

LaRouche Covered Worldwide as 'Awful September' Hits Economy

by Paul Gallagher

Both the U.S. and the world economy went into a new financial spin at the beginning of September, and as one financial columnist and bond trader put it in London, "the financial world is living moment to moment. We are probably getting ready for the final descent." The first days of the month in the United States brought news of spiralling budget deficits at the Federal and state levels, increased industrial layoffs, growing bad-debt problems at Citicorp, and falling stock markets, with the Bush Administration reportedly falling into division even over whether to put forward its feckless schemes for more tax cuts. In this situation Lyndon LaRouche's "November emergency program" for infrastructure rebuilding and bankruptcy reorganization measures—reported in our *Feature*—is being widely covered and discussed in key countries of the world.

The month, which LaRouche had earlier forecast would be "an awful September," began with the sudden layoff, over the Labor Day weekend, of all 15,500 workers of the Consolidated Freightways trucking firm, North America's third largest, which went into debt liquidation. Simultaneously the tracking firm Challenger, Gray, and Christmas announced that aside from these immediate mass layoffs, the announcements of planned layoffs by U.S. firms had jumped 46% from month to month, back to the levels of the mid-2001 contraction. Economic measures of industrial orders and especially construction also fell. And on Aug. 28, the Congressional Budget Office had had to report that the Federal government was experiencing the biggest plunge in tax receipts since 1946 when World War II tax surcharges were repealed. CBO Director Dan Crippen called the 6.6% year-to-year drop "astounding." The President, like state governors everywhere, has taken to slashing spending already authorized, even for such high-profile purposes as relief loans for the severe Summer drought, aid to fire, police, and other emergency "first responder" departments around the country, and

even airport security. Imagine the effects, now, of throwing tens of billions of dollars into a war against Iraq.

The deepening of the economic-financial crisis is global. Japan's stock markets are diving, and another wave of capital flight has hit both it and other Asian markets. The disappearance of the U.S. economy's ability to import the world's output, is the basic cause. Nikkei News Service reported on Sept. 5 that "this month's stock decline alone saddles Japanese banks with an additional \$34 billion in losses, severely undermining their capital. Banks will be forced to further curb lending, causing a new credit contraction, a heavy blow to the tottering economy. A Deutsche Bank statement from New York called it "a global swoon across all markets," emphatically including those of Europe and Great Britain. The European Union "Stability Pact" has been pronounced "dead" by a leading German economic institute, as Germany, France, Italy, and Portugal are all now unable to meet its budget criteria any longer.

The scene of greatest turbulence and economic destruction is actually South America, and there it has become clear that the \$30 billion International Monetary Fund (IMF) bailout extended to Brazil's creditors in August, has had no effect but to accelerate capital flight. The capital drain from Brazil for 2002 so far, is nearly at the \$6 billion-plus level for all of 2001, and the Brazilian currency, the real, has fallen back down near its pre-bailout levels.

A Brazilian debt default is virtually inevitable; that, or a Japanese banking blowout, or the looming bankruptcy of Citicorp, or one of a number of other near-term potential events, can trigger a general financial meltdown between now and the U.S. November elections.

The Turn to LaRouche

Lyndon LaRouche's movement has already put out the first form of his "November emergency program" (see *EIR*,

Sept. 6). Spearheaded by a newly recruited youth movement, it is starting another nationwide mobilization, with millions of leaflets and mass circulation of the program in pamphlet form. It is the emergency measures the President and incoming Congress must immediately adopt to stop the collapse.

The fact that mass media in the United States do not cover LaRouche's actions, even while millions of Americans discuss them, simply indicates that the administration and U.S. elites generally are unable even to discuss the depression, much less the Franklin Delano Roosevelt precedents for a recovery, and prefer to deny the collapse entirely. LaRouche said on Sept. 1, for example, that "in many parts of the Democratic Party today, the name Roosevelt is hated," along with that of LaRouche, and forbidden. He was noting reports on the virtual banning of FDR's name in Democratic Party meetings in Sen. Joe Lieberman's Connecticut; the Democratic legislative candidate who reported the problem, Laurie Dobson, publicly announced herself a "LaRouche Democrat."

In South America, Asia, the Mideast, and other key regions, the LaRouche alternative is front and center in the press. Mexican media have been reporting LaRouche's presentation at the Argentina-Brazil-Mexico meeting in Guadalajara on Aug. 22, for example (see *EIR*, Sept. 6); one exchange in a long interview with Guadalajara's Radio Universidad is typical:

Question: Right now, the U.S. is sitting—collectively, the government, the private citizens, and industry—on an accumulated total debt of approximately \$32 trillion. In this transition period that you're proposing, how would you deal with this "Himalayas" of debt, with the \$32 trillion of debt that has absolutely no productive basis to be declared an ongoing credit? How would you deal with a transition period where, in addition to the \$7 trillion that has been lost in the last few years through the financial markets, you have to deal with the insolvency of the credit system in the United States?

LaRouche: It's much worse than that. We have, for example, the world GDP is estimated, cumulatively, at over \$40 trillion, at best. The United States GDP is under \$11 trillion, at best. The total debt outstanding, if we include the unregistered derivatives contracts, including some \$20-odd trillion of credit derivatives, there's no possible way that this currently outstanding debt can ever be paid under present conditions. Therefore, what's going to have to be done, is that you're going to have to freeze a lot of this debt, and we have to have a policy which addresses two basic problems in this process: We must have a policy of governments, that present levels of employment must be maintained and increased in useful categories. That pensions must continue to be met; that essential public health and education programs must be sustained; that basic economic

infrastructure must be maintained. In other words, the countries, the nations, and the people must not suffer as a result of the collapse of the financial system.

The radio interview, exploring every facet of LaRouche's economic and political policies, was reported in the press of the region. The *Ocho Columnas* daily and *Politica* magazine stressed the endorsement of LaRouche by former Mexican President José López Portillo, noted as critical by all the coverage: "It is necessary to unite against the strongest, says economist Lyndon LaRouche and ex-President J. López Portillo." The magazine cited LaRouche's warning that the failure to solve the financial crisis now "could bring the world into a new Dark Age like that of the 14th Century."

The Brazilian Catholic magazine *Cidade Nova* ran a four-page report of the Italian parliamentarians' motion, inspired by LaRouche, for a New Bretton Woods emergency global monetary reorganization. The article, "A System To Be Re-thought," emphasized the six measures which Argentina must take to defend its national sovereignty from destruction, measures initiated by LaRouche and taken up by over 100 Italian members of parliament in their call for support to Argentina. The magazine cited LaRouche stating that " 'the reason for which they [the IMF and World Bank] had been founded, ceased to exist,' " and concluded, "The necessity of a new Bretton Woods is ever more evident."

'Voice of the Other America'

The constant and widespread coverage of Lyndon LaRouche and his campaign in the media of the Mideast, continued on Aug. 31, when the world's widest-circulation Arabic newspaper, the London-based *Asharq Al-Awsat*, published an article by staff writer Zainil-Abdin Al-Rikabi, entitled "The Other America: The Reasonable and Responsible." The article begins, "The American political and economic figure, Lyndon LaRouche, has a startling statement, which is more powerful than a nuclear bomb. This statement is that 'Richard Perle wants to push the United States into a total war against the Muslim nations.' . . . LaRouche's voice, which is opposed to this aggressive, Zionism-influenced and evil tendency, was not a lone voice in the wilderness. There is a growing current at all levels in the U.S. now, which is pressing for a change in U.S. foreign policy to bring it closer to the vital American interests; a foreign policy which a more truthful representation of the true America. We can call this

★ LAROUCHE IN 2004 ★
www.larouchein2004.com

Paid for by LaRouche in 2004.

Reuters Lied on Al-Jazeera Coverage

On Sept. 5, the Gulf-based *Al Jazeera* television network ran the first part of a two-part documentary called “Top Secret,” on last year’s Sept. 11 attacks. The Reuters news agency wire story concerning this documentary is a willful misrepresentation of its content. A substantial part of the 50-minute program was taken up with an interview with *EIR*’s Edward Spannaus, who explained why Osama bin Laden could not have been the mastermind behind the Sept. 11 attacks, and why it required complicity from high-level elements within the U.S. military/security establishment. Spannaus also used the case of the FBI’s frameup of Lyndon LaRouche in the 1980s to demonstrate how easy it is to manufacture a “false trail” of evidence, used to convict someone in the news media. Spannaus told *Al Jazeera* that no one has put forward any concrete proof that the so-called “19 hijackers” actually carried it out, but that the assumption was made from the very beginning that this was Osama bin Laden, in order to launch a war in the Middle East.

Reuter’s account ignored most of what *Al Jazeera* actually broadcast, in order to focus on a short closing “teaser” for the second installment of the “Top Secret” documentary—an alleged and dubious “confession” by two Al Qaeda members. Reuters falsified its account by willful and reckless disregard for facts excluded by its own fallacy of composition.

growing current ‘the other America.’ ”

Reflecting outright fear in U.S. financial-organized crime circles at the top of the Democratic Party, about LaRouche’s influence in both the Arab world and the United States, the Abu Dhabi-based Zayed Centre of the Arab League, which invited LaRouche to keynote a major strategic economics conference on June 2-3, was violently attacked for it by the Anti-Defamation League of B’nai B’rith (ADL). The ADL’s Aug. 30 “Background” attacked the Zayed Centre for “Holocaust denying” and “anti-Semitism.”

In the context of an all-out attack on the very important Zayed Centre and all its activities, the ADL statement says, “A June 2002 Zayed Center conference, titled ‘The Middle East as a Strategic Crossroad,’ featured presentations by government ministers from Middle Eastern nations and a speech from the notorious American anti-Semite Lyndon LaRouche. LaRouche noted that the ADL et al. “are really worried” about his growing influence, internationally and in the United States.