circles inside the U.S.A. have warned against such delusions being spread among Europeans and others.

The current exchange-value of the U.S. dollar is a “floating” conventional value, not otherwise an actual value; despite chatter about shifts out of the U.S. dollar, the dollar remains the instrument of reference on which values are determined in international markets, especially the long-term valuations of investments and contracts. A collapse of the dollar within the present international system would mean an immediate chain-reaction collapse of the entire world monetary-financial system, a general shut-down of the physical economies throughout the world.

This state of affairs is aggravated greatly by what is called “globalization.” At an early time, such as the 1970s, or even part of the 1980s, the already existing risk, that a substantial collapse in one part of the world’s monetary system would lead to a “runaway” chain-reaction throughout the system, was tempered by the buffering effect of a significant residue of national reliance on domestic and regional political protection of essential elements of long-term investments in production and in protection of the family structures built into combined private and public social systems. Under the accelerating process of globalization launched in the wake of the opportunity for such changes created by the way in which collapse of the Soviet system was mismanaged, especially under rabid qualities of Anglo-Dutch-French Liberal manias, especially Anglo-Dutch Liberal factors of international finance, those buffers have been disappearing. Globalization has had the economic effect, on this account, of creating the preconditions for a wildfire, chain-reaction-like collapse, spread throughout the world, of a major collapse within any economically weighty portion of that world. The collapse of the U.S. dollar, even in a significant degree, would now be assuredly sufficient to bring the world as a whole virtually to a rapid halt.

For me, the actions to be taken against such an emergency are obviously the following:

1. The U.S. Government must adopt a solid commitment to the strict defense of the long-term fixed value of the U.S. dollar as a currency of account within the world system as a whole, at least among sufficient leading nations to put the necessary regulatory harness on any rogues. The long-term commitment of the U.S. to transform the dollar back into an instrument of long-term, fixed-exchange-rate cooperation among what would be an effective consort of nations, is now indispensable. Otherwise globalization is now the trigger for



Feature Photo Service

*We must abandon the “services economy” (exemplified here) and globalization, and adopt a science-driver approach, LaRouche said.*

global doom.

2. To accomplish that, the present world financial system must be put through drastic measures of reorganization of claims related to the banking systems. This means, for example, U.S. Federal emergency action putting the Federal Reserve system into receivership by the Federal government, in order to avoid an otherwise present inevitability of a virtually overnight collapse of the leading banks of an Alan Greenspan-rotted-out U.S. banking system. Most of the nominal volume of gambling-debt-like holdings must be simply cancelled, and long-term guarantees installed to keep all essential banking needed for the economy and its population standing in place, and in the process of regrowing needed essential financial-economic tissue.

3. These measures would not succeed unless they were backed by a sudden dumping of the trappings of globalization, and a shift into long-term investment in physical-economic development. The role of the nation-state in creating credit locked securely into long-term investments in essential basic economic infrastructure, and the use of such credit for infrastructure to create employment and investment in the traditional private sectors, is the essential mechanism to be set into motion through long-term credit agreements among governments.

4. In other words, the financial reorganization must shift

the burden on a restored fixed-exchange-rate dollar and dollar-related system from today’s ultra-short-term, wildly financial-speculative practices, to obligations associated with regulated long-term agreements.

5. This would not be sustainable without long-term commitment to abandoning a “services economy” orientation and abandoning “globalization,” to a science-driver orientation in commitments to private farmer agriculture, private industrial, and related investment stimulated by public investments in rebuilding infrastructure, and in pushing both the frontiers of science and technology and a Classical cultural revival.

For today’s generation, such measures are tough medicine; but, since the alternative to such remedies is a tortuous death of economies of the world, and what that means for all people, these measures would be accepted, however grudgingly, by any people with the moral instincts for national survival. In the past, most great changes in history have been forced upon a people with overripe habits. Governments, if they are sane, may do these things reluctantly, but they will make these changes, even energetically, because there is no sane alternative to doing so available.

—Lyndon

**Giorgio Vitangeli**, economist, author, and director of the monthly *Finanza Italiana* in Rome submitted the following question to LaRouche at the Oct. 31 webcast (translated by *EIR*):

The U.S. real estate bubble has already begun to deflate. If the fall in real estate prices accelerates, the impact on the credit system runs the risk of being very serious, with a chain reaction on the entire international financial system, already strained by a series of hedge fund bankruptcies. Up to the present, what has held up the dollar have been loans by China, Japan, the Arab and Asian countries, that is, the poor who are lending to the rich, the “upside-down world” denounced by Robert Triffin.

The U.S. considered as a whole, including public, household, and corporate debt, has an exposure of \$30,000 billion, towards itself and the rest of the world, that is an exposure of 300%—three times GDP. In the period immediately prior to the 1929 crisis, the ratio was 240%.

It is clear that a reform of the world monetary and financial system is dramatically urgent. Will we succeed in time in implementing a reorganization, a New Bretton Woods? Some economists think that as early as the beginning of next year, a crisis could erupt in which everything come to a head. Is it possible politically to arrive at an agreement on an international monetary and financial system, which is more egalitarian, more just and based on development, and which involves, beyond the U.S. and Europe, also Russia, China, India, and the other great emerging countries?

**LaRouche:** The problem which most specialists experience in attempts to define methods for forecasting the implica-



tions of the form of the mortgage-based securities bubble created under the regime of U.S. Federal Reserve Chairman Alan Greenspan, has been that most of the relevant forecasts reported have been composed according to the currently conventional Cartesian, mechanistic-statistical view of the process, rather than the appropriate, Kepler-like, dynamic view of phases of development within long-range cycles. Therefore, in replying to your question, there are complications associated with the discrepancies between the two, opposing kinds of systems which we must take into account.

Today's real economies are not financial economies, but are monetary-financial systems superimposed upon the real economies, i.e., physical economies, upon which finance preys. Crises of such systems therefore have two principal aspects. One aspect is the monetary-financial system superimposed upon the physical economy of entire nations and groups of nations; the other aspect is the variables in the physical investment in capital improvements and technology-based productivity in the economy as the physical economy upon which the monetary-financial system is superimposed.

The long-term cycles of the economies are, therefore, determined, primarily by the physical economy's reaction to the demands made by the superimposed monetary-financial system, not within the bounds of the monetary-financial system as such. Greenspan's operation to this effect, was to postpone an already inevitable collapse of the combined monetary-financial and physical system by creating a mortgage-based securities market of a type which could only have a temporary existence, and which would lead, if continued, to a general collapse of the entire monetary-financial system.

Thus, for example, the current leading expression of the crisis in the U.S. real-estate mortgage market is a reflection of the pressures of the real economy (the fluctuations in the per-capita rates of incomes of those who buy or rent) on the super-speculative mortgage market, and the back-pressure on a banking system, in which the mortgages compete with the voracious demands of the hedge-funds which are looting the banks of financial assets to support the bubble in corporate acquisitions.

In dealing with a real economy, including a real economy as the basis for a monetary-financial system, we must abandon quasi-Cartesian models, and turn, instead to Keplerian cycles of a form comparable to astronomical cycles. Among all those forecasters whose work has been made known to me, and these have included the leading generally known such internationally, I have been successful thus far, over more than four decades, where they have failed, for, chiefly, precisely that difference between what could be contrasted as a Keplerian versus a Cartesian approach to long-term cycles.

We are presently at the end of such a world-historical cycle.

Presently, the existing international monetary-financial system is already hopelessly bankrupt, and is verging, al-



*The mechanistic approach to economics of bubble-blower Alan Greenspan, former head of the U.S. Federal Reserve, and his co-thinkers, has to be replaced with a Kepler-like, dynamic view of development within long range cycles.*

ready, on the embarrassed "economic environmental" conditions of the Lombard banks of the middle of Europe's Fourteenth Century. Only measures of desperation by both governments and powerful international financier interests have postponed what is already the overripe preconditions for a general breakdown-crisis of the present world monetary-financial system. The question of when a general collapse is to occur, is, therefore, a matter of the ability of those supranational interests to "keep the lid" on a crisis which is already more than ready to assume the form of a phase-shift to either a general hyper-inflationary or collapse function. The factor of timing is now entirely political in those specific terms of reference. The most likely trigger for the impending general, global explosion is the factor of heteronomic friction among the leading governments and leading financial syndicates afoot.

There is no way in which the threat so represented could be solved by "advanced knowledge" of the date of a relevant catastrophic event. A collapse of the sort brewing at the edge of today's calendars, has mammoth features beyond the intellectual-emotional capacity of any existing government of which I know. Either we shall act appropriately now, or we shall not have the privilege of acting at all. A general reform of the international monetary-financial system, which could bring this world crisis-situation under durable control, is available now. Either we act according to that option now, or we shall have no opportunity to act at all.

The problem is a want of leaders in positions of power, who have the combined intellectual qualities of daring and competence needed to do the possible, while the possibility still exists.

In short, in my view, we are on the verge of a general and global, chain-reaction collapse of the world's present monetary-financial, and also physical-economic system, a collapse which is being postponed by short-term desperation measures

taken for the closing period of the present U.S. mid-term elections. I believe in making miracles, and miracles are possible; but the willingness and competence for successful miracles are not prominent features of the currently reigning establishments.

—Lyndon.

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## Germany

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### Col. Eberhard Möschel (ret.):

I have been trained as a fighter pilot in the United States and, later, I was military attaché for my country in Cairo and Beijing. I would want my country to be the *Scharnier* [link or joint—ed.] in trans-Atlantic and Eurasian political and economic cooperation. I know only too well the problems in Germany, but I do see an almost organic tendency here to move in that direction.

What leaves me perplexed is the situation in the U.S.A. I have followed with keen interest your efforts, in 2005, to catalyze in Congress bi-partisan efforts against the destructive and self-destructive (for the U.S.) policies of the Bush/Cheney government. However, during 2006, these efforts seem to have fizzled out, especially among Democrats in Congress. I'm afraid even a good showing of the Democrats in the mid-term elections will not really change the situation. What political and/or institutional forces—and under what circumstances—could be mobilized to bring back “realism” in U.S. foreign and security policy? Do you think that political, economic, and military shocks will shake up the U.S. population, so that political and institutional forces will feel pressured enough to act?

Lastly, what is your “China Doctrine” for the U.S.?

**LaRouche:** You have been apparently misinformed, apparently by one or more of several relevant European sources, some with regrettable but significant U.S. connections. The impression of this left by your message, runs to the effect that my U.S. efforts have somehow “fizzled out.” I have heard such ill-informed rumors circulating in some circles in Europe. They are incorrect and unsubstantiated in reality.

The fact is, that, despite the temporary vacillation within the Democratic ranks, because of campaign financing pressures, the core of the Bush-Cheney popular support is collapsing, in terms of their base of popular support and among the institutions outside the ranks of political campaigns obsessed with getting campaign funding from the upper three percentile of the relevant income-brackets. The same leading forces responsible for the Democratic Party initiatives of 2005 are still the same leading forces, although there has been some temporary attrition around the edges; my position among those circles remains the same. However, there are some leading circles in Europe, including Germany, which tend to the worship of the idea of the horribly inevitable, and are also a

bit too close to some right-wing currents within the U.S.A.

However, in respect to the work of the youth movement, and the shift of the center of gravity of U.S. politics from the upper twenty percentile of the “Baby-Boomer” generation, to the erupting revolt from within the ranks of the lower eighty-percentile, our political position inside the U.S.A. has been considerably strengthened over that of 2005. This is also reflected among professional military and intelligence circles. The apparent strength among my political enemies is centered in the type of financier circles as the past alliance of the French Synarchists with Anglo-Dutch Hitler backers as Deterding, such as Soros and Rohatyn today. The confusion tends to come chiefly from ideologically “Baby-Boomer” strata in the age-interval of fifty to sixty-five years.

The problematic feature of the electoral situation, is, that the Democratic Party campaign committee is not only trying to include all political tendencies of the party in a “broad,” unprincipled coalition of “unity,” aided by appeal to funding from even frankly fascist rations of the upper three percentile of the relevant income-brackets, especially financier circles deeply engaged in hedge-fund and related speculation. The Democrats propose to “settle the differences” within the party’s ranks after the votes of the November mid-term election have been registered.

The first issue to consider in considering your question, is the following. It is essential not to make the mistake of focussing so intently on the nominal issues of the moment, that the real, underlying, and immediate seismic issues are disregarded.

### The Global Strategic Situation

The issue, on background, to bear in mind, above all others, in any discussion of those topics you pose, is that unless the turn which I am pushing is carried through inside the U.S., there is no possibility that the world at large will escape the early and rapid onset of a collapse of the entire planet into “a new dark age” comparable, in broad terms, to that which dominated mid-Fourteenth-Century Europe. Unless what I am doing from inside the U.S.A. succeeds, there is no possibility for the rest of the planet to escape a plummet into a planet-wide new dark age, one broadly comparable to what struck Europe during the Fourteenth Century, but, this, on a global scale.

Look at the current phase of the strategic developments to date in modern Europe since the end of the Seventeenth Century, in the following, broad terms.

The American side of the problematic features of present global strategic situation, is the same circle of traditionally treasonous “families” within the U.S.A. since the February 1763 Peace of Paris, which have been used by, chiefly, the Anglo-Dutch Liberal gang and their French Synarchy partners (e.g., Worms-Lazard/Deterding) since the transition from the defeat and death of Lord Palmerston and the fall of



*Alexander Helphand ("Parvus") was the Russian-born British intelligence asset who devised the "permanent revolution/permanent war" ideology that Leon Trotsky adopted in 1905, and that now dominates the Cheneys and their fellow neo-cons.*

his creation Napoleon III: what is otherwise known as the "geopolitical" strategies of the Anglo-Dutch Liberals for defending the British empire-in-fact by getting the continental Eurasian fools to butcher one another for the greater glory of Liberalism, as the Anglo-Dutch Liberals did in duping France's Louis XIV into war and luring the continent of Europe into the Seven Years War.

Today, the name of the present, short-term goal of the same, centuries-old imperial game, is "globalization," the name for an intended, virtually stateless mode of Anglo-Dutch Liberal world-empire, under a financier oligarchy, with the enforcement supplied by aid of a set of multinational, virtually private military forces, all mimicking the medieval alliance of the Venetian financier-oligarchy in an imperial alliance with the Norman chivalry.

This was the policy of U.S. Secretary of Defense Dick Cheney and his particular set of backers, during the Bush "41" Administration, and has been the intended war-policy of the Bush "43" Administration, not from Sept. 11, 2001, but from the moment that Administration was pre-crafted under the coordination of a George P. Shultz of August 1971, Pinochet dictatorship, Bechtel/Halliburton, etc. renown as a fanatical totalitarian of the same "Chicago School" as Carl Schmitt's ideological followers among the so-called, frequently Trotskyist (i.e., Alexander Helphand—"Parvus") "permanent warfare/permanent revolution" followers dominating the ranks of the Lynne Cheney's Dick and her followers among the attempted neo-con, "Goebbels"-style, takeover of the U.S. universities and mass-media of the U.S. today. Calling the U.S. warfare in Southwest Asia under Bush-Cheney as "Halliburton's War," and Rumsfeld's efforts to destroy the professional military, are typical symptoms of the trend.

This fanatically pro-medievalist eradication of the institution of the sovereign nation-state, has been the policy of the Anglo-Dutch Liberal/Synarchist alliance of financier-oligarchical interests since the day President Franklin Roosevelt died. The destruction has proceeded, however clumsily, and

with some fits and starts, ever since the day Franklin Roosevelt died. The Maastricht agreement and the birth of the euro are typical expressions of this quasi-medievalist madness.

So, under totalitarian fanatics, and virtual traitors such as George P. Shultz, the U.S. today is under the nominal leadership of a lunatic of a certain nominal family pedigree, George W. Bush, with a personality which is a bad, one might say "Bertolt Brecht," imitation of the Emperor Nero, whose assigned function, which he has served rather well, is to induce the U.S.A. to destroy itself.

The problem for Europeans in particular, among others, is that the acceptance of the oligarchical residue associated with the Anglo-Dutch Liberal notion of "independent central banking" prevents any sane remedy initiated from Europe for dealing with the presently onrushing threat of a global, chain-reaction form of planet-wide, general breakdown crisis. The Maastricht agreement and the implementation of the euro, when these conditions were added to the ruinous effects of a system of "independent central banking," have wrecked the chances for any viable European initiative unless there is an opportunity forced upon Europe by the combination of a threatened 1923-Germany-style financial breakdown crisis, and the proffer of a New Bretton Woods-style of initiative from the U.S.A.

On this account, the fight to save the D-mark was the last clear opportunity to prevent Europe from adopting a set of conditions which made a European-prompted European recovery a possibility. Only a break by the U.S.A. with this Anglo-Dutch-Liberal-directed lurch toward "globalization," could make possible an escape from that fate of that global "new dark age" which haunts the immediate future of today's financial-crisis-ridden world as a whole.

## **The Matter of Method**

The underlying incompetence of generally accepted doctrines of economic and related forecasting today, is that these methods are systemically Cartesian, whereas real social processes are Dynamic in Leibniz's sense of the modern use of the ancient Greek "*dynamis*." Leibniz's method is to be recognized as premised on the underlying features of the whole work of Johannes Kepler. This is to be recognized by competent economists, when representatives of that extremely rare species might be found, as reflecting two crucial elements upon which Leibniz's general contributions were largely premised: Nicholas of Cusa follower Kepler's uniquely original discovery of universal gravitation, in contrast to the systemic failures in astronomy of all rivals since the circa B.C. 200 work of the Platonic Academy's Eratosthenes and his correspondent Archimedes, and Fermat's demonstration of the universal principle of "quickest time." Not only Leibniz's uniquely original discovery of an actually infinitesimal calculus, but his related attack on the intrinsic incompetence of the method of Descartes and Descartes' followers, then and now, is of leading relevance to the issues

of competence versus econometric statistical mechanics today.

Notably, as Kepler's work on the Solar system generally emphasizes, the principle of universal gravitation demonstrated crucially for the case of the Sun-Earth-Mars alignment, a universal principle of gravitation, which is to be reflected as an infinitesimal in the generation of the elliptical function of the Sun-Earth-Mars alignment (the origin of the development of elliptical functions from Gauss et al. through Riemann's physical-hypergeometric notion of the tensor), but the existence of a Solar system generated from what had been earlier a faster-spinning, relatively solitary Sun, showed that the function of gravitation, which predetermines a planetary orbit, is also, contrary to reductionist adorers of the Newton myth, (such as Clausius, Grassman, Kelvin, Mach, et al.) a reflection of an anti-entropic universe, as this is typically expressed in the evolutionary development of planetary orbits in a system based on what had been "originally" a solitary, faster-spinning Sun.

This "Kepler-Leibniz-Gauss-Riemann" (and Einstein) track, is, so to speak, the only available model on which to premise physical economic forecasting, and therefore, to treat the paradoxical, inherently conflicting relationship between physical and monetary economic processes. The latter are essentially reflections of derivatives from Cartesian linear-statistical-mechanical "flat Earth" dogma; actual economic cycles are long-wave cycles, in the sense of planetary orbits.

The latter type of economic cycles are intrinsically Riemannian as a matter of relevant physical principles. My successes in long-range economic forecasting, since my first, successful venture in short-term forecasting of the 1957 U.S. recession-crisis, and my subsequent forecast of the threatened collapse of the Bretton Woods system to occur, unless certain changes were introduced, by approximately the close of the 1960s are typical of unrivaled record of successful forecasting, relative to all known potential rivals, since the close of the 1950s.

That sums up the situation on that account at the present time. Unless certain, very specific types of changes in fundamentals of organization of the world's present physical-economic policies and also financial-monetary systems are made now, the world as a whole were already doomed to a long-term "orbital-like" effect, especially that over the 1967-68 to 2006-2007 cycle now in progress, of a general collapse of the planet into a prolonged "new dark age" during which most of the nations and language-cultures presently extant will tend to disappear.

This defines the present policies of and among governments as a moral question, an existential question. There is no moral excuse for failure to replace the present Anglo-Dutch Liberal mode of financial-monetary system and current physical-economic policies now. No one has a place of honor who does not recognize this situation, and act accordingly.

Therefore, since this could not happen without the indi-

cated near-term role for the U.S.A., there is no alternative for any part of this planet but such a change in U.S. policy as I have prescribed.

Is that ultimistic? Not at all. This planet has seen the collapse of entire systems many times before this, taking into account historical and archeological evidence to that effect. We are at such a critical juncture in the existence of the human species, once more. This time, the difference is that the immediate reaction would be of a chain-reaction-like process of collapse-function, and it would be global.

## The Eurasian Economy

I have addressed the prospects for China in varying degrees in various published locations. I have addressed this most recently within a feature presented in *EIR* (Nov. 3, 2006) "President George W. Bush, Jr. Attempts Our Species-Jump Down," and in earlier treatments of the Eurasian model and of implications of the differences, within the Eurasian model which I propose, between European and Asiatic cultures, as I do on the subject President George W. Bush.

It is my proposal for a new relationship between the modern European and Asiatic legacies which is the most crucial pivot for planetary cooperation now.

—Lyndon

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## India

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**Jagdish Kapur**, New Delhi, Oct. 29:

Those who control more than 9,000 nuclear weapons and are improving and extending their reach are threatening other countries, big or small, not even to develop nuclear energy for peaceful uses. It creates an impression that the so-called superpowers are so concerned about their dwindling credibility that they do not trust anybody; and consider other countries as a threat. The United States of America has spent most of its time and money and efforts during the last quarter century in making more lethal nuclear weapons of mass destruction and no development in safe and peaceful uses of nuclear power. They are now getting scared of outreach of other countries to be self-reliant and hit back. It would appear that this is the cause of the present crisis and confrontations between the United States [and] Israel with Iran and North Korea. Would you like to comment on the nature of the American foreign policy vis-a-vis nuclear energy development?

**LaRouche:** To simplify my reply to a question which touches upon numerous complexities, I begin by saying that the alleged issue, of Iran's nuclear program, is a fraud, a smoke-screen masking uglier real motives. We must go back, as I do, from my experience as a U.S. soldier in India, after return from war-time northern Burma, during the first half of 1946. The death of U.S. President Franklin Roosevelt, resulted in an immediate shift in U.S. policy, to an anti-Franklin Roosevelt policy of Winston Churchill and his



*John Rawlings Rees (above) of London's Tavistock Clinic steered the drug-addiction culture of the United States, and its anti-technology 68er generation (shown here at a 1967 march on the Pentagon). "To rule a nation by tyranny, you must make the mass of the people stupid, and aid greatly in doing this by avoiding their familiar use of scientific and technological methods in the practice of production."*



White House Photographic Office

Mountbatten, away from a Roosevelt policy of liberation and development of all colonial and semi-colonial nations to full status as sovereigns being assisted in development by U.S. cooperation. For the relevant factions within the Anglo-Dutch Liberal heirs of the old East India Company, and the "white shoe" Anglophile Liberals of the U.S.A., such as Allen Dulles, the objective was then, under Truman, as now, the elimination of both the European 1648 Treaty of Westphalia, to what is a virtually stateless world-empire of the form of "globalization" today.

Currently, the U.S. is being destroyed, under the influence of that imperial, Anglo-Dutch Liberal faction. The U.S. is being destroyed in the only way a great power is destroyed; it must destroy itself. It must do this, by first, discrediting itself in the eyes of the world, and of the majority of its own citizenry, in the fashion the current Bush-Cheney Administration has brought the U.S. to the level of the utterly contemptible, thus destroying itself to the degree that other factors "finish the job." This is presently already the future of the U.S., unless the present Bush Administration and its manners were abruptly changed for a better, clearly human form of U.S. government, now.

Now that I have said that much on that cardinal feature of the present situation, I am enabled to focus my attention on replying to the relevant, closely-related matter of Anglo-Dutch Liberal, and, hence, U.S. "energy" and general technology policies.

Since the fall of ancient Greece, through its plunge into the Peloponnesian War under the corrupting influence of the Delphi Apollo cult's program of Sophistry, Europe has endured the empires of ancient, medieval, and modern civilization; the Roman, the Byzantine, the medieval Venetian financier oligarchy's alliance with the Norman chivalry; the internal religious warfare of 1492-1648; and the rise of presently ruling form of financier imperialism, the latter, the present empire of the Anglo-Dutch Liberal successor to the reign of the Venetian financier oligarchy, of which the U.S. became a mere auxiliary with the 1971-72 collapsing of the fixed-exchange-rate Bretton Woods system.

The essence of this process of European imperialism, through all of those, and related phases, has been the reign over nations and their people by causing the

great majority of their people to wear the slave-chains of ignorance and, often narcotics-assisted stupefaction, as we observe the rule of the London-steered drug-addiction-culture of the U.S. launched by Brigadier John Rawlings Rees's London Tavistock Clinic, a launching combined with the introduction of prohibition against alcoholic beverages in the U.S.A. To rule a nation by tyranny, you must make the mass of the people stupid, and aid greatly in doing this by avoiding their familiar use of scientific and technological methods in the practice of production.

The anti-technology drive associated with the rise to power of the so-called 68er generation, and the associated shift of production from the U.S.A. and western Europe into developing, or much less developed nations, has been a lowering of the technological potential of the world as a whole, and the dumbing-down of the most parts of the populations which had been formerly the most advanced in their technological and related potential.

It happens that the authors of these anti-science policies associated with the rising power of the 68er generation have also succeeding in making the authors of this policy increasingly stupid, thus guaranteeing that any empire they create with their present intentions will fail before it begins, thus ensuring a planet-wide dark age of more than a generation for all humanity as the markets to which Asia (for example) sells will have suddenly gone into a very sudden and deep collapse, that very soon.

Therefore these advocates of “globalization” and dumbing-down of the culture and morals of Europe and North America are bringing about not only their own doom, but that of the world at large.

Wise leading forces in Asia and elsewhere will, therefore, go into a high-technology program directly contrary to the leading opinion in IMF and related circles today. Given the poor intellectual development of the mass of Asian poor, we must use the most advanced form of existing power-generation and distribution systems as a lever for creating a leap in the quality of the circumstances of life and production of and by the poor of Asia. A massive development of feasible models of nuclear power sources is the leading weapon of defense through development today: Getting “rich” financially is a foolish policy when compared with the alternative of becoming powerful.

**Kapur:** As is widely known, India has been a responsible nuclear power in matters of proliferation, and on energy development and research for military purposes. They entered into a friendly relationship with United States for moral support in the development of nuclear energy for satisfying their growing energy needs. Instead of a straight-forward support for such an agreement, the United States endeavoured to use it as an instrument for domination to serve its own politico-techno-economic and security interests. They have thus placed this in jeopardy.

What would be your views on such policies using every opportunity to dominate the entire politico-socio-techno-economic affairs of other countries and catalyse their alienation?

**LaRouche:** I agree precisely with your assessment on this matter.

**Kapur:** For many years now, India has been carrying on research on the use on fast breeder reactors and the thorium cycle. These two together can be a major factor in the development of peaceful uses of nuclear power around the world and greatly extend the life of available resources. These developments can also contribute towards de-salination of sea and brackish water for human consumption. Water is going to be an area of great conflict within this century. There is an immense opportunity to serve both the energy and the water problems at the same time through the development of such technologies. How do you view this?

**LaRouche:** I am in full support of such a perspective, with the following addition.

The most strategically important potential of a recovering Russia, a potential which serves Russia’s most vital long-term interests by serving its Eurasian (and other) neighbors, is the potential within the Vernadskyian legacy of Russia, for developing the so-called natural resources of the least developed regions of Russia’s own and adjacent Eurasian territory in the long-term measures needed to assure a supply of minerals of a quantity and quality adequate for meeting the

needs of the entirety of a growing population of Eurasia. The nuclear/thermonuclear driver in developing operational sources of power should be seen as an integral part of the larger scope of development, in managing the development and application of an expanding variety of resources on the so-called “Periodic Table.”

**Prof. Lokesh Chandra,** eminent historian and former Member of the Indian Parliament:

[How] do you view the aggressive policies of the present U.S. administration in alienating vast sections of the world’s peoples? This is encouraging alternative protective coalition in continents—Latin America, Europe, and Asia—which emphasises that there is a need for more integrated and harmonious policies rather than attempted domination of other countries for the purposes of the misuse of their economies and the political system. A participation between Asia and Europe and the emergence of the new Eurasian land mass can contribute greatly in reshaping our future. Could you comment on this?

**LaRouche:** The U.S.A.’s abandonment of its revolutionary legacy must be seen largely as the relative success of the oligarchical predators of Europe in inducing the U.S. to destroy itself by such practices against its neighbors, turning former active and potential friends in various parts of the world into sullen partners, and even enemies, as the wars, under Bush-Cheney in Southwest Asia have set the stage for a growing threat of self-inflicted doom of the U.S.A. foolish enough to tolerate Bush-Cheney and their antics.

However, an added word of caution. There is no possibility that Eurasia could survive the chain-reaction, planet-wide effects of a presently onrushing collapse of the U.S. dollar. Unfortunately, very few people in the world today, being saturated with the confusion of “economics” with the ideologies of imperial Anglo-Dutch Liberal dogma, have the relevant quality of understanding of how an economy actually works. The customary taught dogma is based on the axiomatically Cartesian statistical-mechanistic ideology of Anglo-Dutch Liberal ideology, whereas the real economy is dynamic in its essential characteristics.

**Côme Carpentier de Gourdon,** New Delhi:

Many of the present world problems arise out of the distorted consumerist paradigm and the financial system, which is trying to manipulate it from behind the scenes. These aspects need serious reexamination and alternatives to Bretton Woods model explored, if a orderly human situation has to be created.

**LaRouche:** There are, in fact, no viable alternatives to a revival of the Bretton Woods system, as defined under Franklin Roosevelt, but adapted to the existing conditions of today. The point to be emphasized, is that the 1971-72 destruction of the Bretton Woods system, transferred the dollar from being a supported U.S. economy, to a nominal, fictitiously supported,

IMF paper. Today, virtually nothing is actually supporting the present world, dollar-denominated system of indebtedness, especially since the lunatic rampage of the frankly fascist former Federal Reserve Chairman Alan Greenspan's financial-derivatives rampage.

Therefore, unless the U.S. dollar can be stripped of gambling debts (e.g., financial derivatives and related nonsense), and converted largely from a short-term to a long-term basis in reorganization-in-bankruptcy, the collapse in trade levels which must inevitably accompany a devaluation of the U.S. dollar would plunge the world trade-level to the degree that a new dark age must ensue.

Thus a new Bretton Woods system, of fixed-exchange-rates, and long-term treaty agreements on credit and trades, must be instituted immediately, to prevent an otherwise inevitable collapse of the world, very soon, into a prolonged new dark age.

—Lyndon

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## China

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**Prof. Dai Lunzhang, Dr. Zhang Yun, and Mr. Dai Jun,**  
People's Republic of China (Oct. 30):

1. Many thanks for your detailed explanation for the origin of the Bretton Woods system. Just as James Baldwin said, "We can not escape our origins, however hard we try," we agree with your opinion that *the Bretton Woods system was not the product of some special conditions of that local part of history*, but it should be understood as the product of the long-wave course of world history, and it originated in the adolescence of modern Western civilization.

In your manuscript, you compared the feudal systems such as Sparta, the Roman Empire, and the medieval Venetian city-state with the commonwealth form of society emerging in the 15th century. The substance of a list of various political-economical systems including Sarpi's system, Anglo-Dutch liberal system, Vienna system, and American system is exhibited, and it is proved that the Bretton Woods system could help guarantee *the right of all of the people to share in shaping the idea of society*, especially favorable for lower eighty percentile of family-income brackets, rather than the rich and powerful few. We believe your reasoning hits the point that a new Bretton Woods system is destined to be established in the future, because the course of human history shows an iron rule that the wish of people will, sooner or later, placidly or dramatically, peacefully or unpeacefully, be realized, and any political-economical system embracing ideological corruption will be inevitably ruined.

2. Undoubtedly, the ongoing economic globalization is afflicted with great injustice, because it has sharpened the unevenness of development by moving production to where infrastructure is lacking, and standards of living are poorer. As you mentioned, partly due to the policy of the Nixon,

Ford, Carter, and George W. Bush, Jr. administrations, sub-Saharan Africa suffered most seriously from the dark-side of the globalization.

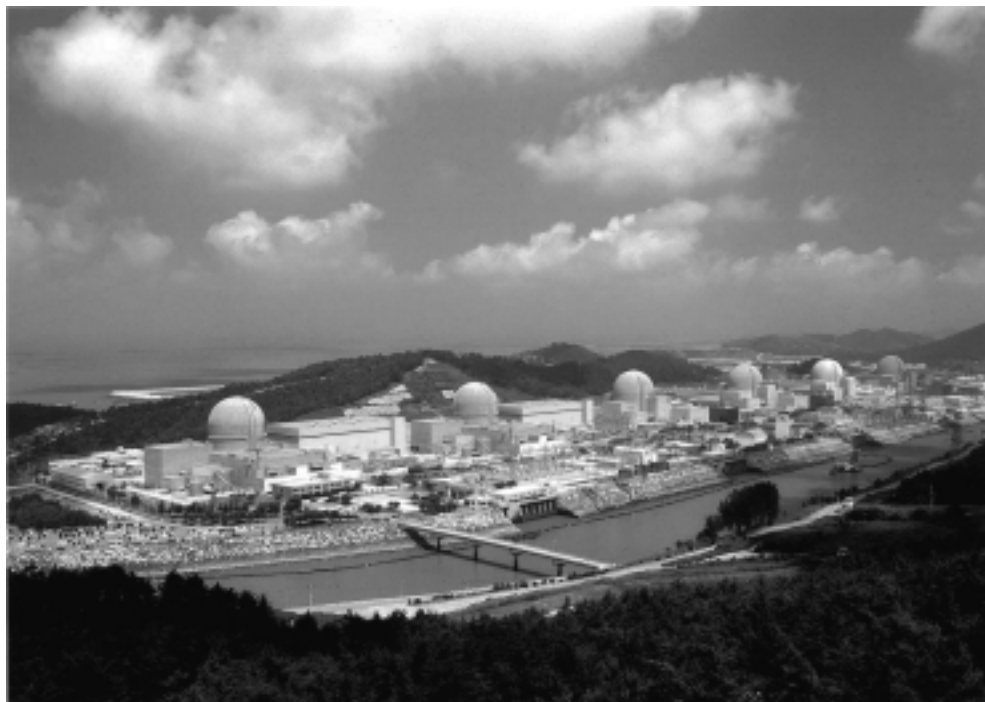
China has noticed this issue for a long time, so despite its own difficulties, China still helped the African people build a project like Tanzania-Zambia railway in 1970s. Now with a economy booming, China becomes an accountable "stake holder" in international society, and aims to establish a new type of China-Africa strategic partnership featuring equality and mutual trust in politics, economic cooperation, and win-win results, and cultural exchanges.

As China Premier Wen Jiabao of the State Council presented at a press conference in Egypt this June, "China's economy prospered. We shall remember our old friends better than ever. There is an old Chinese saying that goes like this, 'As distance tests a horse's strength, so does time reveal a person's real character.' " Let history be the witness. It was witnessed that, in recent years, China has already exempted RMB10.5 billion of debts of 31 heavily indebted poor countries and the least developed countries in Africa, and granted zero-tariff treatment to the commodities under 190 tax items exported by 29 least developed African countries to China.

However, we regard the foreign investment and debts exemption could only temporarily help African people, but are not a way for them to get rid of poverty. The key of the issue is to improve the self-development ability of Africa. Thus, international society needs a fresh mechanism to conduct collective efforts such as encouraging domestic enterprises to start cooperation with African counterparts, implementing infrastructure and public welfare projects, offering training to African professionals, dispatching medical teams, etc. We believe a new international economy system could take the duty, and the U.S.A. could play a leading role in this upcoming framework.

3. According to our analysis, the gap between the rich and the poor in the U.S.A. has rapidly expanded during George W. Bush, Jr.'s presidency. As you mentioned, this phenomenon is caused by the pro-Anglo-Dutch liberal economic policy of Bush Administration. Furthermore, recently an official report revealed that the war in Iraq in fact aggravated the terrorism threat to the U.S.A. homeland security. [Whether] from economical or political view, Bush's so-called Neo-Conservatism is losing people's trust and support. CBS's poll on 14th August shows that the supporting rate of Bush Administration is loitering around 36%.

Compared with the Republicans' policy, the Democratic Party pays more attention to the benefits of lower eighty percentile of family-income brackets, and you represent the most progressive force in the party. So we are grateful to see you are *acting* now, sincerely looking forward to your winning the "*battle which is set before*" you. We believe your foreseeing idea will positively influence the U.S.A.'s policy after the 2008 Presidential election, and devote to establishing a



Courtesy of Korea Hydro and Nuclear Power

*Thousands of new nuclear plants are essential for a world development program that will make use of existing and new natural resources. Here, six nuclear plants at South Korea's Yongwang nuclear complex.*

harmonious society for humanity as a whole.

As you scheduled a new conference on the 31st October with regards on Eurasia issues, we have prepared the following questions:

**Q:** It is reported that the 14th round ministerial-level conference of IMF was held in Singapore on 17th September. And the resolution was that the voting right of China rose from 2.98% to 3.72%; 0.77% to 1.35% for Korea Republic, and 0.45% to 0.55% for Turkey. So it concluded that the voting weight of Asia in international financial society was dramatically increasing.

Do you think this is an encouraging sign for a new Bretton Woods system? If so, do you expect a crucial position of the IMF in handling Eurasia issues in the future?

**LaRouche:** I think these developments are essentially diversionary, not promising, except as they express a desire of the Anglo-Dutch Liberal imperial faction, of which the controllers of the U.S. Bush Administration are a subsidiary part, a desire to lull the nations of Asia and elsewhere into false confidence, pending the dictatorial measures of stateless globalization being set into motion for the relatively near future.

**Q:** The North Korea nuclear issue remains a hot spot in the international political scene. The stability of Eurasia highly depends on this issue. Unfortunately, the D.P.R.K. claimed its first nuclear test on 9th Oct. International society firmly opposed the nuclear test, and denounced the development as "brazen."

From this point, do you think the six-party talks have already failed? And furthermore, what steps should the U.S.A. take to resolve the crisis? Will military action be an option? And how could China play a more positive role in this regard?

**LaRouche:** There should be no assumption that the current U.S. Bush-Cheney Administration will play a positive role. Only a crisis-driven change in the U.S. Administration, putting the present Administration under "adult supervision," would lessen the increasingly threatening likelihood of a deadly crisis.

**Q:** China and India are undergoing seemingly unstoppable growth, and the increasing economic strength of the two countries has dominated the news for the past few years. Although these two Asian giants recently have made significant progress in resolving the border dispute haunting their relationship for several decades, it is still anticipated that bilateral disputes will inevitably rise in the future, because "their development patterns are incompatible."

As both China and India play critical roles in the strategic balance in Eurasia, so we want to know your opinion on which will be the mainstream in the future relationship of these two nations, competition or cooperation? It is said that India will overtake China in the near future, because of the advantage of their political system. Do you agree with that?

**LaRouche:** If Russia agrees to play the relevant role, Russia, China, and India will emerge as three leading poles, in cooperation, hopefully, with a western-central European partnership centered in Berlin, of a new long-term (two gener-





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*The Chinese questioners commented on how sub-Saharan Africa suffered most seriously from globalization, and noted how China had helped Africa, going back to the 1970s. China's largest aid project at the time was the Tanzania-Zambia Railway (shown here). This was a turn-key project, operational in 1976, which starts at the port of Dar-es-Salaam, crosses Tanzania, and then links to the Zambia Railways, giving land-locked Zambia an outlet to the sea.*

ation) system of Eurasian development. In such a context, currently improved cooperation between China and India, for this long-term purpose, would be indispensable for the long-term benefit of all Eurasia, and would help to make Eurasian cooperation the center of global development.

**Q:** Sino-Japan bilateral relationship plumbed to the record low while Prime Minister Junichiro Koizumi was in the post. Now Shinzo Abe has become Japan's new premier, and said he would not disclose any future pilgrimages to the Yasukuni war shrine, which is reviled in China and South Korea as a symbol of Japan's past militarism. Shinzo Abe has already had a summit with President Hu of China this week.

In China, on the one hand, Abe is considered a hawk on security matters and a proponent of a more assertive Japan, and on the other hand, he is regarded as a politician dealing with concrete matters. What's your comment on today's Sino-Japan relationship? And, what further steps should the U.S.A. take to handle the future U.S.-Japan axis, and in detail, how could this axis to positively maintain the China, Japan, and Russia's triangle relationship?

**LaRouche:** One must recall that the First and Second Sino-Japan wars of the 1895-1945 interval were the product of an arrangement with the plans by the British monarchy, initially under Prince Edward Albert/King Edward VII, for a permanent geopolitical domination of Eurasia by the Anglo-Dutch Liberal interests centered in London. Edward Albert's argument, which swung the Meiji reforms away from the U.S.A., to the role of the anti-American British ally of 1922-

1939 and beyond, was pivoted on the idea of common dynastic interest between the two monarchies, even despite the contrary impulses of the Emperor Hirohito against his own war party's delusions. The same Anglo-Dutch Liberal interests, now represented chiefly by the right-wing faction associated with the Bush-Cheney forces, intends the subjugation and possible break-up of China along the same lines seen during the 1920s and beyond. Russia is also already a strategic target in this Liberal imperialist targetting under the "globalization" policy.

—Lyndon

## Turkey

*Yarin* magazine sent a question:

Recently the American Army published a new map of the Middle East, which caused a lot of controversy: [www.internethaber.com/news\\_detail.php?id=44865](http://www.internethaber.com/news_detail.php?id=44865)

At first sight, you notice Turkey splitting up into the rest of Turkey and free Kurdistan, Iraq splitting up in three parts, and there are other border shifts in the Middle East. This map was introduced to a group of Turkish Army officers by an American army officer in a NATO briefing, whereupon the Turkish officers left the briefing room in protest. How do you reflect on this?

**LaRouche:** For me, there is no mystery in those curious events; it is sufficient to correct the widespread false assumption concerning the actual authorship of these and similar

kinds developments. To understand this matter, it is essential to begin by looking back to the time of the death of U.S. President Franklin Roosevelt, and of the sudden, open reversal of Roosevelt's policy, by the Truman Administration, a change which began to appear on the day of Truman's inauguration.

As I emphasize repeatedly to those who are astonished by my cumulatively unique string of successes as a long-range forecaster over approximately the past five decades, significant developments in history unfold in the way Johannes Kepler discovered the essential principle of the orbital characteristics of our Solar System, as long-term developments, usually completing their approximate cycle over one or two generations, and, in some respects, over centuries. The proper response to your question lies within that domain of analysis.

Decisions made are sometimes historically significant. However, it is cultural trends set into motion over several or many generations which reduce the crucial decisions to a few alternatives presented at critical junctures defined by long-term trends, as is the immediate situation, today.

The customary error of would-be economic forecasters and others today, is that they rely upon the wrong, crudely mechanistic method for such forecasting, and, therefore, also for analysis of the significant consequences of current developments. The usual error in forecasting, even among specialists, for economic forecasting and other matters, is that they analyze processes in terms of mechanistic kinds of current, apparent, statistical trends: not in terms of the "Keplerian," "Gaussian," "Riemannian" qualitative phase-shifts which are characteristic of dynamic, rather than mechanistic (e.g., "Cartesian") forms of statistical processes.

The shortest lapse of time to be considered to answer your question competently, even with approximate accuracy, is more than seventy-five years ago, on the day President Franklin Roosevelt was inaugurated, on a date slightly more than a week after Adolf Hitler had been awarded dictatorial powers. We are dealing with a process which goes back, even in fair approximation, more than three generations ago, when the most significant decisions pre-shaping today's strategic situation for decision-making, were being made by men and women now long deceased.

For example, think of the famous story, as featured within President Richard M. Nixon's favorite movie, "Patton," according to which Patton proposed to take German prisoners of war out of their internment camps, rearm them with their weapons, and use them as part of the force to launch a military assault against the U.S. ally of the moment, the Soviet Union. That story was essentially true, as was confirmed to me directly by persons who had served, either as officers of relevant rank under Patton, or knew this from their post-war role as part of the U.S. intelligence capabilities of the so-called "Cold War" period.

What this action by Patton reflected, was also expressed

as the intention shared by President Truman, Roosevelt's immediate successor, with Britain's Winston Churchill.

Roosevelt's explicitly stated policy for the post-war period, was the use of U.S. economic and related power to eradicate all remnants of colonial-imperial systems from the planet, in favor of a planet organized as a system of sovereign nation-states engaged in scientific-technological development. This was the issue of the continuing fight between "allies of the occasion" Roosevelt and Churchill's British Empire during the 1939-1945 span. The British Empire represented by Churchill was determined to "preserve the British Empire," and also check the impulse for liberation of colonies of London's colonialist co-thinkers. Churchill's views on this matter were shared among what World War II OSS and similar veterans called the U.S.A.'s "white shoe boys," the Wall Street-centered crowd of sometime traitors and always worshippers of all things British, such as today's still living cup-bearer of the evil gods, John Train, who typifies the anglophile financier species which Roosevelt had pulled out of their earlier support for bringing Mussolini, Hitler, and Franco, among others, into power in Europe—and who, often, like Train, an ally of Mrs. Lynne Cheney and Senator Lieberman, represent the present expression of "international fascism" today.

At the point of Roosevelt's death, Churchill's Britain had created the policy crafted by Bertrand Russell, for creating "world government" through a nuclear aerial bombing of the Soviet Union, to, as Russell published this openly in September 1946, force the Soviet Union to submit to world government. The holding up the peace treaty already arranged with Japan's Hirohito, was intended to permit a nuclear bombing of civilian mass-population targets in Japan, to make Russell's "world government through nuclear terror" a sensuously accepted prospect. Many of the leading Nazis and their collaborators were more or less fully "rehabilitated" and working in support of Truman's policies, by the time of Truman's 1948 election as President.

Back then, as today, the policy of the same Anglo-Dutch Liberal, trans-Atlantic crew, is the same policy of elimination of the existence of sovereign nation-states, which Bertrand Russell announced on behalf of London and its U.S. accomplices in 1945, a goal expressed through the establishment of what is called "globalization" today: a system echoing medieval Europe's so-called "*ultramontane*" system of empire, of Norman anti-Islam, anti-Semitic chivalry, under the direction of the Venetian financier oligarchy. Notably, the destruction of the U.S.A., which has been fully in progress since 1971-1972, has been among the leading included targets, a targetting supported, within the U.S.A., by international financier interests, such as Lazard's creation, Felix Rohatyn, behind the policy of "globalization."

The policy-aim is to break up all nations into small micro-states, with the whole collection under the control of Venetian-like, vast, slime-mold-like financier syndicates, with en-

forcement by private armies which replace what had been national military forces.

Turkey is currently a prominent target of an operation—this operation, spun out of operations targetting the Arab world, Iran, Pakistan, Transcaucasia, and so on, an operation which was the actual motive not only for creating the present mess in Iraq, but for every destabilization operation within the entire region, since Henry Kissinger, et al., under the direction of British “advisor-on-loan from London” Bernard Lewis, unleashed the April 1975 religious warfare in Lebanon.

The induced self-destruction of the U.S.A., has been an included leading objective, from the death of Franklin Roosevelt to the present day. That is the reason a pair of the brutish incompetence of George W. Bush and Dick Cheney, have been assigned the duties of virtual co-dictators over the U.S.A.: to ensure the self-destruction of the U.S.A.

For reference, look up the international names “Northcote Parkinson,” “Heineken,” and “John Train,” legendary names in the contemporary history of such phrases as “international fascism,” and universal “Waffen-SS.”

Such is real history, as distinct from the babble usually encountered in the current press.

—Lyndon.

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## Colombia

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These questions were submitted by the heads of the Economics and Art departments at **Universidad INCCA**, in anticipation of the Oct. 31 webcast.

**Q:** What would be the alternatives for Colombia, that would be different from free-trade agreements, but would strengthen economic integration with the United States?

**LaRouche:** We must return to the principles which underlay the policies and treaties under the Bretton Woods system. This includes emphasis on long-term tariff, trade, and credit agreements. The object is to create the setting for utterance of long-term credit, at fixed, low simple-interest rates over terms of up to between 25 and 50 years for capital improvements made under the terms of treaty agreements.

**Q:** What is really behind the Plan Colombia [the U.S.-backed anti-drug/anti-terror program]?

**LaRouche:** This is a mess! Rather than approaching this matter ad hoc, we require a continental agreement to a treaty of cooperation for general development among the participating nations. Direct action will not work unless we create an international environment which makes success of direct measures acceptable.

**Q:** How do you propose to defeat the U.S.’s war policies toward the rest of the world?

**LaRouche:** This I have covered in essential, if broad terms, in this week’s *EIR* [Nov. 3, 2006]. I have presented all of the essentials of a general approach at considerable length, there.

**Q:** What are the theoretical bases of physical economy?

**LaRouche:** Ancient through modern, now globally extended monetary-financial systems, have continued to operate under what were originally imperialist systems, such as the Roman, Byzantine, medieval Venetian-Norman, and Anglo-Dutch Liberal forms of imperialist systems which were of Asian origins, but were typified in ancient European history by the loan and trading policies associated with the Cult of Delphi.

Since those ancient times, European and Mediterranean cultures have been dominated by the role of imperial and related types of usury, such as that of Delphi. This persistence has been closely associated with what Marxists and others have misled themselves into describing, by their superficial way of thinking, as “class society,” rather than recognizing that the reality is that in and among most of these societies, the distinction was not of “social class,” but of the bestialization of the rulers and their lackeys by the treatment of subject populations as virtual beasts, as human cattle.

The Physiocratic dogma of François Quesnay and Turgot is the most flagrant statement of the cardinal underlying assumptions of the policies which Lord Shelburne’s lackey, and plagiarist, Adam Smith, appropriated from the Anglo-Dutch and French followers of Paolo Sarpi in the new Venetian party of Descartes, Mandeville, Quesnay, and the plagiarist of Mandeville, Quesnay, and Turgot.

The developments in the aftermath of the February 1763 Peace of Paris established the Lord Shelburne-led British East India Company as Venetian style empire-in-fact. Since that time, the influence of the U.S. followers of Gottfried Leibniz’s influence expressed chiefly by the American System of Franklin, Hamilton, Carey, Lincoln, et al., and also President Franklin Roosevelt, has been the only durable challenger to the global, Venetian-style hegemony of the Anglo-Dutch Liberal system, that of ideology and economy. However, the American System, even when influential, has operated within the context of a world system dominated by the imperial ideology of the Anglo-Dutch Liberal ideology. The Marxist, like Marx himself, were no exception to ideology domination of thinking and practice respecting economy throughout all leading societies of this planet since 1763.

My own thinking on this subject of physical economy has been dominated by adoption of Leibniz since approximately my fourteenth birthday. This influence came to the fore in developments which began ten years later, during the years immediately following World War II. These ideas respecting a Leibnizian science of physical economy, were seen by me as that term was defined by Leibniz himself since 1671-1672. My own original contributions to this field, which now defines

the applicable meaning of the term “physical economy” in the world of today, were crafted by work during the interval 1948-1953, work originally launched as my reaction to the obvious fraud in the propagation of the hoaxes associated with the terms “information theory” and “artificial intelligence” by the followers of Bertrand Russell, Norbert Wiener, and John von Neumann. My campaigns against the fraud of the popularized doctrine of “information theory,” were crucial in leading me to the time, by 1953, when I had firmly adopted my contributions to a modern science of physical economy as essentially an outgrowth of the leading work in physical science by Leibniz follower Bernhard Riemann.

The formal difference in method of my work in the field of applied physical economy, is expressed, on the surface, by my opposition to the particular forms of radically reductionist ideologies associated with the Anglo-Dutch Liberal schools and their Marxist offshoots.

In my practice as an economist and forecaster since that latter time during the early 1950s, what should be the most obvious distinction between my method and that of the majority of economic forecasters, is that they employ varieties of what have been, during recent decades, the repeatedly failed statistical-mechanistic method derived by the followers of Descartes, whereas my methods of forecasting reflect the influence of Johannes Kepler’s work in creating the explicit foundations of all competent approaches to modern astronomy. Notably, since my 1956 forecasting of an approximately February 1957 outbreak of the most severe recession of the post-World War II time, and my subsequent, 1959-1960, long-range forecast for the second half of the late 1960s, I have never erred in the specific forecasts as I have stated them.

The presently accelerating world monetary-financial and physical-economic crisis, a crisis now entering its terminal phase, has become the basis for both refinements in forecasting by aid of methods derived from my work in developing physical economy, and in designing of proposed programs of long-term reform needed to uproot and correct the policy-shaping errors of, most emphatically, the 1971-2006 interval to date.

That said to describe the significance of “physical economy” historically, as I have just done, I am now situated here to turn to the conceptual root of the issue which the question implies.

The root issue is whether the physical universe, within which real economy (i.e., physical economy, as distinct from monetary systems) is situated, is a fixed form of creation, that view of the “God is dead” outlook of Nietzsche and others, or a self-developing form of creation, as Kepler’s (like Plato’s) approach to the matter of world harmonies poses a universe in an “axiomatically” self-developing (one might say “Heraclitean”-Platonic) mode. From the latter standpoint, the function of man as “made in the likeness of the Creator,” is expressed in the role of a required commitment by society, to

the development of physical and related science to the purpose of increasing mankind’s power to exist within a self-developing (i.e., anti-entropic) universe, a universe consistent with the policy of Prometheus, as opposed to the policy of the Delphi Cult’s Olympian Zeus.

In other words, the issue is the matter of the essential difference of the species man from the species of all beasts: the human individual’s power of discovery of universal principles in the domains of physical science and Classical artistic modes. It is the difference between a society based on the fixed quality of behavior of any species of animal, and one based on the individual mind’s power to change the universe, willfully, by discovering relevant universal physical and Classical-artistic principles.

It is this creative power of the individual human mind, when encouraged in its development and the expression of that development, which defines the real economy, a physical economy, on whose development, or lack of such development, the prosperity or collapse of monetary-financial systems ultimately depends,

So, instead of using schools and universities as places to train animals to perform learned tricks, we focus on fostering the creative powers of the individual in the domains of knowledge and practice of universal physical principles and Classical-artistic principles, too.

The proper object of economic policy is the development of the quality of existence of the individual person in society. What is needed to that end, is the subject of physical economy, as Leibniz already understood in introducing the concept of a science of physical economy, by name.

**Q:** How can we integrate art, science, and politics? [This question came from the head of the university’s Art and Music Department.]

**LaRouche:** My associates and I, in the U.S.A., in particular, are dealing with this from the standpoint of the history of the *comma*, from Pythagoras, through the Florentine *bel canto* school associated with the surviving elements of Leonardo da Vinci’s “De Musica,” Bach, and the Classical followers of Bach through (most notably) Brahms. The emphasis is on the singing voice, the *bel canto* trained singing voice in choral work and instruments such as the stringed viol and woodwind extensions of the singing voice, and on the manner in which the *comma* expresses its crucial role in the performance of string instruments and Classical ensemble compositions. This same conception of the *comma* arises as crucial in astronomy, as in the work of Kepler on the planetary organization, and the related work of Gauss. The *comma* as the expression of the concept of the ironical role of the infinitesimal in respect to the conceptions of universal principles, in competent currents of physical science and the role of irony in Classical artistic composition, unite the two aspects as one.

—Lyndon

## LAROUCHE ADDRESSES BERLIN SEMINAR

# Fixing a Bankrupt Economy Requires Morals, Not Money

*After the Berlin-Washington webcast (see Feature in this issue), Lyndon LaRouche met in Berlin on Nov. 1 with a number of prominent individuals for a private seminar. Here is his answer to a question that concerned how to create a new financial-monetary system, under conditions of global crisis. For technical reasons, portions of the audio/video were inaudible, as indicated by ellipses.*

First of all, the idea that currency has intrinsic value is pure nonsense. No currency has intrinsic value. The whole idea, like the Marxist theory of value, is utter nonsense. There is no theory of value. Forget it! Money is not real. Money is a social agreement. Period.

Now, what are we going to do? As I described somewhat yesterday, because both questions come in on this thing. First of all, money is not real. It's a political entity, created by a society. Now, in the history of Europe, European civilization—as European civilization—money was the idea controlled largely by the Delphi Cult of Apollo, which created Sparta, and which was responsible for the corruption which produced Sophistry in the case of Athens.

Delphi, if you look on a map, is close to a port, and was a center of mercantile operations by the wealthy of various cities of Greece. And each of these cities would have a temple around the Delphi Cult. And this was a treasury, where each city had one of these temples, which was associated with the Cult of Apollo, at Delphi.

For example, Rome was not a people. It was a created people, a synthetically created people. The Cult of Apollo, with its maritime operations, colonized a part of Etruscan territory at the mouth of the Tiber, and built a fortification of this, on the top of seven hills, and then began to colonize and

destroy Etruscan culture from the inside. Because Etruscan culture had been sponsored by Egypt, in the 7th Century B.C., along with the revival of the culture of Greece, of Athens in particular, by Egypt in the 7th century B.C. At that time, the Greeks, who were predominantly Ionians, and who were sponsored by the Egyptians, were living in Ionia, but with a traditional connection to Athens. The second center was, of course, the Etruscan culture, which was centered on the Island of Elba. Because the Etruscans, like the Hittites, were the first iron-working culture in Europe. And the Island of Elba was an iron mine at that time, and was used for producing articles of iron. So, the Etruscans were an advanced culture allied with Egypt in the maritime field, against Tyre, which was actually connected from Asia into the Delphi Cult.

Banking systems existed to my knowledge, back as far as 1600, 1700, 1800 B.C. The Hittites were very much involved in this, together with the people of Mesopotamia. And there still exist tablets, which were the trader tablets in the city areas of the Hittite kingdom, which record in detail exactly how this trade was carried out.

But this was introduced into Greece, largely through the control of the Cult of Delphi. Now, the Cult of Delphi was essentially, therefore, the model for European oligarchical society around money. And Rome was created as a weapon to destroy the Etruscan civilization which was a part of it. The destruction of Greece by, again, the Cult of Delphi, in destroying Athens through Sophistry, was a part of the same thing.

So, we have in European civilization a tradition of *usury*: of the *title to money*, used as if it were value, and imposing rules of behavior based on money, on civilization. Whereas *value* in human society has nothing to do with money, as such.

Money is useful to mankind only as a medium of exchange, a politically controlled medium of exchange. It has no intrinsic value.

The best approximation of what to do with money was done under Franklin Roosevelt, with a system of regulation which was introduced as a part of the New Deal. And you had regulation of prices, regulation of trade, and a standard valuation imposed, based on the socially determined value, relative value, of various kinds of production. That is, preferential rates of taxation, preferential rates of tariffs, and regulation of trade.

We're going to take money, which is an idiot, to regulate it, so that the flow of money in society, would approximately correspond to the relative flows of physical value.

Therefore, we have a system now which is ending, the money system as such: the pollution of the money system, especially under the influence of Alan Greenspan, who tried to save the world from a breakdown by printing fictitious money—not even real fake money, but fictitiously fake money, called financial derivatives.

Now, this was also done with the destruction of the Soviet Union. Rather than accommodating to the breakdown of the Comecon by setting up a new system of organization for cooperative development, which was possible, they went to looting Russia, and looting all the states: Every state in eastern Europe is now *much poorer*, and much more hopeless economically, than it was before under the Soviet system. It was looted. The Soviet Union was looted; Russia was looted, down to the bone. Virtually culturally destroyed, down to the bone.

And this was all done through the medium of this fake money . . . and the selling of "Bush legs" as food to Russians, hmm? (Turkey drumsticks from Texas, turkey legs from Texas.)

### Use the Franklin Roosevelt Model

All right. Now we've come to the point that the money system is so polluted, there's no way you can resolve it on the basis of settling accounts, on the assumption that one dollar is equivalent to one dollar, and so forth. The entire system was built up around the dollar, however. Because at the end of World War II, the only currency which was viable in the world, was the U.S. dollar, the Roosevelt dollar. And therefore, all values were pegged to the U.S. dollar. The creation of the Bretton Woods system, which was a fixed-exchange-rate system, became the basis for credit for the reconstruction of Europe. Without the U.S. dollar, there would have been no Europe. And the Kreditanstalt für Wiederaufbau is an exposition of the very best way this was done, which was an approximation of the American System, of the U.S. system. And when Germany got away from the U.S. system, Germany was in trouble, as it is today. But the U.S. system is the only thing that will save Germany, or any other part of Europe.

Now, the problem is, that all the debt of the world is denominated, primarily, dominantly, in dollar debt. What is

the credit of China? It's the debt of the United States to China. There are similar things in other parts of the world. So therefore, how are you going to manage this debt, where the debt is many times greater than all the physical values, at producer prices, in the world combined? But you're going to do it Roosevelt's way, Franklin Roosevelt's way: The good guys get protected, the bad guys not. All financial derivatives and related kinds of money, which are nothing but gambling debts, are cancelled—period.

The banks are all bankrupt! But you can't have the banks closing down. You can't have the savings of individuals wiped out, the private individuals. You can't have businesses shut down for lack of credit. Therefore, you put the banking system into receivership, into bankruptcy proceedings: You take the banks, and the government takes over the banks, by creating a new kind of banking system, which is a national banking system, and takes all the assets of all the banks, and consolidates control. . . . The National Bank then acts to make sure that functioning banks, which are private banks . . . private banks, are able to function. . . .

[Without taking these measures, the world will plunge into] disintegration comparable to the New Dark Age in Europe in the Fourteenth Century, which means the rate of death will probably be 50% to 75% of the entire world's population will be extinguished, and whole nations and entire languages will cease to exist, within a half-century. That's what we face.

So therefore, now we're going to have to be sensible. We're going to have to be rough. We're going to have to do what the human race *needs*. We don't care about people who think they have a lot of money. We care about *people*. We care about the economy. We care about nations, which must function, without going through a process of death, to be reincarnated.

So therefore, you want to ensure that on the day the crash occurs, that government has stepped in, and cooperation of governments has stepped in, *so nothing stops that is essential*. Pensions are covered: People get their pensions. Businesses which are essential are maintained. Houses of prostitution will be closed down, including many banks which function as houses of prostitution—and so forth. And we must maintain the orderly functioning of the essential functions of society. So you will take the U.S. dollar: We will declare the U.S. dollar as *still* the basis for international monetary values. We will fix it, and we will re-create a fixed exchange system—how? Because the U.S. is rich? No. Because we agree to do it. Because, leading nations in concert agree to do that, in order to save the world system.

So we will now establish a parity system, which prevents a run on any currency, or generally, so we can defend any currency. We have to have principal nations immediately go into concerted action, a treaty agreement, to establish an international fixed-exchange-rate monetary system, using the dollar as a vehicle. We then enter into treaty agreements among nations, at least a few leading nations: for example, leading

## FDR on 'Eliminating The Dollar Sign'

*In a Dec. 17, 1940 White House press conference, the newly re-elected Franklin D. Roosevelt presented his plan for a Lend-Lease program to help Britain in its war effort. Lend-Lease was enacted into law in March 1941. Here are excerpts from FDR's statement.*

... The best immediate defense of the United States is the success of Great Britain in defending itself ... and, therefore ... it is equally important from a selfish point of view of American defense that we should do everything to help. ...

I have read a great deal of nonsense by people who can only think in what we may call traditional terms ... about finances. In my memory and your memory and in all history no major war has ever been won or lost through a lack of money. ...

I go back to the idea that one thing that is necessary for American national defense is additional productive facilities; and the more we increase those facilities—factories, shipbuilding ways, munition plants, etc. and so on—the stronger American national defense is. Now, orders from Great Britain are therefore a tremendous asset to American national defense. ...

[T]he narrow-minded fellow ... might assume. ... that the only way [is to] lend the money to Great Britain to be spent over here. ... [T]he banal type of mind can only think of that method. ... [A]nother one ... also somewhat banal ... is a gift. ...

Now, what I am trying to do is to eliminate the dollar sign, and that is something brand new in the thoughts of practically everybody in this room, I think—get rid of the silly, foolish old dollar sign. All right!

... [A]nd ... when the show was over we would get repaid in kind sometime, thereby leaving out the dollar mark in the form of a dollar debt and substituting for it a gentleman's obligation to repay in kind. I think you all get it. ...

nations of continental Europe, the United States, a few others in the Western Hemisphere, Russia, China, India, and so forth, enter into an agreement, to create a fixed-exchange-rate system based on the denomination of the dollar *at parity* as of approximately the day the decision is made. You put the central banking systems of the world—all of them, including the European Central Bank, which is a piece of toilet paper—you put them into receivership. And ask what government the ECB represents. Who voted for this government? This tyranny? This empire? We shut it down.

Now, by this means, by creating a system of credit, of international fixed-exchange-rate credit, you go back to the methods of the Kreditanstalt für Wiederaufbau in the reconstruction of Germany. Now you have authorized Germany, among nations participating, to create credit. To put the 10% of the population which is not working, back to work! And suddenly, you've got a healthy situation. But you have to freeze things, because you have to take short-term obligations, convert short-term obligations into long-term obligations.

### Keep the Physical Economy Functioning

And you must maintain, wherever possible, the integrity of private business operations, and public operations, which are essential to the economy, to the people. You want people who are running firms to run those firms, if they're good firms. You're not going to shut them down. They're going to get the credit to function. Their assets, their viable assets, under

renegotiation terms will be available to them, but on long term, not short term, inside banks which they know; probably the banks they're already doing business with.

So you simply have to say: Our objective is to keep the physical economy functioning, to recognize the economy is largely operated, about 50% at least, in terms of private ventures—ventures which are largely of a private, closely held form, or small corporate form. We want those entities to continue to exist and function. So therefore, we don't intervene. We don't try to tell them what to do. We rely upon their ingenuity. For example, any German firm, which is any good in this category, you give them this freedom, they're going to go out and find the business. All you have to do is stand behind there, and if they come up with a good idea, like the good banker you're supposed to be, you say, "Okay. You're reliable, you perform, you know what you're doing. This is useful. You want credit? You get credit." And they go to business. And people are employed, put to work on that basis.

So the secret here, therefore, is you eliminate worthless debt. If the nature of debt, or the nature of an asset, is as gambling debt, or winnings on gambling, that has no right to anything. It goes to the end of the line, and the end of the line is chopped off. Those claims which are based on legitimate business ventures, production, trade, so forth; those things which are essential socially to society, such as pensions, health care, so forth, *that* must be covered. Everything else goes to a lower priority.

You create a parity system, of fixed parity: Now you gen-

erate credit. What're we going to do? The credit recovery will be based on long-term agreements. What you do, is you take agreements among nations. Let's take the Eurasian parcel—you've got western Europe, you have Russia, you have China, India, other countries. Now, what do they need? Well, they need some long-term investment, in basic economic infrastructure and capital improvement. For example, you need high-speed transportation lines, throughout Eurasia. You need them! Rail is not good enough; we need magnetic levitation. Because you can handle freight more expeditiously with magnetic levitation techniques than you can with rail. Because all you have to do is put a label on the car, and you ship a car of merchandise with a label on it, and the electronic system can sort it out and get it delivered more or less automatically to its destination, if the destination is in the system.

We need new cities throughout Central Asia, because we're going to be developing raw materials. That requires new cities. You have to have a social organization to do it. It's going to require capital investment.

China has to make investments on a scale much larger than China's capital would allow, in terms of the international market. They have, what? Over 1.3-1.4 billion people, or more? Most of them are extremely poor. China's in a very precarious social situation, because a breakdown of the U.S. economy would be a disaster for China. A social crisis, a political crisis. Therefore, they have to develop 100 or so new cities, new transportation systems, water systems, health-care systems; they have to take land which is not usable and develop it. They need large-scale water projects, because China's short of water. And China's constricted to a small area where they do have water. And they can not develop in areas where they don't have it, as in the northwest, going into Central Asia.

India needs vast development. India has a certain amount of capital. It's a good credit risk, but it needs a lot of nuclear plants. You need *hundreds* of nuclear plants in India . . . *fast*. You need the generation of nuclear materials. You have to do that through fast breeder kinds of developments. You have to invest in that. You have to have new transportation systems, large-scale water works, a vast improvement in health-care systems, that is, fixed health-care systems and sanitation.

These are investments which are 20- to 25- to 50-year investments. A water project is a 50-year investment at minimum. A dam? Fifty- to a hundred-year investment, for a large dam, like the Three Gorges Dam. So therefore, you need a lot of capital over a 25- to 50-year period. So governments can make agreements, multiple agreements, which cover a lot of particular, local agreements. That is, governments, together, go into the banking business. They create credit, and authorized projects can draw credit from this government installation, which is established by international treaty agreements. The basic interest rate is 1-2% over the long term, simple interest, no compound interest. And to do that, you

must have a fixed-exchange-rate system, because you can not have fluctuating interest rates. When you have fluctuating currency values, you have fluctuating prices, and the prices go up, and it collapses.

## Give the Younger Generation a Future

So therefore, we're at the point that we use the example of Franklin Roosevelt's reorganization of a bankrupt economy. We apply the lessons of that experience, which every intelligent person who is well-educated knows. And so, we take those lessons, of proven experience. Apply them to try to maintain a system of sovereign nation-states on this planet, in a process of general economic recovery, and entering into solid, strictly enforced, 25- to 50-year agreements to maintain 1-2% simple interest rate as the basic plan of work. And proceed, and develop society. Forget who's making a financial profit: Worry about what part of the economy is growing, physically, and with better quality. And inspire the world population with the conviction: *We're going to get to a certain destination*. Because what moves people, like the young people now, who are now between 18 and 30, in Europe, in the Americas? Can you tell them, now, that they have a guarantee that if they commit themselves to a certain mission, the nations of the world are going to back up the commitment to that mission, and make sure it lasts? Can you tell somebody, who's now emerging to enter college age, that what they're training to do is a secure opportunity for the coming 50 years? And that they have a retirement, if they wish it, at the end of 50 years? Can you do that? You can't do it now.

Parents don't care about their children, among the Baby Boomers. They really don't care. They wish they hadn't had them. They think of them of as only entertainment value, and that has disappeared considerably recently. They think about, are they going to be comfortable when they die? Where they hope death overtakes them without their knowing it's coming.

They don't think about what comes beyond their life, their mortal life. They don't think about two generations ahead, which is the characteristic morality of people looking forwards, in the sense of your question. It's a moral question, on this money question: Can we take an approach to the question of financing and money which satisfies the moral question of finding the integration of the individual, of the small community, in society, the small firm in society, to find out this is the kind of society structure, which benefits those who use ingenuity, and go ahead? And provides security for people who contributed to society, when they retire? Can we do that? Yes, we can! If we exert the will to do it. We simply have to convert the lessons we have, and I say, especially from the Roosevelt experience and the post-war reconstruction of Europe: We have lessons we should have learned, and if we *go back* to those lessons, we can do just fine.



# Globalization, FDA Cutbacks Lead To Increased U.S. Food Poisoning

by Marcia Merry Baker

A fact sheet, “Weaknesses in FDA’s Food Safety System,” was released Oct. 30 by Rep. Henry A. Waxman (D-Calif.), the ranking minority member of the Committee on Government Reform of the House of Representatives. As the five-page document explained, “The growing incidence of contamination in fresh produce is a symptom of weaknesses in the federal food safety system” of the United States. The fact sheet, excerpted below, gives dramatic summary documentation of what is lacking in the Food and Drug Administration’s ability to inspect fruits and vegetables, and enforce their safety.

But to restore food reliability, it is essential to stop the underlying process which is favoring pathogens and the breakdown in food safety: the globalization of farm and food systems. The kinds of outbreaks of human, livestock, and plant bacterial diseases now seen in the United States and worldwide, are inherently furthered by free-trade food supply patterns. The food chain is stretched out over long distances; it involves cheap labor, low-infrastructure farming and processing, long-haul shipping, and highly concentrated control over distribution. Therefore, instead of any farm or food disaster being a “local” setback, which can be contained and minimized, it automatically becomes a multi-state or international event.

The flip side of the U.S. disease outbreaks, is the hunger and misery imposed on the food-export nations by globalization. For example, in the 1960s, Mexico had a grain surplus. Now, under free trade, official UN-designated “hunger zones” are spreading in the nation.

## U.S. Foodborne Disease Outbreaks

The August-October 2006 fresh spinach *Escherichia coli* episode makes the point. Persons were infected in 26 states with a virulent *E. coli* 0157:H7 strain, causing at least 102 people to be hospitalized, 31 cases of hemolytic uremic syndrome, three confirmed deaths, and two more likely, but unverifiable. Given that epidemiologists think that for every confirmed case, there are 20 more, some 2,000 people were affected.

The source of the tainted produce was traced to one location in the Salinas Valley in California, from which—under characteristic globalization practices—more than 70% of U.S.-produced fresh spinach is now supplied. Once an unfor-

tunate contamination event occurred, its effects hit half the country.

Now, just weeks later, a new 19-state disease outbreak has occurred. This time it’s *Salmonella*, also thought to be carried by fresh produce. The Centers for Disease Control and Prevention (CDC) issued a press release Nov. 1, reporting that 171 cases of salmonellosis were officially recorded over the September-October period, with dozens more persons likely to have been affected. The suspect vector is contaminated fresh tomatoes—though this may remain unconfirmed.

At least 14 people were hospitalized. The serotype is *Salmonella* typhimurium, one of the most common five out of the 2,500 known types of *Salmonella*. The outbreak was on the wane by November; it was originally identified in mid-October, when a national CDC database showed a pattern of food-borne illnesses being reported, mostly in the Eastern states; and DNA-fingerprinting confirmed the common type of pathogen.

The Waxman fact sheet stresses the point, referring back to the spinach *E. coli* event: “This most recent outbreak is not an isolated occurrence. The outbreak is the 20th outbreak of *E. coli* in fresh produce since 1995, and the second outbreak specifically linked to spinach. Produce-related outbreaks have doubled from 44 outbreaks in 1998 to 86 in 2004. Overall, an estimated 76 million cases of foodborne disease occur each year in the United States, causing about 325,000 hospitalizations and 5,000 deaths annually.” More and more of these are from fresh produce.

Federal officials are downplaying the scale and causes of foodborne illness. At an Oct. 11 event held by the Food Marketing Institute in Washington, D.C., Undersecretary for Agriculture for Food Safety Richard Raymond reviewed the latest data from the Centers for Disease Control, stressing their estimate that there has been a decline in the incidence of most major foodborne illnesses in the United States since 1996—*Listeria*, *Campylobacter*, *Yersinia*, *Shigella*, *E. coli*, *Cryptosporidium*, and *Salmonella*. The CDC operates a FoodNet surveillance program, and uses a statistical model to estimate rate changes since its baseline period.

However, the CDC’s statistical orientation is itself a problem. To begin with, only one of the five most common serotypes of *Salmonella*—typhimurium—has declined; the others have increased. Cases of *Vibrio* have increased an



Armed Forces Institute of Pathology/Charles N. Farmer

*Salmonella typhimurium* (center) is but one of the contaminants infesting more and more of America's food supply, particularly fruits and vegetables, because of the nation's increasing dependence on globalization. While the United States relies on more imports from such conglomerates as Chiquita/Fresh Express, the U.S. Food and Drug Administration's food division has had its budget effectively cut by a quarter since 2003.

estimated 41% since the baseline period. For *Campylobacter*, most of the decline came before 2001, so what is happening as of now? The rate of *Listeria* was higher in 2005 than in 2002.

But beyond all this, there is the simple fact that certain Federal safety measures were taken in the meat and dairy chain to damp down the likelihood of bacterial contamination over the past 10 years, but not so in the fresh fruits and vegetables chain. One study found that of 3,500 outbreaks of food poisoning from 1990 to 2003, contaminated produce was the main cause, according to the Center for Science in the Public Interest.

Fresh produce procurement and marketing have seen dramatic changes under globalization during the past 15 years. In the 1960s, fruits and vegetables for fresh consumption were produced across a number of U.S. states, and handled by a wide network of decentralized shippers, wholesalers, and retailers.

This has all changed. Foremost is the shift to imports. For example, in the 1960s, only 6% of fresh tomatoes were imported; today, more than 30%. Even higher percentages exist for green onions, asparagus, green beans, and many other foods. About 43% of all U.S. agricultural imports in 2003 were horticultural products. Mexico alone was the source of 27% of U.S. fruit imports and 38% of vegetable imports. At the same time, what used to be called "truck gardening" around U.S. metropolitan areas, is gone; farm production today is concentrated in fewer and fewer counties.

Secondly, the fresh produce imports go into volume-

shipments to the "hypermarkets"—Wal-Mart, Costco, Target, and others—and to the mega-food service companies, for nationwide distribution. In the process, the cartel companies have enforced more and more brand-name control. In 1987, "branded" fresh fruits and vegetables were under 7% of sales, but by 1997 were 19%. Fresh-cut, packaged salads rose from 1% to 15% of sales over this period. By June 2005, one company, Chiquita/Fresh Express, had more than 40% of the U.S. packaged salad market.

In short, all along the line—from field, to enclosed packaging, to nationwide distribution—conditions are enhanced for microbial threats to thousands of people.

### FDA Weaknesses

Now view the Food and Drug Administration work in this context. Among the points noted in the Waxman Fact Sheet are:

**Underfunding:** "Food safety funding has not kept pace with rising costs and new responsibilities. Nominal funds for FDA food programs have risen from \$407 million in 2003 to \$439 million in 2006. . .[but] the agency's food division operated under a shortfall of \$135 million in 2006 due to increased personnel costs and new terrorism responsibilities." An official described this as "equivalent to a 24% budget cut."

**Function Cuts:** "Under the Bush Administration's fiscal year 2007 budget proposal, produce safety and other base food programs would be cut by \$22.6 million from 2006 levels, and staffing would be reduced by 105 full-time employees to fund "priority initiatives such as food defense and pandemic influenza," according to FDA documents.

**Fewer Inspectors:** "FDA inspectors are responsible for overseeing approximately 210,000 domestic food establishments. Since 2003, however, the number of field staff, primarily inspectors and inspection support staff, has dropped by 12%, from 2,217 to 1,962."

**Fewer Inspections:** "In 1972, FDA conducted approximately 50,000 food safety inspections. In fiscal year 2003, FDA conducted only 13,567 domestic food safety inspections. According to FDA budget documents, this number will drop even further to 9,255 inspections in fiscal year 2006. This is a 32% drop in federal inspections since 2003—and an 81% drop since 1972."

**Inadequate Fresh Produce Regulations:** "FDA last updated the regulations that establish good manufacturing practices for food safety in 1986. In their current form, these regulations do not specifically address processes used for fresh produce. The rules also do not describe specific practices for packaged fresh produce, which was not a significant market item in 1986."

## Fascists Cower as LaRouche Youth Sing

by Niko D. Paulson, LaRouche Youth Movement

On the eve of a Congressional election that rivals in importance any of the recent Presidential contests, Lyndon LaRouche and his youth movement have orchestrated a national campaign strategy that has hit the enemies of the United States where they are weakest, creating the possibility for the nation to change its suicidal course at the proverbial eleventh hour.

Amidst the mounting disasters of war and economic collapse, the United States political establishment has become increasingly discredited in the eyes of people from the lower 80% of income brackets, or what FDR termed the “forgotten man.” Not only is confidence in the U.S. President and Vice President in a depressed state, but also popular support for both Democrats and Republicans in Congress has reached an all-time low. This Congress’s indifference to, or support for, policies which are destroying the conditions of life for the forgotten man, identifies the lack of legitimacy of the current government; no population would voluntarily support for long, an elected government whose policies disregard the welfare of its own citizens. The lack of truly patriotic leadership in Congress today, has matched, step for step, the Cheney-Bush Administration’s aggressive moves toward fascism and world war; as the foot soldiers of this existential crisis march unceasingly forward, what is really at stake Nov. 7 begins to come into view. The issue is not merely a Democratic Congressional victory, nor even the immediate impeachment of Cheney and Bush. While there is a necessity for both of these tactical goals to be achieved, what ultimately must be accomplished, is a transformation in the ideas that govern the United States. A return to the actually modern tradition of Franklin Roosevelt is requisite for this country to defeat the threat of a self-inflicted new dark age today.

In that context, on Sept. 6, Lyndon LaRouche delivered the first of two webcast addresses to be held in Berlin, Ger-

many. He identified the causes of the unfolding crisis, and initiated a revolution in how that crisis must be approached. In spite of LaRouche’s advice, the Democratic Party chose not to run a national campaign focussed on impeaching the Cheney-Bush Administration, nor to launch an FDR-style emergency intervention to save the bankrupt U.S. auto sector. The Democrats instead, have relied on the population’s growing hatred of the current Administration as its main strength, and proceeded to funnel money into what they deemed as winnable races in isolated states. In stark contrast with the Democrats’ object-fixated approach, LaRouche organized a top-down national campaign. He deployed his youth movement onto campuses across the country to combat the intensifying thought-police operations being run at universities, and to deliver the often apathetic youth vote to the Democrats, despite themselves, as the potentially crucial margin of victory on Nov. 7.

As a part of that national campaign, in early October, the pamphlet “Is Joseph Goebbels On Your Campus?” was released for mass circulation. It exposes the operations being run against students, professors, and the LaRouche Youth Movement (LYM) at universities to suppress youth involvement in politics, especially targetting opposition to the current administration. At the lowest level, organizations such as David Horowitz’s *FrontPage Magazine*, Yaron Brook’s Ayn Rand Institute (ARI), the American Council of Trustees and Alumni (ACTA), and scores of other slimy, student-related organizations function with apparent autonomy; however, this seemingly diverse group is being coordinated from the top, wittingly or otherwise, by the Vice President’s wife, Lynne Cheney, and other ideological supporters of the current administration’s policies such as John Train.

Leading up to Nov. 7, the LYM has been organizing on campuses throughout Massachusetts, Connecticut, Pennsyl-

vania, the District of Columbia, Virginia, Michigan, Ohio, Missouri, Texas, California, Oregon, and Washington. They have distributed close to 500,000 copies of the most recent pamphlet on nearly 100 campuses across the country, and have continued to recruit more young people committed to fighting for a future. As a result of this activity and a series of interventions at high-profile events held by the “Campus Gestapo” networks, Lynne Cheney’s fragile operation has begun to crack apart, becoming self-exposed as the fascist conspiracy which it is.

### Coast-to-Coast Organizing: A National Review

On Oct. 20-21, at Tufts University in Boston, a conference was sponsored by the Ayn Rand Institute and its local campus Objectivist Club. Speakers at the event included Yaron Brook, the president of ARI; John Lewis, contributing editor at ARI; Robert Spencer of Jihad Watch; Flemming Rose, the DLC (Democratic Leadership Council)-connected initiator of the Danish anti-Islam cartoons; and Daniel Pipes, founder of Campus Watch, all of whom are strong advocates of increasing the strength of attacks against so-called “Islamic Totalitarianism,” and in particular the nation of Iran. The LYM made fools out of the genocidal panelists simply by telling the truth. During the course of the event, the speakers were repeatedly confronted with their connections to David Horowitz, George Shultz, and Lynne Cheney, frequently getting caught in lies and contradicting one another about the true source of their agenda.

The attempt of the panelists to recruit the student audience to a fascist ideological standpoint was further thwarted by the LYM through the singing of several canons before and during various speeches. One of which was to the tune of *Ceciderunt in Profundum*, by Georg Philip Telemann. The lyrics: “Shultz, Brook, Cheney want World War Three. Hundred-thousand Muslims die; that’s like Nazi genocide.” By the end of the event, all of the political credibility the panelists thought they had, was dissolved through the humorous confrontation with reality which the LYM brought to them.

On Oct. 26 in Connecticut, in addition to distributing tens of thousands of pamphlets on campuses statewide, the LYM made a series of singing interventions at the first Senatorial debate between Ned Lamont and Joe Lieberman, initial co-supporter of Campus Watch with Lynne Cheney. The first incident occurred early in the debate. Lieberman was in the midst of an attack on Lamont’s campaign advertising, when the LYM burst in with a chorus of, “Leeeee-ber-man don’t protect Cheney. Cheney is a fat-ass Nazi. Don’t pro-tect Na-a-zis,” in three-part harmony. Lieberman attempted to ignore the singing, but the audience’s attention was fixated on the chorus. Eventually, the LYM singers were escorted out. Soon after, just as Lieberman opened his mouth to deliver a closing statement, the LYM shouted, “We know about Campus Watch!” and a separate LYM chorus began a new round of the canon. This consumed most of the time allotted for



EIRNS/Dan Sturman

*The LaRouche Youth Movement in a pre-election organizing blitz in Philadelphia on Oct. 25.*

Lieberman’s closing statement. Any of the arguments made by the frustrated Lieberman during the debate became mere background noise in comparison with the resounding effect created by the LYM chorus attacking, with irony, Lieberman’s fascist political allegiances. The following day the press coverage of the event was more interested in the singing than they were in Joe.

That same day, on the opposite coast, the LYM continued their ironic interventions against the fascistic Ayn Rand Institute, this time against ARI Contributing Editor Andrew Bernstein, hosted at the University of California at Los Angeles (UCLA) by the LOGIC student group. In the middle of his lecture on “Morality and Religion,” a LYM member with



LaRouche PAC

*"Buckley Bucks," circulated by the LYM in Connecticut, document the financial aid Lieberman received from fascist William F. Buckley in the 1988 race for Senate.*

barrettes in his hair, wearing a purple dress, and sporting a light stubble, sprang to his feet and exclaimed, "It's me! I'm Ayn Rand, and I need some sex!" He proceeded to prance about the auditorium tossing condoms to students, saying, "Protect yourself from the terrorists!" Soon the mock Rand was joined by another LYM member dressed as fellow Objectivist and loony Alan Greenspan. A chorus stood up and began singing canons about the genocidal policies of Yaron Brook and Dick Cheney.

These measures made a mockery of so-called "Objectivist philosophy," and the anti-human ideas being spouted by Bernstein. At the end of the event, a LYM member spoke with Bernstein, who admitted that he thought the United States should kill *billions* of Muslims, and if the LYM were to stand in the way, they too should be killed. The student audience at the event was highly polarized by the intervention. Some were shocked that fascist ideologues were lecturing on their campus; others laughed at the hilarious spectacle; while others were enraged at the lack of respect for the rules of their meeting. Significant campus press coverage followed the event, including interviews in the UCLA student paper and radio station.

On Oct. 27 at the University of Southern California, the LYM intersected Bernstein of ARI at his next campus event. Paranoid about a repeat of the previous night's embarrassing exposure, Bernstein marched out of the room in order to have security remove the LYM. A LYM member promptly walked

to the podium and introduced the speaker as a genocidal lunatic popularizing a clash of civilizations on campus. As he was being pulled away from the podium he slapped a pound of raw meat on top of Bernstein's file folder. The LYM followed this up by singing rounds of political canons, completely disrupting the event. Again the student body was highly provoked, and momentarily awoke from their externally imposed political slumber. As with the UCLA event, significant media coverage, and increased student activity on campus followed.

On Oct. 31, Lyndon LaRouche held the second of his two planned webcasts from Berlin. Forums to view the webcast were set up around the world; in the United States dozens of similar forums were established, many of them on college campuses.

At St. Louis Community college in Florissant Valley, Missouri, a viewing of the Oct. 31 webcast was organized by the LYM. The event was co-sponsored by the College Democrats, many of whom were watching the webcast as an assigned part of their Political Science course.

On Nov. 1, at the University of Missouri, as a result of the previous week's activity on campus, the LYM was invited to hold a formal debate with the College Republicans. The debate lasted three hours and was audited by a Republican Congressional candidate. The end result was an agreement by the College Republicans to set up a forum for the next webcast.

On Nov. 2, in Connecticut, the LYM crossed paths once more with an intimidated Joe Lieberman. Since the singing intervention at the last event, Lieberman—who is running as an independent, having failed to win the Democratic nomination for Senate—had cancelled all future public debates with his opponents. Instead, simultaneous with the televised debate between Democrat Ned Lamont and the Republican Alan Schlesinger, Lieberman scheduled a photo-op at a Hartford bar. The LYM was prepared for him. As Lieberman entered the bar, a LYM member dressed as William F. Buckley, with comb-over wig and feigned British accent, began distributing "Buckley Bucks," green sheets of paper with dossiers documenting the financial aid that the two-faced Lieberman received in 1988 from the fascist Buckley to win his Senate seat. Lieberman found himself surrounded by the LYM singing a new canon, "Joe Lieberman is Bill Buckley's ass-wipe." Joe made a break for the door and scurried out of his own event before it even started. The following day, the *Hartford Courant* ran a front-page article, titled "Last Call's Early for Joe As Hecklers Crash Party," documenting all of the incriminating—and humorous—details.

In an era dominated by crisis, and threatened with fascism, the activity of Lyndon LaRouche and the LYM has addressed these circumstances with a strategy aimed at the future of mankind: Recruit the sharpest young minds to become the leaders of the next generation. The LYM has wielded the most potent weapon, irony, at the weakest flank of the enemy, fascism, and produced a shock which, regardless of the outcome of this election, will be felt for years to come.

# Creating Brownshirts: The Ayn Rand Institute

by Benjamin Deniston,  
LaRouche Youth Movement

**Ayn Rand Institute (ARI)**, 2121 Alton Parkway, Suite 250,  
Irvine, California, 92606-4926, [www.AynRand.org](http://www.AynRand.org).

The Ayn Rand Institute was founded in 1985 by Leonard Peikoff, and received its tax-exempt status in 1987. Wildly anti-government, and spreading a “survival-of-the-fittest,” beast-man philosophy, the ARI focusses largely on brain-washing youth to be the brownshirts in the movement for the destruction of the nation-state. They call it “education,” “to cultivate a generation of intellectuals who will be effective advocates for the fundamentals of reason, rational self-interest, individual rights and capitalism.” The ARI supports clubs on college campuses nationwide, and even does outreach to high schools, giving cash prizes to students for essay contests. They state clearly where they see the front line in the war over the future of the United States: “The major battleground in this fight for reason [!] and capitalism is the educational institutions—high schools and, above all, the universities, where students learn the ideas that shape their lives.”

As a 501(c)(3) nonprofit organization, the ARI is funded through donations, but they have refused to disclose the source of their funding. In 2005, ARI had a total revenue of \$4,732,631, but spent less than 63% on their stated goals as a nonprofit, ranking them among the least efficient 10% of nonprofits.

Here are brief profiles of ARI’s principal figures:

**Yaron Brook:** President and Executive Director of ARI. Brook was born in 1961 in Israel, and was in Israeli Army Intelligence. He received his B.Sc. in civil engineering from the Technion Israel Institute of Technology, his Ph.D. in finance from the University of Texas at Austin in 1994, and was an assistant professor of finance at Santa Clara University (California) for seven years. Brook founded Lyceum International (a firm specializing in Objectivist conferences), and BH Equity Research (a venture-capital consulting firm in San Jose, California); he is still a managing partner in the latter. He authors articles supporting his beast-man views, lectures around the country, and is the executive director of the ARI’s Objectivist Learning Center (OLC).

In October 2006, Brook gave a lecture at UCLA, saying our military should kill hundreds of thousands of “supporters” (i.e., civilians) of “enemy” states, including in Iraq and Iran. In a December 2004 interview with FoxNews’ Bill O’Reilly,

Brook said, “The only way to win this insurgency is for America to be a lot more brutal. We should start bringing the consequences of this war to the civilians who are harboring terrorists and insurgents. . . . I would like to see the United States turn Fallujah into dust, and tell the Iraqis, if you are going to support the insurgents, you will not have schools, you will not have mosques.”

**Leonard Peikoff:** Founder of ARI. Born in Canada, 1933, Peikoff befriended Ayn Rand in 1951. He obtained his doctorate in philosophy at New York University, 1964, studying under Sidney Hook (founder of the University Centers for a Rational Alternative, the predecessor to Lynne Cheney’s American Council of Trustees and Alumni). Less than a month after the attacks of Sept. 11, with a full-page ad in the *New York Times*, Peikoff was calling for attacks, not on the Taliban or al-Qaeda, but on Iran, saying there needed to be a full ground invasion and occupation, because, “what Germany was to Nazism in the 1940s, Iran is to terrorism today. Whatever else it does, therefore, the U.S. can put an end to the Jihad-mongers only by taking out Iran” (“End States That Sponsor Terrorism,” Oct. 2, 2001).

**Harry Binswanger:** ARI Board of Directors, director of the Objectivist Academic Center. Binswanger was born in Virginia, 1944. He received his B.S. in Humanities and Engineering from the Massachusetts Institute of Technology, and his Ph.D. in philosophy from Columbia University. He taught philosophy at the City University of New York, Hunter College from 1972 to 1979, and at the University of Texas, Austin in 2002.

On claims of an intelligence failure in the build-up to the Iraq War Binswanger wrote, “The only intelligent question was: which lousy Middle East pesthole-dictatorship are we going to crush first? Not: was or was not the threat from this particular statist sewer ‘imminent’ or only ‘growing?’ ” (“The Big Lie: Intelligence Failure in Iraq,” by Harry Binswanger, February 23, 2004).

**Onkar Ghate:** Fellow at the Ayn Rand Institute; teaches at the Objectivist Academic Center. Ghate received his doctorate in philosophy from the University of Calgary, Canada. He is critical of the Bush Administration for not “eliminating” Iran, and has attacked professors who have pointed out censorship operations on the campuses (for documentation of Lynne Cheney’s censorship operations, see the LaRouche PAC pamphlet “Is Joseph Goebbels On Your Campus?”). Ghate wrote an article in 2002, “Innocents in War?” calling for the targetting of civilians in the war on terrorism: “If our war on terrorism is to have any chance of success in such places as Iraq, which is more heavily populated and industrialized than Afghanistan, we must recognize that our government’s concern—shared by many Americans—about killing civilians is morally mistaken. In fact, victory with a minimum of one’s own casualties sometimes requires a free nation to deliberately target the civilians of an aggressor nation in order to cripple its economic production and/or break its will.”

## Why London Should Be Worried About Lula's Re-election

by Gretchen Small

London financiers are already nervous over what direction Brazilian President Lula da Silva's second term might take, after he was re-elected with a record 58 million votes (60%) in the Oct. 29 run-off vote against the bankers' favorite, the right-wing proponent of free trade/neo-liberalism, Geraldo Alckmin. Their fears are warranted, but not particularly because of anything Lula or some of his top advisors have said, nor even what they are thinking at the moment. The two reasons they have cause to worry about what Brazil might do in the months ahead, lie outside Brazil: the President of Argentina, Néstor Kirchner, and global economic disintegration.

Those two factors are combined with Lula da Silva's continuing hope of going down in history as a President who strengthened his nation by turning back the poverty into which he himself was born. Therefore, Brazil's continued acceptance of globalization and the existing international financial system will be on the agenda in Lula's second term. And thus, Lula's re-election provides a useful lesson as to the real dynamic of world developments today, as U.S. statesman Lyndon LaRouche has insisted.

LaRouche noted in his Oct. 31 webcast, that President Lula's re-election "is significant in the sense that it creates a solidification of a process of adjustment—I wouldn't say just cooperation, but adjustment—among the nations of South America, which will have some impact moving north. They do want to develop. They do have practical ideas. The role of the current President of Argentina is extremely useful in this respect. He's taken initiatives—in cooperation with other nations of South America, not just as Argentina alone—but in cooperation, which are really quite beneficial and very promising for the future."

Former trade union leader Lula was first elected as Presi-

dent on the first round in 2002, with a stunning mandate to break with the International Monetary Fund austerity policy so dutifully imposed by his predecessor, Fernando Henrique Cardoso. International financiers promptly ran a brutal speculative attack on Brazil's financial system, and Lula turned around and wasted the political capital he had gained in the election, to impose for four more years the very deindustrializing fiscal austerity program for which voters had thrown Cardoso's Brazilian Social Democracy Party (PSDB) out on its ear (although Lula's program was buffered by a welfare program to feed the millions of poor created by those policies).

Lula didn't abandon his hopes of raising up Brazil's poor, but pragmatist that he has been, unlike Argentina's Kirchner, he argued that Brazil had no choice but to negotiate deals within the existing global system. Now that global system is self-destructing, and Brazil faces a crisis greater than any of its leaders have imagined. With a President Lula who no longer has to worry about ensuring himself another term, and who has formed a "strategic alliance" and personal friendship with Kirchner, what Brazil will do as the global system implodes, becomes a much more interesting proposition.

### A Vote Against Globalization

The financier interests knew there was only a slim chance of their candidate, Alckmin, beating Lula, despite their corruption hobbyhorse, but they did have hopes of ensuring that Lula remains in their harness in his second term, by knocking his vote down to such a slim margin that he would have no political mandate. By Oct. 23, London's *Financial Times* recognized that Lula was heading toward a win by a margin as



Ricardo Stuckert/PR

*Brazilian President Luiz Inácio Lula da Silva being congratulated by supporters after his re-election on Oct. 29. Brazil's continued acceptance of globalization will be on the agenda in Lula's second term, which has London financiers very worried.*

wide as 20%—as he did—by turning the run-off into a virtual referendum on globalization. The biggest issue was whether the remaining state companies, Banco do Brasil and Petrobras among them, should be privatized. The London paper just couldn't understand why Brazil's middle class—their hope for electing Alckmin—was reacting in horror at the idea that Alckmin, from Cardoso's PSDB party, would *deepen* the globalization policies which Cardoso championed.

University professors and intellectuals mobilized for Lula's re-election, despite their anger at his failure to change Brazil's economic policies as he had promised, because they recognized that Brazil could not afford to put someone into power who was so deeply committed to neo-liberal market economics. Better a reluctant pragmatist, with a possibility that he might change, than a hard-core globalist. At least four manifestos signed by prominent figures were circulated, bringing together people from diverse political projects. One, signed by former National Development Bank head Carlos Lessa, summed up the case:

"Brazil runs the serious risk of an enormous historic reversal. Those who privatized important resources of the public patrimony, who extended private sector education like never before, who turned our country into a docile and subordinate ally of the U.S., who criminalized and repressed the social movements, who accentuated inequality, injustice, and social exclusion even more—seek to return to power. In the face of this threat, Brazilians have to put aside their differences, and join up, to keep those dark times for our country from returning. . . ."

Brazilians, once again, gave Lula a mandate to change policy.

## Mercosur's Victory

Not coincidentally, the same day that it panicked over Lula's coming victory, the *Financial Times* ran a lead editorial attacking Kirchner for refusing to accept that the days of a strong state role in the economy are over.

That is precisely one of the points in which Lula agrees with Kirchner. "South America is witnessing the end of the neo-liberal model, based on the downsizing of the state role," Lula told the Italian-based, international magazine *Trenta Giorni* (*Thirty Days*, edited by former Italian Prime Minister Giulio Andreotti), in an interview published in its September issue. "Recently elected governments in the region reflect the acknowledgement that we need to assign a strategic role to the state in defining public policies."

The *regional* rebellion against globalization is what is dangerous. The man who directed Lula's successful second-round election campaign, foreign policy advisor Marco

Aurelio Garcia, emphasized to Argentina's *Pagina 12* (Nov. 1) that the election was precisely "a victory for the Mercosur [Common Market of the South] perspective, for building the South American Community of Nations," and a defeat for those proposing that Brazil dump Lula's South American strategy, and turn back to the now dead-in-the-water Free Trade Accord of the Americas.

The Argentine government agrees with Garcia's assessment. Eduardo Sigal, Under Secretary for Economic Integration at the Argentine Foreign Ministry, published an opinion column in the same issue of *Pagina 12*, declaring that it is no interference in Brazil's internal affairs, to say that "we feel a great joy at Lula's victory." Lula gave a "magnificent intervention on Brazil's responsibility towards its regional partners," at the last Mercosur summit, he wrote, and he promotes the Brazilian-Argentine strategic alliance.

Asked by Argentina's *Clarín* daily, in an Oct. 31 interview, how Argentine-Brazilian relations could be improved, Brazilian Foreign Minister Celso Amorim answered that "everything is fine," underscoring the personal relations between Lula and Kirchner. "Relations are most excellent between the Presidents. There are no envies; there are no disputes. There is a lot of coordination on all matters," he said.

Nor is our relationship purely bilateral, Amorim noted. It is a shared, generous leadership. For example, we're going to hold an African-South American summit. Some Africans proposed a Brazil-Africa agreement, but we thought it more interesting to share this with South America. Not because we're so good, but because "alone, we are not going to have the same force in the world. Brazil and Argentina have a very clear vision on this."



# Conference Highlights Arab Break With Bush-Cheney Madness

by Jeffrey Steinberg

The annual conference of the National Council on U.S.-Arab Relations (NCUSAR) took place in Washington Oct. 30-31, and provided a forum for an unusually blunt discussion about the absolute failure of the Bush Administration's Middle East policy. Over 300 people attended the event at the Reagan Building, including a prominent Saudi government delegation, made up of three members of the Majlis ash-Shura (National Consultative Council), Saudi Arabia's quasi-parliament; the new Saudi Ambassador in Washington, HRH Prince Turki al-Faisal; and a number of important Saudi business leaders.

Four former U.S. ambassadors to Saudi Arabia were among the speakers, including Chas Freeman, who concluded the two-day event with a speech that thoroughly skewered the Bush-Cheney Administration for creating a global catastrophe that may doom civilization. The other former ambassadors—Robert Jordan, Walter Cutler, and Wyche Fowler (formerly a U.S. Democratic Senator from Georgia)—all lambasted the Bush Administration for sabotaging a 50-year U.S. relationship with Saudi Arabia and all the other countries of the Persian Gulf, and systematically denounced the Administration for going collectively psychotic after 9/11.

Indicative of the collapsing state of affairs between the United States and Saudi Arabia were the presentations by Ambassador Turki al-Faisal and Dr. Nahed Taher, the first Saudi woman to head an Arab bank. Prince Turki abandoned his prepared remarks to deliver an impromptu speech about how Saudi Arabia is not going to accept U.S. demands to

“democratize” on a Washington timetable and to Western specifications. *EIR* was informed by sources at the event that the Ambassador was furious that the U.S. media had totally ignored the fact that Saudi Arabia had recently created a Consultative Council to oversee the Royal succession, a potentially major step towards a constitutional monarchy. He “politely” lectured the Bush Administration against pushing the Saudis on “democracy,” and warned bluntly that the Bush Administration's Iraq policy had created grave regional instability. The United States, he emphasized in response to a keynote session question, came into Iraq “uninvited,” but had better not leave the same way: Consult with the Iraqis and Iraq's neighbors, particularly the members of the Gulf Cooperation Council (GCC), before taking yet another unilateral and disastrously miscalculated step, he demanded.

The Ambassador was equally blunt that the United States needed to take the lead and implement the Road Map for a two-state solution to the Israel-Palestine crisis. After decades of negotiations, from Madrid, to Oslo, to Beirut, there is no detail left to be settled, he said. All that is needed is for the United States to take the lead and implement the agreement that has already been thoroughly worked out. The Ambassador stressed that the 2002 initiative by Saudi Arabia's King Abdullah, which was unanimously endorsed by the Arab League, sets the regional framework for a comprehensive peace settlement between Israel and the entire Arab world.

Dr. Taher, speaking on a panel on the prospects for reform in Saudi Arabia, simply stated that there was no good reason for Saudi Arabia to continue to maintain the currency peg to the U.S. dollar, given that a lion's share of future Saudi oil sales would be going to countries such as China and India, and given that the dollar is plunging against most major world currencies. Such a direct threat of Saudi Arabia abandoning its historic support for the dollar sent shock-waves through the audience, particularly given that the Saudis had chosen to deliver this message through a soft-spoken woman.

The second day of the conference featured a series of presentations by American experts, including Anthony Cordesman, Kenneth Katzman, and Chas Freeman, who all assailed the Bush policy disasters in the harshest of terms, and warned about the danger of more wars and a future of asymmetric warfare against the United States and Israel on a global scale.



*HRH Prince Turki al-Faisal, the new Saudi Ambassador in Washington, warned that the Bush Administration's policies had created grave regional instability.*

## A New Gulf of Tonkin Incident?

Among the speakers on the second day was Dr. Joseph Moynihan, a United Arab Emirates-based regional vice president of Northrop Grumman, who warned that the countries of the GCC are preparing for a U.S. war against Iran. He cited the now ongoing Persian Gulf maneuvers of the United States and eight other countries under the so-called Proliferation Security Initiative (PSI) as an immediate danger. Unlike previous Gulf maneuvers, this latest maneuver is “purposeful,” “targeted,” and no longer about “intercepting” ships carrying smuggled material. When asked by a member of

the audience if the United States had military plans to attack Iran, Moynihan pointed again to the exercises that had been made public the previous week by the State Department, saying that while he could only speculate on the answer, the exercises are “very operational,” and are geared to a “U.S. post-election” timeframe. They are designed to “send a message to Iran,” he said.

Moynihan and other speakers candidly voiced fears that the United States could stage a “Gulf of Tonkin” incident in the immediate days ahead, under the cover of the PSI maneuvers, and then launch unprovoked attacks on Iran.

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Chas W. Freeman, Jr.

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# The Gulf Cooperation Council and The Management of Policy Consequences

*Remarks to the 15th Annual U.S.-Arab Policymakers Conference by former Undersecretary of Defense and former Ambassador to Saudi Arabia, Chas W. Freeman, Jr., USFS (ret.), on Oct. 31, 2006, in Washington, D.C. Subheads have been added.*

It is an honor once again to make the concluding remarks at the annual U.S.-Arab Policymakers Conference. I do so, of course, as an individual and as an American concerned with the implications of events in the Gulf region, not on behalf of any organization or group with which I am affiliated. Speaking only for oneself enables one to call it like it is. I shall.

The Gulf Cooperation Council (GCC) began in a time of crisis 25 years ago. Since then the GCC has passed through many stressful strategic environments. It was, after all, formed to cope with the challenges that caused Americans first to declare the Gulf a region of vital interest to the United States—the Islamic revolution in Iran, the Soviet invasion of Afghanistan, and the outbreak of the Iran-Iraq war. The GCC was also, of course, created to provide a means of dealing with the sudden rise in U.S. interest and military activity in the Gulf in the wake of these events, the oil boom, and the Camp David accords between Egypt and Israel.

The GCC functioned as a coherent alliance during the U.S.-led war to liberate Kuwait from Iraqi occupation that followed the end of the Iran-Iraq war. Its members separately provided essential staging areas and support bases for the U.S. invasion and occupation of Iraq a dozen years later. Some have since deepened their reliance on the United States, while others have hedged their previous dependency.

Now the GCC member states may be facing their greatest challenge: the changes brought about by the progressive collapse of American policies in the region, including U.S. efforts to transform Iraq, to block Iran’s acquisition of nuclear weapons, and to achieve security for Israel by persuading it to respect the right of Palestinians to democratic self-determination in a secure homeland.

The U.S. military have developed the useful concept of “consequence management.” The idea is to set aside for later study the questions of why and how widespread devastation followed the use of weapons of mass destruction or a large-scale natural disaster, and instead to acknowledge the damage while focusing on actions to mitigate it and prevent it from worsening. It is time to apply consequence management to the mounting wreckage of our policies in the Middle East.

Only true believers in the neo-conservative dream can now fail to recognize that it has wrought a deepening nightmare in Iraq. The shattered Iraqi state has been succeeded (outside Kurdish areas) by near-universal resistance to the foreign occupation that supplanted it. The aggravation of secular and ethnic divisions by ill-conceived constitutional bargaining and elections has created a new political culture in Iraq in which theocratic feudalism, militia-building, and terrorist violence are the principal modes of self-expression.

The attempt to cure the resulting anarchy by building a strong army and police force for the Iraqi central government misses the point. The Baghdad government is itself a key participant in all of the pathologies of contemporary Iraq. In practice, it is more a vengeful tyranny of the majority in a temporary marriage of convenience with Kurdish separatists



EIRNS/Stuart Lewis

*"What kind of country is it that invades another, trashes it, sets it on fire, and then walks away to let inhabitants and neighbors alike die in the flames?" asked Chas Freeman, referring to U.S. prospects in the Middle East.*

than a government of all the people. It is hard to disprove the thesis that it seeks a monopoly on the use of force only to consolidate either a Shi'ite version of Saddam's dictatorship or an Iraqi version of the Iranian theocracy. The sad fact is that, to many Iraqis, these outcomes now seem to offer the most realistic hope for renewed domestic tranquility in their country.

## U.S. Occupation of Iraq

All but a small minority of Iraqi Arabs now reject the legitimacy of any continuing U.S. military presence on Iraqi soil. On the one hand, the occupation has become the indispensable prop of the current order in Iraq, such as it is; on the other, the prolongation of the occupation is the main reason Iraqis wage an insurgent war against that order. The occupation thus supplies its own opposition; its continuation feeds the violence that makes its eventual curtailment inevitable.

The unpopularity of the occupation continues to provide a rewarding opening for outside agitators. Al-Qaeda now openly acknowledges a major stake in the U.S. staying in Iraq for as long as possible. Our military presence is not just a potent motivator of anti-Americanism and a source of volunteers for terrorism; it has put us in the position of providing instructors to "Jihad U," the graduate school we have inadvertently created in Iraq for terrorists with global reach—an advanced curriculum, where failure is punished by death at our hands, but course completion is rewarded by a chance to take part in future terrorist operations in Europe, Asia, and North America. The costs of the occupation must be measured in much more than the hundreds of billions of dollars we continue to spend on it.

No one can predict how U.S. forces will withdraw from Iraq, but no one now doubts that their departure is only a matter of time. While some wish to soldier on, few see any prospect that the United States will leave behind an Iraq at peace with itself, a united Iraq capable of playing a constructive role in regional affairs, or a strong Iraq willing and able to balance Iran as it once did. The United States invaded Iraq against the counsel of our allies and friends, drunk with our own self-importance, convinced by our own delusions, apparently invincible in our ignorance, and utterly unprepared for the quasi-colonial mission we assumed. Contemporary Iraq is a monument to American martial prowess and civil ineptitude.

## Withdrawal—But on What Terms?

It now seems likely our withdrawal will be undertaken for domestic American political reasons, again without much attention to Iraqi and regional realities. But withdrawal risks escalating the conflict inside Iraq, infecting other parts of the region with Iraq's sectarian strife, and providing an early graduation ceremony for terrorists bent on applying elsewhere what they have learned in Iraq. Unless diplomacy has first crafted a regional context that limits the damage, a politically dictated withdrawal will crown our incompetence with disgrace and devaluation as a security partner. What kind of country is it that invades another, trashes it, sets it on fire, and then walks away to let inhabitants and neighbors alike die in the flames, or perish of smoke inhalation? Who will wish to associate themselves with such a country, still less entrust their security to cooperation with it?

We did not consult the GCC countries or others in the region about the strategy or tactics of our invasion of Iraq. We would do well to seek their advice, counsel, and support—and they would do well to insist on our consulting them—as we make our next moves, whether these are within Iraq or away from it. Techniques of asymmetric warfare pioneered in Iraq now find their way within weeks to Afghanistan and elsewhere. The targeting of GCC rulers, and oil and gas facilities by terrorists with connections to the mayhem in Iraq underscores our common interest in countering spillover from the jihadi intervention in that country. Similarly, the well-founded concern that areas in the Gulf with mixed Sunna and Shi'a populations might suffer contagion from the religious struggles in Iraq emphasizes the imperative of containing them.

These are closely connected and clearly anticipatable problems that affect many countries in the region. They must not be left to be addressed ad hoc and at the last minute.

Then, there are the problems presented by Iranian ambitions, not just for nuclear weaponry but for preponderant influence in the Gulf. These go well beyond the issues of whether bombing Iran would not provoke it to attempt regime change in the countries from whose bases the attack had been launched, or simply confirm it and others in their judgment that the only effective protection against preemptive attack

by the United States is the possession of a nuclear deterrent.

Assuming, as we must, in light of the results similar U.S. policies toward north Korea have produced, that Iran will eventually acquire a nuclear deterrent, how do the GCC countries plan to deal with Iran as a nuclear power? Will each respond separately or will the response be collective? Will there be piecemeal appeasement or defiant reaffirmations of sovereign independence? If a nuclear umbrella or deterrent to the nuclear threat from Iran is deemed necessary, will this be collectively managed or will each country seek its own protection? In either context, what role, if any, do the Gulf Arabs desire for the United States or other nuclear powers? Is the role they envisage for us, one that Americans can or will undertake?

Then, too, having destroyed Iraq's utility in balancing Iran, we and the GCC have yet to concert a strategy for a new and sustainable balance of power. Such a balance cannot be sustained if, as was the case in Saudi Arabia, the American military presence becomes not an asset to national security but its principal liability, thanks to the provocation it offers to political extremists. How do we propose to manage the contradiction between our desire to assure the stability of the Gulf and the fact that our presence in it is inherently destabilizing? If we are to avoid a strategic debacle, we cannot leave Iraq without agreeing on answers to these questions with our Gulf Arab partners.

Iran is emerging as yet another proof that diplomacy-free foreign policy does not work. Neither do lack of planning or the refusal to talk to interested allies and adversaries. It's not hard to anticipate the questions that will arise from the probable future course of events in Iran itself, and in Iranian relationships with Iraq and other countries in the region. These too must not be left to tactical responses, improvised on the spot in the absence of strategy, sprung with no warning upon those whose cooperation or forbearance is essential to enable them to succeed.

## Israel: No Talent for Peace

Finally, let me allude briefly to the issue of Israel, a country that has yet to be accepted as part of the Middle East and whose inability to find peace with the Palestinians and other Arabs is the driving factor in the region's radicalization and anti-Americanism.

The talented European settlers who formed the state of Israel endowed it with substantial intellectual and technological superiority over any other society in the Middle East. The dynamism of Israel's immigrant culture and the generous help of the Jewish Diaspora rapidly gave Israel a standard of living equivalent to that of European countries. For 50 years Israel has enjoyed military superiority in its region. Demonstrably, Israel excels at war; sadly, it has shown no talent for peace.

For almost 40 years, Israel has had land beyond its previously established borders to trade for peace. It has been unable to make this exchange except when a deal was crafted for it by the United States, imposed on it by American pres-



UNRWA

*Freeman pointed out that Israel's behavior has deviated from the high ideals of its founders and the high ethical standards of the religion most of its inhabitants profess. While it excels at war, "sadly, it has shown no talent for peace." Here, the Palestinian refugee camp in Jenin, which was obliterated by Israel in 2002. Israeli commanders had studied the methods the Nazis used to crush the Warsaw Ghetto to carry out their assault.*

sure, and sustained at American taxpayer expense. For the past half decade Israel has enjoyed *carte blanche* from the United States to experiment with any policy it favored to stabilize its relations with the Palestinians and its other Arab neighbors, including most recently its efforts to bomb Lebanon into peaceful coexistence with it and to smother Palestinian democracy in its cradle.

The suspension of the independent exercise of American judgment about what best serves our interests as well as those of Israelis and Arabs has caused the Arabs to lose confidence in the United States as a peace partner. To their credit, they have therefore stepped forward with their own plan for a comprehensive peace. By sad contrast, the American decision to let Israel call the shots in the Middle East has revealed how frightened Israelis now are of their Arab neighbors and how reluctant this fear has made them to risk respectful coexistence with the other peoples of their region. The results of the experiment are in: Left to its own devices, the Israeli establishment will make decisions that harm Israelis, threaten



White House photo/Eric Draper

*President Bush with Israeli Prime Minister Ehud Olmert. During the Bush-Cheney Administration, Freeman said, Israel has enjoyed carte blanche to bomb Lebanon and “smother Palestinian democracy in its cradle.” Arabs no longer view the United States as a peace partner.*

all associated with them, and enrage those who are not.

Tragically, despite all the advantages and opportunities Israel has had over the 59 years of its existence, it has failed to achieve concord and reconciliation with anyone in its region, still less to gain their admiration or affection. Instead, with each decade, Israel’s behavior has deviated farther from the humane ideals of its founders and the high ethical standards of the religion that most of its inhabitants profess. Israel and the Palestinians, in particular, are caught up in an endless cycle of reprisal and retaliation that guarantees the perpetuation of conflict in which levels of mutual atrocities continue to escalate. As a result, each generation of Israelis and Palestinians has accumulated new reasons to loathe the behavior of the other, and each generation of Arabs has detested Israel with more passion than its predecessor. This is not how peace is made. Here, too, a break with the past and a change in course are clearly in order.

The framework proposed by Saudi Arabia’s King Abdullah at Beirut in 2002 offers Israel an opportunity to accomplish both. It has the support of all Arab governments. It would exchange Arab acceptance of Israel and a secure place for the Jewish state in the region for Israeli recognition of Palestinians as human beings with equal weight in the eyes of God, entitled to the same rights of democratic self-determination and domestic tranquility within secure borders that Israelis wish to enjoy. The proposal proceeds from self-interest. It recognizes how much the Arabs would gain from normal relations with Israel if the necessary conditions for mutual respect and reconciliation could be created.

## Vital American Role

Despite the fact that such a peace is so obviously also in Israel’s vital and moral interests, history and the Israeli response to date both strongly suggest that without some tough love from Americans, including especially Israel’s American coreligionists, Israel will not risk the uncertainties of peace. Instead, it will persist in the belief, despite all the evidence to the contrary, that it can gain safety through the officially sanctioned assassination of potential opponents, the terrorization of Arab civilians, and the cluster bombing of neighbors rather than negotiation with them. These policies have not worked; they will not work. But unless they are changed, the Arab peace plan will exceed its shelf life, and Arabs will revert to their previous views that Israel is an ethnomaniacal society with which it is impossible for others to coexist, and that peace can be achieved only by Israel’s eventual annihilation, much as the Crusader kingdoms that once occupied Palestine were eventually destroyed.

Americans need to be clear about the consequences of continuing our current counterproductive approaches to security in the Middle East. We have paid heavily and often in treasure in the past for our unflinching support and unstinting subsidies of Israel’s approach to managing its relations with the Arabs. Five years ago we began to pay with the blood of our citizens here at home. We are now paying with the lives of our soldiers, sailors, airmen, and marines on battlefields in several regions of the realm of Islam, with more said by our government’s neo-conservative mentors to be in prospect. Our policies in Afghanistan and Iraq are adding to the threats to our security and well-being, not reducing them. They have added and are adding to our difficulties and those of allies and partners, including Israel. They are not advancing the resolution of these problems or making anyone more secure. They degrade our moral standing and diminish our value as an ally. They delight our enemies and dismay our friends.

In the interest of all, it is therefore time for a change of course. But, as Seneca remarked almost 2,000 years ago, “If a man does not know to what port he is steering, no wind is favorable.” It is past time that we agreed on our destination and devised a strategy for reaching it. As events belatedly force us to come up with a workable approach to consequence management, and lay a course to take us beyond it, Americans will need the advice of our partners in the GCC and others in the region.

If we pay no attention to the opinions and interests of these partners, we should not be surprised to discover that we have forfeited their friendship and cooperation. Without both, we cannot hope to manage and overcome the consequences of the series of policy disasters we have contrived or to devise new and effective policies. And we here, like our friends in the region and elsewhere, will all pay again for this failure, and pay heavily. We must not allow that to come to pass.

# The Janus face of The Swedish Model

by Tore Fredin

National elections on Sept. 17 installed a new government in Sweden. Called the Alliance, it is a victorious four-party coalition led by the Conservative Party (known as the Moderates). The leader of the new government is a fairly new and young conservative, Fredrik Reinfeldt, who, in the two years leading up to the election, changed the party line, from a policy of tax-cutting and austerity, to a policy of defending the welfare state. In doing that, he used the British Labour leader Tony Blair's method of going to the middle. Reinfeldt marketed it as the "New Moderates," copying Blair's "New Labour," and his success has made the new, slick British Tory party leader, David Cameron, look into the New Moderates.

The four-party coalition also includes the Center Party (the former Farmers Party now turned neo-liberal), the Folk Party (old liberals), and the Christian Democratic Party. Together, this Alliance explicitly defended the Swedish Model of the welfare state. It won the election by consistently taking up the unemployment issue: that about 25% of Sweden's labor force is out of the labor market. In every debate, the Alliance stressed that human dignity is best maintained if a person has a job, and is not an outcast.

The Alliance pointed out the Social Democratic failure in this respect, and its immorality of hiding real unemployment by artificially manipulating the figures. An important factor in the Alliance victory is also that voters were fed up with the arrogance of the Social Democrats, who have ruled for the last 12 years, and for nearly seven decades since 1932.

## Social Democrats in Disarray

As for the power-addicted Social Democratic Party (SAP), the loss has already resulted in mental disarray and an announcement of the coming resignation of party chairman Goeran Persson. To its dismay, the party lost power to an opposition which pledged to better defend the Social Democrats' own policy and maintain the Swedish Model.

The fact that the SAP has been cut down to size, may spell the end of Sweden as a one-party state, but the Swedish Model, with its sophisticated social control, will still be around. There is no real change, with one exception: Unemployment benefits will be reduced and the government has

already introduced an austerity policy similar to Germany's Hartz 4 (dollar-a-day mandatory work program) in Germany.

The government economic policy has so far shown no indication of a real industrial program or of badly needed infrastructural investment. There are no signs of a turn-around of the insanity in the current policy that has closed down 2 of Sweden's 12 nuclear reactors. Nuclear power is a prerequisite for bringing down the disastrously high energy prices, and particularly for the reindustrialization Sweden needs, after almost 30 years of the so-called post-industrial society.

Although the Alliance talked about job creation during the election, that was mainly for the service sector. Reinfeldt even pledged to defend Volvo, the major Swedish truck-producing company, from an attack of the "locusts"—the predatory hedge funds. This is a decisive point for the new government. If a leading company like Volvo is allowed to be looted, it will be very difficult to defend any other company from the locusts. But there is no sign of any government resistance to the destruction of industry. Instead, the government's budget has launched a program for selling off state-owned companies. The locusts are hungry to take them over, but the fight is on to use them for a state-directed reindustrialization policy.

## Bringing Back 'Baron' Bildt

Prime Minister Reinfeldt's nomination of his rival, the former party leader, Baron Carl Bildt, to be the new Minister of Foreign Affairs, raised some eyebrows. Baron Bildt, who has said he will have a more pro-European outlook, is a geopolitician. He is plugged in to leading international think-tanks and the elite Bilderberg Society. An admirer of the modern Metternich, former U.S. Secretary of State Henry Kissinger, Bildt has been sent around the world on assignments, serving as European Union special representative to the former Yugoslavia in 1995, and co-chairman of the disastrous Dayton Peace Talks; the first High Representative of the international community in Bosnia in 1996-97; and, from 1999 to 2001, in the Balkans as the Special Envoy of the UN Secretary General.

Most telling, since his term as Swedish Prime Minister during 1991-94, Bildt has maintained his connections to the neo-conservative establishment in Washington. He is a close friend of Karl Rove, and enjoys an open door to the present White House. His first overseas assignment as Foreign Affairs Minister was to meet with Vice President Cheney and U.S. Secretary of State Condoleezza Rice.

Bildt's re-entrance into power, therefore, directly challenges Reinfeldt's leadership of the so-called "New" Moderates. It means that the neo-liberals are back on the scene, which will make it difficult for the young and relatively inexperienced Reinfeldt.

As the saying goes in Sweden, "With Reinfeldt in the harness, the nobility is back in the saddle."

# Lieberman Democrats Confronted in Berlin

by Malene Sørensen and Tezira Olobo-Lalobo, LaRouche Youth Movement

Just as Lyndon LaRouche, the voice of the real America, was opening the second historic Berlin-Washington webcast Oct. 31, two minutes up the road were four members of the LaRouche Youth Movement (LYM) at the Friedrich Ebert Foundation, where the U.S. Embassy and Brownshirt Democrats were hosting their counter-operation against LaRouche. We had printed out documentation, such as the Fox News interview with Yaron Brook (“O’Reilly Tells Brook: ‘That’s What the Nazis Did,’ ” *EIR*, Nov. 3) Harley Schlanger’s article (“War Party on Campus: Lynne Cheney’s Circles Call for Mass Murder,” *EIR*, Oct. 27), and a LaRouche PAC press release (“Is Goebbels on Your Campus? Youth Vote Decisive in Defeating Joe Lieberman”).

Only about 60 people came to the Brownshirts’ event, including two or three Social Democratic Party (SPD) Bundestag members, other SPD politicians, representatives from Southwest Asian embassies (not ambassadors), horny Tweeners, and a handful of arse-kissing youth.

On the panel were Peter Ross Range, editor of *Blueprint* (aka *Brownprint*—the magazine of the right-wing Democratic Leadership Council founded by Joe Lieberman); SPD old fogey Karsten Voigt, currently the U.S.A. coordinator in the Foreign Ministry; American University Prof. D. Lublin; and Werner Sonne, a former Washington correspondent for ARD, a German public broadcasting service.

Range is a key operative in the fascist network in the United States, which has called for the mass murder of Muslims (see “Dirty Tricks in Berlin: ‘Flaming’ Rose and the Burned Democrats,” *EIR*, Nov. 3). In a recent article in *Blueprint*, entitled “European Wake-Up,” he promoted the Euston Manifesto—a new movement of fascist European liberal imperialists.

## Expectation Management

Expectation management was the name of the game as a U.S. Embassy spokesman and the panelists claimed that although the Dems would win at least one house of Congress, no one should expect a substantial change in foreign policy, especially in Iraq. According to them, the Republicans most likely to lose their seats are liberals, and the Democrats most likely to win are conservatives, so they concluded, wishfully, the Democratic Caucus will be *more* conservative.

Range put Ned Lamont’s victory over Joe Lieberman in the Connecticut Democratic primary down to the Gold Coast

and student vote. “Lieberman will win and I’m willing to bet my stall by that,” he blustered. Range lavished praise on “my man” Sen. Barak Obama (Ill.), who is being floated as a potential Presidential candidate, as a Dem who can make the left swoon, while promoting no criticism of the Bush line. Range proclaimed that it doesn’t matter that Democrats such as John Conyers (Mich.) and Charles Rangel (N.Y.), who are expected to move for impeachment hearings against Bush and Cheney, will be heading House committees, since House Minority Leader Nancy Pelosi has pledged that the Democrats will not move for impeachment when they take over the House. He claimed to be a Clinton Democrat who prefers to win and govern rather than talk and be right.

The first questioner, LYM member Karsten Werner, briefed the audience on Range’s relationship to Flemming (“Flaming”) Rose, the Danish journalist responsible for publishing the derogatory cartoons of Mohammad last year, and Range’s rubbing shoulders with Ayn Rand Institute director Yaron Brook, who has called for the mass murder of Muslims. People gasped when Werner asked, “Are you a Brownshirt Democrat?” Range jumped to the defense of Flaming Rose, claiming that the Brook quote was not true, and that Rose would never support such a stance.

Tezira Olobo-Lalobo asked him what he thought of Joe Lieberman’s work with Lynne Cheney’s Campus Gestapo. He claimed to have no clue, so she held up the “Goebbels” pamphlet and challenged these Loserman Dems to stop fascism from taking over and destroying the only republic on the planet. There was only a blah-blah response—they were more concerned with sticking to the rules of polite discourse than political reality or potency. Karsten Voigt whined that it is okay for LaRouchies to ask questions, but when they hijack events, it just means. Olobo-Lalobo shot back that polite liberalism was the reason why the SPD in the ’30s failed to stop the Nazis.

## ‘Who Is FDR?’

As Range was leaving, we confronted him about his promotion of *With All Our Might*, a book put out by Truman Dems, peddling the war on terror. The dialogue went approximately as follows:

**Olobo-Lalobo:** Do you think that the bombing of Hiroshima was a sublime act? [as asserted by John Lewis, an associate of the Ayn Rand Institute—see *EIR*, Oct. 27].

**Range:** I have no opinion on the sublime, but I think that it was the right thing to do.

**Olobo-Lalobo:** Are you a Truman Dem?

**Range:** No, but we’re very close.

**Olobo-Lalobo:** But Truman was the one that brought in the preemptive war policy to the U.S. He brought the Nazis back into the U.S. government.

**Range:** He defeated the Nazis.

**Olobo-Lalobo:** No, that was FDR.

**Range:** Who is FDR?

**Olobo-Lalobo:** Franklin Roosevelt!

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# International Intelligence

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## ***Egypt, Russia Discuss Policy Initiatives***

Egyptian President Hosni Mubarak began a three-day visit to Moscow on Nov. 2, with a private meeting with Russian President Vladimir Putin. The Presidents discussed the Iranian nuclear problem and the current critical situation in the Palestinian territories, Iraq, Lebanon, and Sudan. In a joint press conference, Putin said that "it is important to underline that our approaches to the resolution of the majority of urgent global problems coincide." Putin suggested that Egypt could contribute to the resolution of the Mideast crisis by joining the Mideast Quartet (which currently consists of Russia, the United States, European Union, and UN).

Putin also underlined that bilateral trade exceeded \$1.6 billion in 2005 and grew 52% year on year in the first eight months of 2006. "Egypt represents a huge interest for Russia and is one of our foreign policy priorities," he said. "Egypt remains one of our main partners in the Arab and Islamic World."

Mubarak, who was accompanied in Moscow by a business delegation, told the press conference that the Presidents discussed a pilot project to set up a special industrial zone in Egypt. "We are going to grant them a free economic zone where they can work in preferential conditions," he explained. "The very widest range of industries can develop in this zone, including pharmaceuticals, oil, gas, and other sectors. Egypt is interested in developing cooperation with Russia in space exploration, peaceful nuclear research, and high technologies."

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## ***Chile's Pinochet Will Stay Under House Arrest***

Gen. Augusto Pinochet "is a threat to the safety of society," said Judge Alejandro Solis on Oct. 30, in explaining why he refused to grant provisional freedom to the 90-year old former dictator (who was put in power by George P. Shultz, Felix Rohatyn,

and Henry Kissinger, among others). Pinochet was indicted on Oct. 27 for 35 cases of kidnapping, 23 cases of torture, and one murder at the infamous Villa Grimaldi concentration camp run by the DINA (secret police) during the 1970s and 1980s. He has been declared mentally fit to stand trial.

As for charges by Pinochet's defense team that the government "invented" the report of nine tons of gold held in Pinochet's name at the Hong Kong & Shanghai Banking Corp, Interior Minister Belisario Velasco told Radio Cooperativa, "We don't have to invent anything. . . . Pinochet had \$27 million in banks abroad," as legal authorities have proven. "We don't have to invent gold ingots or anything else to explain his government's corruption." Velasco pointed out that many of the right-wingers who are screaming about corruption in Chile today, are the same ones who supported Pinochet while he was engaged in his sordid and illegal financial activities—not to mention torture and murder. "And they never said anything."

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## ***Israeli Cabinet Accepts Fascist Lieberman***

The Israeli Cabinet approved fascist Avigdor Lieberman and his Yisrael Beiteinu party as a new coalition partner on Oct. 29. The move was approved by the Knesset. Only one minister, the Labor Party's Ofir Pines-Paz, voted against it. Pines-Paz also announced his resignation from the Cabinet, because he wants to run for the leadership of the Labor Party.

In a commentary in the daily *Ha'aretz* on Oct. 30, Akiva Eldar scored the silence of the Labor Party and others, noting that the common comparisons of Lieberman to Austrian right-winger Jörg Haider, do Haider an injustice. "Even in his most fascist days, [Haider] never called on Austria to rid itself of citizens who'd been living in the country for generations. Also, Haider never suggested standing up legislators representing these citizens in front of a firing squad," as Lieberman has advocated for Israeli Arabs and their representatives in the Knesset. The Israeli Ambassador to Austria admitted

that Haider never made an anti-Semitic utterance and that he "does not threaten Jews." Nor did Haider become a Cabinet minister when his party joined the Austrian government.

Yet, Eldar noted, Shimon Peres, "the Nobel Peace Prize laureate, warned Austria at the time that the inclusion of Haider in the coalition will ostracize it from the family of nations." European governments were saying they would refuse to meet Haider. What if, Eldar writes, "European Union countries announced that the Deputy Prime Minister [Lieberman] is an unwanted personality in Europe?"

Eldar concluded that Lieberman's entry into the government is dangerous, because "If a Jewish politician who aspires to transfer an Arab minority across the border can sit in an Israeli cabinet, why should an anti-Semite not sit in an Austrian government?"

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## ***Iran Calls for SCO To Seek Broader Cooperation***

The Shanghai Cooperation Organization (SCO) should encourage its members to intensify their cooperation via other regional bodies, said Iranian Foreign Minister Manouchehr Mottaki, the IRNA news agency reported on Oct. 30. Speaking at the opening session of the 14th International Central Asia and Caucasus Conference, Mottaki said that member states are well situated to promote regional economic growth, and embark on transportation, infrastructure, and energy development projects.

"One of Iran's major foreign policy strategies is based on cooperation with regional states to resolve a major part of the problems facing the region, and promote security, welfare, and economic development," he said.

Mottaki added that as an SCO member, Iran seeks to establish relations between "the real peace-seeking Islam and regional populations, and to warn the region's governments against the unreasonable hardline approach toward Muslims" that is part of the so-called war on terror. Central Asia has a crucial role to play also, he said, between East and West.



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## Editorial

### *Cheney in the Bunker*

The scene is legendary: It's 1945, and there is Hitler, ensconced in his bunker and standing in front of a huge map of the battlefield, barking orders for non-existent armies to redeploy to confront the enemy on the Eastern front. He was totally out of touch with reality—and even top military figures who had kowtowed to his calamitous orders before, shook their heads and refused to pass the orders on. The end was only weeks away.

Fast-forward to today, and you see the Cheney-Bush duo virtually reading from the same script. "Full-speed ahead," raves the deluded Dick Cheney to ABC's George Stephanopolous on Nov. 3, even as the U.S. military forces find themselves enmired in an ever-more-disastrous bloodbath of a civil war in Iraq, and Afghanistan. It doesn't matter what happens in the elections, Cheney said—we're going to keep pursuing this war.

We would do well to take him very seriously. Cheney, and his mouthpiece Bush, are literally insane, and their impeachment must be at the very top of the agenda of the incoming Congress, before they fulfill their real threats of launching new, likely-nuclear wars.

Unlike in the Hitler case, the U.S. military is going public with its opposition to this insanity. There is no foreign army coming to liberate our nation—it's up to patriotic citizens themselves. In this case, the military, buttressed by significant other sections of the institution of the Presidency, most definitely including Lyndon LaRouche, are taking the lead.

The drumbeat of calls from retired military officers, and now numbers of active-duty military as well, for the President to fire Donald Rumsfeld for his botched war strategy and conduct, is escalating dramatically. On the eve of the midterm elections, Nov. 6, all four of the military newspapers—the *Army Times*, the *Navy Times*, the *Airforce Times*, and the *Marine Times*—will publish an editorial entitled "Time for Rumsfeld To Go." The argument they make is as follows: The Administration line has been that the key to "victory" is standing up the Iraqi Army. In reality, this policy has totally failed, bringing Iraq deeper and deeper into chaos. Yet, President Bush has declared that he will

keep Rumsfeld, who says things are going well, in position for the next two years.

"This is a mistake.

"It is one thing for the majority of Americans to think Rumsfeld has failed. But when the nation's current military leaders start to break publicly with their defense secretary, then it is clear that he is losing control of the institution he ostensibly leads." In conclusion, Rumsfeld has to go.

Other sections of the military have gone much further, addressing the issue of strategy, not just personnel. Take the op-ed by Lt. Gen. William Odom (ret.) and former head of the National Security Agency, published in the *Los Angeles Times* on Oct. 31. Odom entitled his article "How To Cut and Run," and he called for not only recognizing the failure of the Administration's policy, but for launching crucial initiatives to get out of the mess.

Odom writes: "Only a complete withdrawal of all U.S. troops within six months and with no preconditions can break the paralysis that now enfeebles our diplomacy. And the greatest obstacles to cutting and running are the psychological inhibitions of our leaders and the public." He then offers four initiatives on how to leave Iraq: 1) "concede" that the U.S. "has botched things," and "let others have a say in what's next" as troops are withdrawn; 2) have an open forum with Iraq's neighbors, including Iran; 3) cooperate informally with Iran, including on nuclear technology and even "dropping U.S. resistance to an Iran weapons program"; and 4) make real progress on the Palestinian issue.

It is clear as a bell that the Cheney-Bush team is not going to follow these recommendations; they are hell-bent on destroying the United States by *expanding* the war. Nor is the military in a position to impose such a new policy. In our republic, it is the citizenry which has the responsibility to elect and support a leadership which will bring peace and prosperity to our nation today, and in the future. Can we save this republic from the likes of Cheney-Bush? That is the question on the agenda of us all.