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This Week You Need To Know

New LaRouche PAC Aims To Mobilize the Lower-Income 80% To Act

(Visit the website: www.larouchepac.com)

Lyndon LaRouche held a press conference and webcast from Boston on July 30, the morning following Sen. John Kerry's acceptance of the Democratic nomination, to announce the launching of a new political action committee. Here are LaRouche's opening remarks.

Thank you. Now, obviously, we have a situation in which the nominee, Kerry, must occupy the White House by election in November. There are many problems involved, so far, with the Kerry team, which is not actually ready to deal with the many of the problems which are going to hit the United States during this period. But when you look at the alternatives, you realize that Kerry is a decent person, with, for all ordinary purposes, a credible background, and credible commitments; but he just needs some touching up on a lot of very important issues which he does not yet, presently, understand. But apart from those particular differences—which is our responsibility, and mine in particular, to set forth the alternative to some of the more weak points in his address last night, particularly the latter 30 minutes of it—we've got to get him elected. Because the alternative is unthinkable.

Now, what we're going to do is this. The problem with the Democratic Party machine in general, is that they might be able to get 40-plus percent of the vote in November; but they do not have the ability, in actuality, to win the election; particularly after the Republican machine will go after, now—trying to split off minority group votes and other groups by special kinds of actions, of either putting them into the Nader camp, or telling them to drop out of the election, or moving into something which complements the Nader camp. So there will be a draw-down of what the Democratic Party would count on as its core vote during this period.

So we're talking about the 40% range, as the likely range of a pro-Kerry vote for November. *That* is what must be changed.

Now, the weakness in the Democratic Party's policies so far, apart from its policies in general—its policies for the nation, and foreign policy—is that the lower 80% of the family-income brackets in the United States are not considered, efficiently, by the Democratic Party. Maybe in some local situations, local candidates, local organizations, yes; but on the national basis, from the top—from the DNC; especially from the DLC—there is no efficient consideration of the well-being of the lower 80% of the family-income brackets.

The Future Leaders of the Nation

There is also, in the same range, a hostility toward an efficient expression of the young-adult/youth age group; that is, people essentially between 18-25. Now, for anybody who's a serious politician, the youth generation in the intervals of 18-

25 is the future of the nation. And when the future of the nation is what is in question as it is now, how do you stand on providing for the future of the nation, as represented by those who, in the next quarter-century, should be the leaders of the nation? The inheritors of power in the private and public sectors?

As we saw in the streets of Boston, for example: We saw that an efficient expression of the 18-25 generation—I mean efficient; not just beating on bongo drums or something, but an efficient expression, organized efficiently, by people who know how to organize and manage *themselves* in action. Now this was demonstrated, the importance of this was demonstrated at this Convention. One of the most significant aspects, if it was a side-aspect of the Convention, was the effect of the youth deployment of 100-plus people, especially, upon the proceedings of the Convention, and on the Boston area as a whole.

This, as many leaders of the Democratic Party have expressed, has changed the situation for them in the Democratic Party, and in respect to the national campaign.

Focus Regions for Turnout, Campaigns

So therefore, what we're going to do is this. We have to move the lower 80% of the population of the country to turn out a substantial increase in their voter participation in the coming election at all levels. We will be able to do that by concentrating, first of all, on the natural leadership of such a movement, which will be recognized by the adult generation, in terms of the young-adult generation of the 18-25 interval. So therefore, our deployment around a youth movement, in the way the Youth Movement was deployed here in Boston for this Convention, is the model of action which I shall direct nationwide, for the coming period, the coming three months, going into the national election.

And by doing that, and by concentrating especially on those spots where we can be most efficient: Now, there are two things that we can do to select those spots. One, find out where the spots are; that's number one. There are 22 states in which there are locations in which swing votes can determine the outcome of the election in that state. And a number of the states will determine the outcome for the national election. That's where we concentrate.

But we also concentrate, within that, in a very special way. We concentrate in that on areas where we have candidates we can support, because they have the quality to carry the ball; and where we can be the factor that enables them to win their local campaigns, state campaigns in particular.

To give you an example: You have an area from Missouri, down the Mississippi River, into western Kentucky, western Tennessee, Alabama, Arkansas, Louisiana, Oklahoma, and spilling into Texas. That is a zone in which we have a tremendous potential. It's an area in which a very large percentile of the national population of Americans of African descent are concentrated; which has a civil rights tradition from those areas. That is a natural area for us, where many people who have been leaders in that area have been kicked, since 1996, by the Democratic Party's accommodation to Newt Gingrich. And you find that many people who are part of the Black Caucus in the Congress and on the state level, were kicked out, one way or the other, with complicity of the Republican Party, over that period. But they're still there; they're somewhat demoralized. We're going to move again, as the case of Cynthia McKinney's re-election—re-winning the post that was stolen from her—typifies. We're going to move back to where what was the Black Congressional Caucus and its representatives, are going to become an effective part of what will be the composition of power in the Congress under the new government, and also on the state level.

So that's one area we have very good access to. Arkansas, Louisiana, the touching areas of western Tennessee, western Kentucky, Mississippi—we've got good people there—Alabama, very strong base; and we've got a recurring base now emerging because of Cynthia McKinney's election in Georgia.

We've got a situation in California. We have tremendous credentials in California because we fought against Schwarzenegger, and the way we did it—we demonstrated what we can do. We've got to pick this up on the Eastern Coast of the United States, and in the Northeast.

We're going to have to build, now, with the Kerry nomination—it's the time to build up a very significant organization around the greater Boston area. And what we did here during the Convention is going to be part of that.

The Magic of (Classical) Music

One of the key parts of this, throughout, is going to be the continued emphasis upon the musical program. Because, as you've seen, music has magic. The Classical Bach tradition has magic. What is it?

It's a way of organizing people in a human way, which no other form of music can do; because it's based upon a principle of counterpoint, which is not merely a technological feature of a certain type of composition and performance. Or because it's based on *bel canto*, which is the natural singing voice capability of the human voice, when we're not trying to imitate a chimpanzee. So that when you perform music—the combination of Classical compositions, choral compositions, plus the Classical form of the American Negro Spiritual, which was given a Classical form by people in the Brahms tradition in the United States at the end of the 19th Century and the beginning of the 20th; the famous Negro Spiritual of today, which many of you have been involved in. And it's done in that way: There are certain special features to it which are different than you find in the European form of composition. And these were recognized by the people who developed the American Negro Spiritual in this polished form. But it's the same principle, and those of you who've gone through it, know it.

So therefore, that's what we're going to do. We're going to organize. Take the Youth Movement, which is the core of the future of the United States—you few hundreds are the core of the future of this nation—and we're going to organize in that way, with that state of mind; with that outreach; and we're going to invoke the magic of music, to arouse people to a better sense of themselves. They will not understand it immediately, but they will love it, as they did in Boston: "Hey, that's good! I don't know what it is, but it's good!" That is the way you do it. Because there are deep principles which have to be understood, of course; but these deep principles, which are part of the human heritage which emerged in this period from the Renaissance on, into the form of Bach, and so forth; these principles contain the secret of human social relations; to a real understanding of counterpoint.

And the reason we—some couple of years ago, I prescribed the development of "Jesu, meine Freude," working it through to really understand it, and perform it from a *bel canto* mode—was because it's one of the simplest and most efficient ways of expressing the way in which counterpoint, properly performed, enables people to touch the souls of other people. And that's what we intend to do.

So we're going to do that.

A New Orientation for the United States

Now, the practical aspect of this, is that we have to complete the job where Kerry left off. (I'm putting aside the last 30 minutes of his speech.) The first part was really a fairly excellent job. There were some cute tricks in there, like reference to PT-109 and things like that, which I understood and recognized immediately. But apart from the cute tricks: The essential thing that he said, in terms of commitment, in the first part of his address; what he was making as a commitment of *himself* to perform as President; it's something you can work with. The tail-end, about the balanced budget, and pay-as-you-go, that nonsense you can push aside. It's not going to work anyway. So he'll give it up automatically, because it's not going to

work. A depression comes along: You're not going to go on pay-as-you-go balanced budget. That doesn't work.

What we're going to do also, is we are going to build an impetus among the people we're organizing, to turn out the vote, some of whom are already committed to vote, especially among leaders of existing Democratic Party constituencies, who are still viable. To give them a picture of what the reality is we have to deal with; and to build a programmatic base within the combination bringing Kerry to victory in the election. A base which then becomes the basis for a new orientation of the United States, adequate to the crisis we're going to get into.

The Platform which I have issued will be the basis for this deployment, because it represents the programmatic outline of the real issues, issues which include those which Kerry would presently acknowledge, and issues which he has to be awakened to, at the same time.

So that will be our message; that will be our national, international message.

Too Much Respect for Ignorance

The other aspect of this, which we emphasize in the Platform, is what is lacking in American politics today. There is too much respect for ignorance.

Now ignorance never helped anybody, including ignorant people. And the problem we have in the United States is an education crisis. And education in the United States today is so bad, that we call George Bush "the education President." It's the name of a disease!

And therefore, we have to bring the American people *up*, in terms of level of education; which, again, we're doing with the Youth Movement, by concentrating on the principled questions that have to be mastered, as opposed to just a lot of details, "memorize and pass the examination." That's the difference.

So the educational aspect: Now, the key aspect of the Platform which is to be emphasized, is my method—which is not unique to me, but it seems almost unique to me, because of the poor state of education among our so-called educated classes today. Nobody knows history.

The problem of the United States, especially over the past 40 years, but even longer, has been a descent into Sophistry; that is, in which comment and interpretations of popular opinion, manipulations of phrases, this sort of thing, spin-doctoring, has become the standard of argument. So people don't argue on the basis of a search for truth, or the discovery of truth; they simply take superficial emotional reactions, and react to those. And politics is largely based on these bite-sized issues.

We see an American population in which the lower 80%, in particular, sees itself, not as citizens; they see themselves as underlings, as under-dogs begging from the powers that be. They go into an election, not trying to change the government; they go into an election trying to get some demand, some single issue or collection of single issues, *from* the government. It's like pigs begging for scraps at mealtime. They are not trying to represent themselves as being responsible for government. They don't think, of themselves as being *responsible* for government. They think of themselves as receiving something which they think they would like, like that extra piece of cake, from government. And they will fight one another over these pieces of cake, and ignore the things that will determine the future of their lives, and the lives of their families and communities.

A Real Economic Map of the United States

You look at the situation of the United States today. We're going to—among other things—draw a map of the United States in great detail. An economic map. We'll go back to 1926, approximately, which is the high point of the development of railroads in the United States, which is a symbol or representation of the development of the territory of this nation. We're going to trace the condition of the American people: by county; by 100-square-mile areas; by 100-family areas; from 1926 to the present time. We're going to measure this in terms of healthcare, like hospitals; in terms of power production; in terms of standard of living, consumption; all these kinds of things. And show exactly how the United States went *down* from 1926-33; especially under Hoover between 1929-33; how it rose gradually at an accelerating rate under Roosevelt; how we shaped world history under Roosevelt, in defeating Hitler and rebuilding the postwar world in large degree.

And then, from 1964-66 on, we have gone in the reverse direction. And you look at the country. You see area after area: Farmbelt, destroyed; power production, vanished; education, collapsed; medical care, collapsing since the middle of the 1970s. And so forth and so on.

You see a country that is being destroyed which people are talking about prosperity and improvement of conditions of life. In fact, when you look at the physical reality, per county, across the entirety of the United States; look at the standard of living; the capital investment; the infrastructure; per county, across the United States. You see a nation which has been physically destroyed, in which those who consider themselves wealthy are in the upper 20% of family-income brackets, and more and more concentrated in a few areas.

And the wealth these people represent is largely not real wealth; it's debt. People have a house: "Ah, they have a house!" Look at the mortgage, buddy! Look at the appreciation; look at the bubble, the housing bubble. We're at the point where the collapse in the housing bubble is going to transform millions of American so-called homeowners into either squatters, or homeless people. And it will happen very rapidly. We're on the edge of that happening.

Look at the number of homeless people already in the United States. Look at these conditions. We have, in the United States, based on debt—our unpaid debt to foreigners; our unpaid debt accumulated inside the banking system—we are a nation of debtors who are enjoying, in part, the wealth-effect of being able to go into debt, to get the food to eat! We call ourselves wealthy.

These facts—the physical facts, the physical reality of the condition of the United States—has to be brought to the consciousness of people, who see this, but they look at it if they didn't see it. They say, "But we see, the report is that the economy is getting better." Look at the reality: The economy is getting worse. Why do they believe the economy is getting better, when they themselves are physically suffering from the deterioration of these conditions?

History, and Immortality—in a Practical Way

Now, what we're going to do to get the voter out, the average voter out, is to show those facts, county by county. Not in money terms! Yes, we'll deal with the money terms. But the thing is to focus people's attention *away* from looking at money, which is the great fraud of these times; and to look at the physical conditions of life, and the rate of change of the physical conditions of life of ordinary people in ordinary counties across the entirety of this nation. And be able to point to them: This is what is happening to you *physically*.

Do you want to change this? It's about to get worse. Do you want to prevent that? Well, get out and vote. If you vote with us, to get John Kerry President, John Kerry will not let this go unnoticed; and he will know that his constituency is, in large degree, what we have helped to bring into an election victory. And that's the way we're going to do it.

My method is to get people to think in terms of immortality, in a practical way. In terms of history. And none of these guys talk about history. They talk about their Romantic fairy-tale version of history. But what is real history?

Real history is the struggle of the human race to get out of a long period in which most human beings, in European civilization in particular, were treated as human cattle. History is the 15th-Century Renaissance, which for the first time in all known existence, created a political institution of society, a cultural standard, in which all the people in a nation were considered as protected by a commitment to the General Welfare, of *all* the people, and their posterity.

Modern history is a struggle against reactionary forces, like the Hapsburgs and the Venetians, who plunged Europe into religious war between 1511 and 1648—sort of the Ashcrofts of that period—in order to try to destroy this civilization, this modern European civilization. History is the struggle—especially as represented by the Treaty of Westphalia of 1648—to set, for the first time, a civilized standard of conduct among nations, of cooperative relations among nations; a standard which was embodied in the creation of this republic.

That's history. History is the struggle of the United States to exist, despite the fact that the powers of Europe were all against us, from the beginning of the French Revolution on July 14, 1789.

We are a unique republic; the only nation on this planet which has a Constitution, historically determined, which is committed to the principles of modern civilization. Other nations have been influenced by our examples. The best developments in Europe came out of the United States, especially after Lincoln's victory, after 1876, when it was demonstrated to the world, that the United States was not only a powerful nation—could no longer be crushed by invasion by British forces—but the United States was a model of the most successful economy and social system existing on this planet today.

That convinced many Europeans to make reforms, from about 1876 on, *in their systems*. The improvements in European systems since that time, have all been results of the impact of the best features of the American Revolution. The best features of Europe in the postwar period have been the impact of the legacy of Franklin Roosevelt's reforms upon the political systems of Europe.

So we represent history. We represent the history, in particular, of extended European civilization since the times of ancient Greece. We represent the struggle of ideas, to liberate people, to create a society which is based on justice, equal justice for all people, for the General Welfare, and their posterity. We represent the struggle, the leadership of the struggle, to bring about a system, a community of sovereign nation-states among the nations of this planet; the thing which Roosevelt fought for, and that Truman voted against, and that we tend to vote against ever since. We represent history. We represent history in terms of the struggle; the long struggle for lifting humanity from the status in which most people were treated as human cattle, either hunted or herded human cattle; into a society in which the dignity of the individual, as a creature made in the image of the Creator, would become the standard of politics.

What LaRouche Stands For

That's what we must represent. Not merely "good things." We're not a buffet. We're not a *smorgasbord*, in which you can buy this or that, and pick it up at the table. We have to represent—We're all going to die, sooner or later. And when we die, we have to ask the question: What was that all about? Does it mean that your life meant something for humanity? That it meant something which expressed honor toward the struggles of your predecessors? Did it represent a legacy of good for your posterity, those who come after you, to build upon?

It is only *that kind* of attitude, and that kind of historical conception of who you are, who we are, that will give you the

intellectual and moral strength, in a time of crisis as severe as that which is occurring now, to lead this nation out of a crisis.

More important: As you survey the world today, as I do, with certain special advantages: There is no nation on this planet which, if the United States were to fail in the mission I define—if the United States were to fail, there is no hope for humanity to avoid a prolonged, new dark age. Because there is no nation on this planet which is capable, for historical reasons, of providing the kind of leadership that we can provide, in the image of what Franklin Roosevelt did during his term in office.

And that's what I stand for. If we build on those kinds of principles, and can awaken in the American people—or at least, a lot of them—a sense of what this nation is; what the purpose of existence of the United States is; we can create a new constituency from among those who are poor; from among those are desperately poor, called youth, 18-25 years of age! We can create a new constituency which people like Kerry and company will have to recognize as the basis for the future of this nation.

And I'm sure John Kerry, as he expressed in his address, and in the preliminaries to his address with his old friends from the Vietnam era, and with Max Cleland—anyone who's reached that age has to have a question mark in front of their eyes. The question mark is immortality. Not what is going to be waiting to be donated to them on the other side of death, but immortality in the sense that they have done something, that's good, and which will be continued by the coming generation.

We have to instill a sense of that, where the message will be well received. And I think the virtue of John Kerry and his circle, despite all the shortcomings I may detect in his current policies and practices; that his susceptibility to the sense of leaving a legacy for the coming generations—as, his daughters, for example—a legacy by which he can say he has done well; is the thing that will move that circle around Kerry, to accept what we have to propose. Thank you.

Latest From LaRouche

From the Democratic Convention:

LaRouche Holds Dialogue with His Youth Movement

Lyndon LaRouche's opening remarks to his historic webcast from the Boston Democratic Convention site July 25 (see EIW #30), were followed more than two hours of discussion with the audience present at the John Hancock Center, as well as with those listening over the Internet, who submitted questions by e-mail. Here is the major portion of that dialogue.

Q: Hi, Mr. LaRouche, my name is Cody Jones, from Los Angeles. I'm an elected official of the Democratic Central Committee in Los Angeles County. My question is, you often talk about setting up a crucial experiment, to prove any discovered idea, to validate that discovery. So, for a population, the young population, also the Baby-Boomer population, who neither has lived, nor experienced the situation of a government acting for the general welfare, or exist in a system where that principle was active; and, also, have been robbed of any sense of history, of that principle being active: How do we generate a kind of crucial experiment to demonstrate to people who lack that idea, so they can discover that that is really an efficient principle in the universe?

LaRouche: All right. It's the missionary principle. When you go to the country which is broken down, with no ideas, no culture to speak of, how do you build up the country as a whole? You educate the children.

You've got two phases, as you should know from your experience, and some other people know. It's that you go through a process; when you're young, you have a lot of energy. Have you ever seen how energetic people get when they're very young, before they come adults? Tremendous energy. Then they become adolescents, and they still have a lot of energy. They can move fast, things like that; but they don't think of themselves as adults. They think of themselves still as playing. Or they're uncertain as to whether they're playing or whether they're really seriously thinking.

Then you get to a phase which is called young adulthood, which hits people in the United States, if they're lucky, when they're about 18 years of age—that's why we have this division between the secondary school education, and higher education. It's also biological. It's cultural-biological. It's that you reach a certain point, where your way of thinking—you're past the suicide, what used to be the suicide potential, the uncertainty potential of being an adolescent. Where you had doubts, existential doubts, and that was a problem. You get to a point where you now say, "Hey, wait a minute! I am now a young adult. I've got to do something about this society. But I'm not sure that I know enough."

Well, the advantage is, that up until about 25, when you begin to enter, senility begins to set in, in many cases, especially among college professors—when they get their college degree, their doctoral degree, or go on to get their first position, they say, "I'm now perfected, and I'm not going to do anything. I'm going to practice for the rest of my life what I have learned, now." And they don't do much more since then, after that time.

But you have in this period, of young people, and this is a historical phenomenon—young people, usually of the 18 to 25 age group, where they are adults, but they still have a lot of energy; they can stay up and work until 3 o'clock in the morning, and get up at 7 o'clock and do things still. Which older people find out they can't do that any more. Unless they're crazy like me, and they do it anyway!

So, they think a lot, and they have the power of concentration, partly as a contribution of energy, and biological reality. And that is a period in which many of the greatest changes in society have occurred, or changes for good. It is that generation which is willing to take *adult* responsibility, which the adolescent is not emotionally equipped to deal with. Adult responsibility, but knowing they're not yet perfected, and knowing, "I must master this. I must understand this. I must get control of this. I must get control of myself. I must enter society as a qualified member of society, a perfected member of society in the sense of being able to act."

Providing Leadership

Now what happens is, that when young people in that age group do that, and when they begin to activate something like themselves, in the generation of adolescents, the younger generation—because the people when they're adolescents, look at their older brothers and sisters who have become adults, and look at them as models of reference. If you of the 18 to 25 group, are a poor model of reference, that is going to have a bad effect upon your younger siblings who are still adolescents. Therefore, you have to provide a certain kind of leadership, of making adulthood, young adulthood, a good idea, a good thing to happen to them. They begin to prepare for it. They're not yet secured, in the sense of having adult identities, but they have a sense that, "Well, my brother does. He's doing pretty well. I think I'll look at what he's doing, what his friends are doing."

So, you inspire that. You also take, even Baby Boomers, even these aging, prematurely aging, flatulent, fantasy-ridden people called Baby Boomers, and even they will come back to life, out of their fantasy life.

I mean, look at the adult population! Look at this society! How much energy and time, which used to be spent in doing things, is spent on so-called entertainment? And how degenerate is the entertainment? When people are not having entertainment, they're having fantasies about entertainment. This is the Baby-Boomer generation. The Baby-Boomer

generation doesn't think of mortality. They don't believe in immortality. They think about, "Well, don't let it happen to me." Or, if it comes, "I don't want to know about it. *I don't go there.*" Right?

So, they live in a fantasy life, trying to find excitement in a meaningless existence, which is called an entertainment, or pleasure society. A bread-and-circuses society.

So, what you do when you're younger, is, your job is to inspire your parents' generation to come back out of the woods. "Come on, come out of the swamp, Daddy, come on! Don't live in the swamp! Tonight, come home for a change."

And that's what you do. What you do is you concentrate on yourselves, and your generation, to define the adult process of knowledge.

Now, that's what I've done with this question of this Gauss question, exactly that. Gauss defines the principle of immortality, the nature of the mind, human mind, the relationship of man to the universe. Once you understand that, once you have a grip on a sense of immortality, because you realize that *ideas*, as Gauss enables you to understand this if you master this challenge, is, once you understand ideas, and you understand that you are the heir of *ideas* which have been transmitted to you, from previous generations, which is the difference between man and beast, the difference between wasteland and decadence and good—it's the principle for which people die. They die in hopes that what they have done, will be fruitful in coming generations. And they're able to face death, because they know that what they're leaving behind, in dying, is going to be something good, and they helped to make it so. And their life *means* something. They have not to be ashamed of having lived, and they can die with a smile on their face.

And that's what you must give. You must understand that that kind of education, as opposed to this blab school type that you get here now, that kind of education, practiced by, not learned by, but practiced by, a young generation which has the energy, the adult commitment at the same time, to do that, would inspire the younger generation coming up in adolescence, and will inspire their parents' generation to come out of the graveyard, and come back and enjoy life for a change.

That's the way to do it.

Behind the Torture Scandals

Q: Gerry Halloran, from Boston. I was wondering about the prisoner abuse in the Iraqi prisons, and also Afghanistan, and so forth. Also, in relation to the prisoner abuse in Ireland, in the British prisons, the Irish prisoners, who are tortured and murdered. And the connection between Dick Cheney's wife, Lynne Cheney, and Baroness Symons, who works for Maggie Thatcher, or still works for Tony Blair today.

And how the cultural degeneration, even before the '50s, in the '60s, with MK-ULTRA, how they helped sponsor the acceptance or the willingness of the people to accept this kind of, I wouldn't call it leadership, but problems that we have in our leadership today.

LaRouche: The point is very simple—but it's not. The point is that we had a phenomenon in the postwar period, at the end of the war, that one section of the United States and British Establishment, which had joined with Roosevelt in opposing Hitler, during the war, even though many of them had put Hitler into power in Germany in the first place! It was the British and American bankers who put Hitler into power in Germany.

But then they didn't like the idea, of being part of a Nazi world empire. They wanted an *English-speaking* world empire,

not a Hitler empire! So, reluctantly, some of the Brits, and reluctantly, some of these bankers in New York—Morgan, Mellon, and so forth, Harriman—they joined the American cause, or the American-British cause, against Hitler. But, by the time Roosevelt died, something else had happened: That for those bankers, in Britain and the United States, who took the hard core of the Nazi system, into their bosom—the Nazis never died. They were incorporated into the Anglo-American system, and were an integral part of the NATO security apparatus, or second or third generation. It's all known.

Now, the point is, what is the philosophy that unites a Mellon, a Morgan, a du Pont, a Harriman, with a Nazi? Or, with the same kind in England, like Lord Beaverbrook, who was ambassador of Britain to the United States during World War II, but he'd been a supporter of Hitler! Lord Halifax, who was in charge of the press operations of the British during World War II, had been a sympathizer of Adolf Hitler! Dulles, the Dulles brothers, John Foster Dulles—for whom [John Foster] "Chip" Berlet is named, appropriately—was a fascist, a part of this. Harriman. Harriman, the House of Harriman, actually moved from the United States, moved the funds to save the Nazi Party in time to bring Hitler to power, when the Nazi Party was bankrupt.

So, Harriman was there when Roosevelt died. Roosevelt kept him in check, but Harriman was there, and he was with Truman, and Truman was with Harriman. (Truman, who had no middle name, only an initial. No period, just "S"; his mother had not been able to figure out what the name would be, so she put the "S" in there, intending to fill it out later, and never got around to it. So, he's an "S" man.)

But they brought the Nazi system in.

What we thought of as the right wing, in the United States in the 1940s, whom we got rid of temporarily by getting Truman out of there, and getting Joe McCarthy out of there, it continued. It continued in the form of Allen Dulles, and John Foster Dulles and others, who harbored these Nazis. Now, some of these Nazis got old, but they had children, they had a continuation of the process. It goes on today.

What you're dealing with, now, in the creation of the Baby-Boomer generation, is Nazism! What's the point?

The point is, there are two conceptions of mankind here. This is what the question involved; there are two conceptions. Is mankind, is the human being made in the image of the Creator or not? The age-old issue is: Can a few people turn the rest of the human beings into either herded, or hunted varieties of human cattle?

Now, how do you control cattle? You kill them, or you dumb them down. You turn them into what Jonathan Swift, in *Gulliver's Travels*, described as Yahoos, rutting sex in the ditch, nothing much else on their minds, eating and this. And sex with what? They don't care, they'll find out later, they want to do it first. That's the nature of the beast.

So, what all these things are, is here we had this great development—it wasn't perfect, but it was great. The United States had emerged as a great power in the world, Roosevelt wanted to eliminate colonialism; the British didn't agree. Things like that. So, the right wing moved in, inch by inch, to try to eliminate, to accomplish what Hitler was aiming to accomplish. To turn the human race into a collection of herded and hunted cattle. And so there's a program of dumbing down the Americans. To take away the characteristic of our culture, which enabled us to resist Nazism. It was called such things as the Congress for Sexual, pardon me, Congress for Cultural Freedom. It became the mass Congress for Sexual Freedom during the 1960s.

The purpose of this was to dumb people down. The transformation in education, to dumb people down. You no longer come to *know* anything, you learn to "repeat after me." You do as you're told. You adapt to fads. "This is the newest fad." "Oh, I've got to join it!" Whether it's corrupt or not. And this is the process.

What has ruined us today—the Baby Boomers don't recognize what they are. They are not a generation—they are a degeneration. They're a disease. They're diseased people who've been affected by the brainwashing which was done to them when they were children, when they were living in suburbia, and being told, "Be careful what you say." "Never tell the truth. The FBI might find out, and your father might lose his job. Learn to lie. Learn to hold back what you really think and believe. And don't even think it! Don't even believe it!"

A Nation of Sophists

We became a nation of sophists. We raised our children, in the postwar period, to be sophists, and the children became the Baby-Boomer generation, when they were hit with the terror of nuclear-threat war in 1962, with the Missile Crisis. With other things. The assassination, the unsolved murder of President Kennedy. And the plunge into the Indo-China War. The training showed. They had now become young adults. They were going to university, and they took their clothes off. They took LSD, and they soaked marijuana with wine. And they spent all night doing it, whatever it was. And that's what you had: a pleasure society. And the effect of sophistry in producing a degenerate society of that type.

Now, these people, who were victims of that process, the victims of the fears caused by the introduction of Nazism in the form of the right wing, into the postwar United States, the victim of the fears caused by the Missile Crisis, while they were still adolescents, the impact of the killing of Kennedy, the other assassinations, the Indo-China war, and the horrors of that type—which are extended today by what has happened in Guantanamo, what's happening in Iraq, what's happening in Afghanistan. The *beastliness*, fostered as a weapon, as the Nazis did it.

For example, the Nazis: Germany had no *reason* to kill Jews. *No reason*. The German Jewish population, the population of the Yiddish Renaissance in Eastern Europe, was one of the greatest assets of European civilization, of German civilization in particular. Look at the accomplishments! Remember, from the time that Moses Mendelssohn had entered Berlin, and through a process of freedom, the Jew, who was living largely as a peddler, with no right to be married, to have children, and so forth around Europe, suddenly had the right to have citizenship. They had to buy their names, of course, but they could have families. They could get married. And the inspiration among the Jews who were liberated from this condition, which had existed throughout Europe previously, became the greatest contributors, per capita, to the culture of Europe, and to Germany in particular.

Also, in Eastern Europe, the same thing. The greatest culture of Eastern Europe, actually was the Jews, who had been persecuted, but who were inspired by the Yiddish Renaissance, which was a spillover of the German Renaissance led by Moses Mendelssohn. And they killed them.

Why would a country kill off its most useful people, per capita? In order to create a *bestly act*, which would terrorize the world, and say, "Here is a true monster, *you dare not challenge*."

That's what you're seeing. Cheney. What's Cheney? Cheney is a *nothing*. He's only a beast. Don't think of him as human. He's been trying to outlive that, and rather successfully, for a long period of time. I think he got to be beast, when he married Sister Cheney. Because she picked him out of the football playing field, where he was out there, chewing on goalposts or something, got him an education, when he'd been thrown out of one college; got him all his jobs, and his positions; and suddenly, he becomes the monster, who's running Halliburton. And he's, of course, part of the Nixon Administration whiz kids, that sort of thing.

But, what you're dealing with, is, you're dealing with: Hitlers. Cheney is part of the same thing, that we had with Hitler. Who were also nothings. You had this chicken-raiser, Heinrich Himmler! He was a chicken farmer! This is not the highest level of intellectual achievement. And, this chicken farmer, look at what he did. Look at the other Nazis. Some of them had

educations, but most of them were nothing but dumb thugs—like Cheney. But, they rose, to what ranks did they rise? What were the ranks? They commanded society!

What's Cheney? He's a nothing! You wouldn't hire him. You wouldn't want him in your backyard! He might eat the dog. He's a nothing!

But, these kind of worthless people, who have an intrinsic sense of their own worthlessness, in their desire for power and prestige, *would do anything! to anybody!* for the sake of their power.

And, that's what you're dealing with. And the problem is, that the Baby-Boomer generation, because of the ideology it has, because it is a creature of reaction to fear: You go to the Baby-Boomer generation, what is the characteristic statement of the Baby-Boomer, in dealing with issues they don't want to face? *"I don't go there."* The Baby-Boomer generation is a generation of cowards. Not just draft-dodgers: cowards. *"They don't go there."* They let it come to them.

We Will Not Be 'Good Germans'

Q: [An e-mail from *Mahl* magazine in Korea] Mr. LaRouche, we in Korea have been the victim of the dangerous policies of the neo-cons in the Bush Administration, who first created a crisis with the North over the nuclear issue, and then made it worse. We had hoped that the Democrats and Mr. Kerry would be different, only to find that they are just as, if not even more, provocative. We want to resolve this crisis with the North, without the Americans forcing a confrontation, or war.

Mr. LaRouche, if you could set the policy of the Democrats and of Mr. Kerry on this matter, what would you tell them now, to end this so-called nuclear stalemate with the North?

LaRouche: See, Kerry's a Baby Boomer! I mean, personally, he's not that bad. But, he's been told, if he wants to be President, if he wants the prestige of being the Presidential nominee, he's got to follow the party line. Who controls him? He's not his own man! He isn't acting as his own man. He's not talking as his own man. He's accepting what his advisors, including Mr. Shrum-bag, are suggesting to him. Hmm?

He's not his own man. He's not making up his own mind. He's trying to adapt himself to play a role, like an actor playing a part onstage. He, himself, would be different. How much better? I don't know. But, he's not as bad a person, certainly—he's more truthful as a person—whereas as a candidate, I find him intrinsically *untruthful*. He's in a sense lying: He is living a lie. He is not himself. He is not letting his conscience speak through him. He's running for office under the control of advisors, his controllers.

Edwards has got his own agenda.

So, what you have is, you have guys running for President, who are not morally qualified to run for President. They're less unqualified, shall we say, than poor, mentally challenged President Bush, who probably could not find the White House without a guide. Certainly could not know whether the map is upside-down, and so forth. He'd try to go from Washington to California, and he'd end up in Moscow.

But, the problem here, is, *us*: *Why do we allow* men, such as Kerry, who are not un-useful, not without merit in our society, to be reduced to the status of clowns, by their advisers? To say silly things? As if this attempting to—this game, of playing this game with Iraq: What was done in Iraq—and Kerry knows it: We went to war in Iraq, because a cowardly Congress, voted for what it knew to be a lie! A cowardly Congress, of people like—. His profession was law. Under our law, what the Congress did, was a violation of the Constitution!

The Constitution, in its formation, was very specific on the law of war, the war powers of the Presidency. And, he did not have a Constitutional authority to go to war. Nor, did he have a right to go to military action, on the basis of rules of engagement, because there was not conflict which would require a President's response under rules of engagement.

We went to war *out of the cowardice, of the Congress!* The cowardice of the Senate! As Senator Byrd has documented this, quite accurately.

We went to war, for a lie! A lie cooked up, largely by the circles of Cheney, and Blair, in London. We have people dying, and he says, "Well, we've got to defend our troops." Very simple to defend your troops: Take 'em out! [applause]

So, this is the problem.

On the case of Korea: Kerry *knows*, as a Senator, he *knows* much of what I know, about the issue of Korea. He *knows* what the policies were, under Clinton. He knows what was set into motion, to avoid a war. Cheney wants a war! And, Kerry is implicitly, going along, to accept that, if Bush pushes it. And Cheney *does* want the war.

The fact is, if Cheney is not eliminated from office, and Bush were President in November, I can guarantee you, the United States—with Israel, or independently—would be bombing Syria; nuclear bombing Iran; involved in a coming war between various parts of Asia and China; nuclear bombing North Korea sites with mini-nukes; and spreading war throughout the world. That would happen.

Any American who votes for either of these clowns, that is, Cheney and Bush, is going to war stovepiped into their interior. They're going to get it. And they will *ask* for it! The American who votes for Cheney or Bush, is just as guilty as the German who allowed Hitler! [applause]

We are not going to be "good Germans." We are not going to accept that. We are not going to let a President of the United States, who is going to play the *role* of Hitler—or, worse than Hitler, in the world, because he's playing it with nuclear weapons: We're not going to let that happen to us. We're going to stop it.

So, Kerry does not speak for the United States. He does not speak honorably for the President of the United States, when he's soft on that issue. He *knows* what Cheney represents. He *knows* that any moral person, with what he knows—let alone what I know—that, either you get rid of Cheney, as quickly as possible, or you are not truthfully patriotic. You are not a true defender of the United States.

The 'Higher Hypothesis'

Q: I've been thinking a lot lately, about Plato's "hypothesis of the higher hypothesis," and, how to actually get the population self-conscious of this higher form of reason. And, I've got a couple of questions about it: First, I want to know how you can provoke people into thinking about this, through music. Or how it actually happens, that music would bring it to this level.

And also, what would happen, to the future of humanity, if we were successful in getting the majority of humanity to understand, self-consciously, Plato's hypothesis of the higher hypothesis? And what would that type of future actually hold for humanity?

And, the other question I had was just tactical: What do you think about the prospect of the LYM running for Congress in two years?

LaRouche: On the latter question, I think we'd better, very seriously—you ought to talk to Cynthia McKinney's father. [laughing] He might have some suggestions on this line.

No, what we're doing, we're going to do, actually, and what I think the youth should do, is we have to be—. Look, we're out, marching around, as we're going to be from Friday on, in a new way. We're going to be campaigning, to make sure that the Democratic nominee is going to be stuck in the White House, in November. And we're going to do it, in a way, so we will have some say about what he does in the White House. And be rid of some of these creatures, these swamp creatures that he's got around him, now.

All right, therefore we—not necessarily by saying "we're going to go out and run for Congress"—do what we're already doing: We have young people who are politically active, who've got some stripes in the process, as in the California battles against Schwarzenegger; and who are in the Democratic Party, as political officials in the Democratic Party. We're going to go for those positions, where it's the appropriate thing to do. Where we can win those positions.

We're going to find Congressional candidates, who are running, who we think we can work with, who want to work with us. We're going to work with them!

So, we're simply going to slide into a position of that type, and wherever there's a situation which justifies a consensus among us, "Hey! Why don't you run for Congress here?" We're going to do it! Or, for anything. State office, whatever! We're going for it!

But, we're not going for it as an ego operation, as a personal prestige operation. We are out to make sure, that this army wins this war. We're going to take the position that's offered to us, to be able to do the job, for this army, in this war. And this does mean, some members of Congress, those who are eligible, by age, for Congress; it does mean other political positions. It also means playing a key part, directly, or officially, or formally, or informally, in pushing certain campaigns.

For example, we have about 22 states, I understand, in the coming election, the general election: There are about 22 states that are on the edge, that can go either way. We are going to think about that. We're going to think about various candidacies, as in Texas and so forth. We're going to think about where we can make the difference, in bringing a victory in those particular situations. And we're going to get into whatever position we should get into.

The basic thing we should do, however, as a youth movement, is function as a team. And you know why, those who've been in it. Functioning as an individual is not the way to play it. The way the cognitive process occurs, as you know this, it occurs through the cooperation, a dialogue process. So, living the dialogue, living in the dialogue process, which is what the youth movement does when it's functioning properly—which is why I don't want it tampered with by the adulterated generation, hmm? I want it to have the freedom, to live in the mode of dialogue. Rather than being told what to do, as #2 or #3 in a pecking order, as an individual. I don't want competition, ego competition, among youth. I don't want to promote it. I don't want to have a situation that promotes it. I want this as, "We're working together, as individuals, to develop ourselves, and to develop ourselves in practice, in a way which is going to help the process we're aimed at."

So therefore, the higher hypothesis is very simple: It's a social concept. In music it's a social concept. Which—it's a long story, but you know, it's not so easily explained. But, it's true. It's there. It's the difference, you know, Furtwaengler's conception of "playing between the notes," actually involves the principle of the higher hypothesis. Where the whole work, in its own development, integrated development, it's one composition, it's one idea.

The performer, who's going to perform a musical composition of that type, competently, is going to think, not of the first note; he's going to think of the whole composition: The *idea* of the composition, as a unified process of development, as a single idea, what is called in German by Herbart and by Riemann, as *Geistesmasse* : the thought-object. Is an *indivisible* thought-object as the composition. Not a collection of parts. The thought-object is based on a process of development. Based on a process of irony and contradiction, which is called "counterpoint." And, you want to make the thing *move*, in such a way—. You're going through, not major-minor modalities; you're through a whole range of modalities. Up to ten or a dozen, when you get the Hungarian manner in there, you get a little more complication. Going through all this progression of modalities, which is a process of development. Progress through modalities.

And, this process of development, is now, then, conceptualized by the performer, *as a single idea*. Play the composition—*it's there!* In the simultaneity of an instant, it's there! As an eye-object.

And that's what every professional, good musician does. Is to work to develop the ability, through the mastery of counterpoint, to conceive a complex process of development *as a single, instantaneous idea*, an object: a thought-object. And, then, when calling the thought-object to mind, all the things that are necessary to guide that performance, from beginning to end, will flow from that person's mind, under the guidance of that thought-object. Hmm?

Now, therefore, it's this kind of activity, in exchange of ideas generally, among young people who are young adults, who are in this dialogue process: This is the way to develop these powers. And, when you *do* that job, and you display these powers, because you're developing them, people will look at you and say, "Hey, what is that stuff, you're doing there? Hey?" And they will begin to say, "Hey, I'd like to find out about this. I'd like to experience this."

So, rather than giving a name, a word, to it, create the experience, in which this has to be recognized.

The Power of an Idea

Q: Yeah, my name's Limari Navarette, and I'm also an elected official in Los Angeles, on the Central Committee. And I really liked that you brought up Friday [LaRouche's announcement of his new PAC to ensure a Democratic victory in November], because I see that a lot of people are thinking about this, at this point, in the youth movement. And, in L.A., Phil Rubinstein made a joke, that it's almost like the Convention's an Apocalypse, and the world's going to explode. So, I'm really glad you brought that up.

I think it's a lack of understanding of what an idea does. It's not always there, and we get stuck in the immediate. And, I always see this as our weapon, our most powerful weapon. And then, understanding, when people ask the question, "What's our effect?" How do you measure that? How do you know that? How do you know that what we saw with Leo Strauss really came from us? You know, you hear these things.

So, I wanted you to actually right now, to communicate to the entire youth movement, how might we use our greatest weapon, the power of an idea, to its fullest potential throughout this week, as we're in Boston; and see our identity in that, so that we could have the most powerful effect we can, while we're here in Boston.

LaRouche: Well, that's the real reason that I wrote the Platform, as I did.

That immortality, the sense of immortality, is made concrete by a sense of history. And history has to be understood as two things: The question of what is the difference between man and an animal. Is there a difference? And, the related question: What is immortality? In other words, do you have the guts to die, if necessary, for what you're fighting for. And, what is the process, the historical process, by which we came out of the murky, unknown past of pre-history, into being ourselves,

here, today? And what are we doing, today, as a result of what happened in the immediate preceding generations, and that experience? And what are we going to do, for tomorrow?

And that's how the power of ideas is communicated.

When you think about things that made the difference—for example, the question of Roosevelt. Roosevelt came in, he was a true patriot. That is, his great-great-grandfather, Isaac Roosevelt, was a banker in New York, who was allied with Alexander Hamilton. And Franklin Roosevelt—at Harvard, of all places, you know, these days—wrote a paper at graduation time, which developed, treated that legacy, his personal family legacy, of the American System of political economy.

And, he struggled through his experience with poliomyelitis, and in that process renewed his roots, through extensive studies. Became the governor of New York, and went on to campaign for the Presidency, against the leadership of the Democratic Party—John Raskob, the Terry McAuliffe of that period.

So, he became the President. But, he went into the Presidency, in the Great Depression, knowing what he was doing, knowing the history that he represented, in a great degree, and trying to foresee the continuity of history as he knew it, to the future. He was future-oriented, in the present.

For example, let's take the Bretton Woods system. What did he do? He put, first of all—immediately—he put the national banking system, the Federal Reserve System, effectively into bankruptcy reorganization, with the power of the Federal government. He used the Constitutional powers, of the Presidency under the Constitution, to get the Congress to give him the credit, the utterance power, for credit to save the U.S. economy, to stop the slide down into the Depression. He launched programs, with understanding, to rebuild the economy.

Knowing that a war was inevitable, he prepared the United States for war, at a time when the United States had no preparation for war. The U.S. Army was largely a few top generals, and similar people, like Major Eisenhower, who was working for MacArthur, and a bunch of kids, who were called "Useless Sons Accommodated"—USA, U.S. Army. Useless Sons Accommodated. If you couldn't get a job, join the Army. And they were treated very much like that.

With a few hundred thousand-odd people, to prepare for a war, against major powers in Europe. We didn't have the best fighting troops. Not true. We had the logistics, that nobody else had. In sheer tonnage of logistics, per capita, per soldier, we had *overwhelming power!* That's how we won the war. Yeah, people died. They sacrificed, they risked, and so forth. But, the reason we won, was not that we were the best killers. We weren't. We weren't the best fighters. We weren't the best tacticians. Yes, we had some senior officers, who really knew something, like MacArthur, who was brilliant. Eisenhower was not stupid, by any means.

But, we won the war, because Roosevelt ensured, knowing what was going to happen from the time he became President, ensured that we would get the strength and the capability, to deal with the looming war, which was building up in Europe. And, when we went to war, we were building a logistical capability, unequalled in human history! The American soldier outgunned every other soldier in the world, in sheer *tonnage* of technology. He did it.

And therefore, you have a sense of that. Then, at the end, 1944, he shoved down the throat of the British, and the Dutch, and the rest of the them—he shoved down their throats, the Bretton Woods system, which kept the world going until the middle of the 1960s. Until those who inherited power, by scaring Johnson half to death, got us started in the Indo-China War, and gave us the Ku Klux Klan government of Richard Nixon. And broke the system, and set up the system, the economic system, world system, which has bankrupted us, today.

That's the idea. You have to think in terms of the unity of an idea. The history of mankind is a single idea, as we know it. For me, it's a single idea. I know it personally, as you will see reflected here, and in other writings. I know it personally, as the history of European civilization, particularly from ancient Greece to the present. That lives within me, as, not a collection of ideas, but a single idea: A single struggle against evil, to liberate mankind from a condition in which people herd people, or kill them, as herded or hunted animals. That's a unified idea. A single idea.

Then, you look back; you find other parts of humanity, outside European civilization. You find the connection of ancient Egypt, which takes you back another 2,000 or more years, to the Pyramids at Giza. You trace civilization from there—again, a unified idea, of humanity.

And, the key thing, is to get a unified conception through study of history from this standpoint. A unified conception of humanity. To see yourself lodged, as the theologians sometimes say, "in the simultaneity of eternity": That you are living a short life, a short, normal life, in a small place, in time and space in the world. But, you're part of eternity, which you know largely through the history of mankind as a whole, through its development, its struggles. What are you here for? To do a job! You're an angel! You're here to do a job! You're here to do something that needs to be done. And, when you pass on, what you have done, *will live!*

The Trap of Reductionism

Q: Hello. I have a question regarding, I guess, it's something you said early on, in your own work, about the process of remembering, or regeneration of a thought, being analogous somehow to the development of an organism from an embryo, or whatever stage you want to start at. Now, I mean, I don't want to get too much involved in it, but you can bring in the thought-object into this; but, I was more interested in connection of an idea like this, which is somehow holographic in nature, where you have the whole being something that is represented in each part of the parts, in relation to work you've done with DNA, and driving this some sort of life principle being centered around DNA, where you have the whole organism represented inside a part of the organism. Which even physically, qualitatively, it's something that's different.

You know, in terms of the mind, if you look at it inside the cell, the one thing that seems to be protected, is DNA. And everything seems to be running around, whether protecting or doing the things that DNA wants to happen.

On a bigger, metric level, even, you have all sort of cells in the body, but you have a certain neuron, which is characteristic, you know, if you look at it under a microscope, it looks different; it has different properties. And, it seems that—I don't want to reduce it to this—but your whole apparatus is there, designed to make sure that you have the ATPs to maintain this gradient, and manipulate how you need it.

So, I was wondering if you could take it, from wherever you want to, to wherever else, but just kind of get that in there.

LaRouche: Well, I'll give you an example, there are two ways, as an example. First of all, take the general concept you raised, and secondly, the more particular, where you get more involved in a trap. The trap of reductionism.

First of all, if you see, look at this document, for example, which will now be in another form. How do I write this? I don't write crap. I mean, these guys, who write these papers for the Democratic Party or other parties, or these speeches—they're disgusting! They're junk! There's no intellectual significance, to them—! They're garbage! It's pure sophistry! It's babbling!

But, if one guy babbles, the other guy now starts to babble, he understands. The next guy babbles, too. He understands. Why do they understand each other? Because none of them know anything! Therefore it's easy to come to an agreement. It's an emotional attitude. "I gotta go along, to get along."

What I'm trying to do, always, and I did here, what shocked me about this pretense of a platform—this piece of, this junk. It's even bad junk, it's not even nothing! It's better if this platform they issued were nothing, than what it is. Because it also tries to be something, when it's really nothing! It's like trying to marry a department store dummy. It's all right for it to be a dummy, but don't marry it! And that's what these guys did, with this so-called platform. And they tried to give it life, and figured out how to keep the thing alive, you know. It didn't die—how're you going to keep it alive?

All right. The point is, there's a process in history. There's a process in all events. What you have to do, is what I did here. You're going to talk about what we're going to do. Okay, how did we get here? Where are we? What country are we in? Where'd it come from? What's the problem we're dealing with? Where'd it come from? How're we going to get out of the problem?

And you have to have a comprehension of a process, just like a scientific process, of what's the situation; define the situation; how did it develop? What's its history? Now, what're we going to do about it? And, when you have an answer, as to what you're going to do about it, now, you have a concept. But, you can't have the concept without putting all these considerations together. You have to have a sense of a process.

Now, the problem here, and I refer to a typical case in here, as I do elsewhere: When we developed electrification, rural electrification, in the United States, under Franklin Roosevelt, there was an immediate increase, an accelerating increase in the productivity of farms, per capita and per square kilometer. Even in the case that the farmer did nothing else, to change the way he produced, his productivity was increased, as a result of rural electrification.

When we develop water-management systems, which take areas of the world which are barren, and less productive, we build an area into a rich area—a rich area of, you know, adequate water; you promote the growth of green life and things of that sort; you now have a much higher standard of living, without doing anything else! Simply because the same things you were doing before, can be done better, because you now have an improved environment.

Now, the universe is like that: The universe *is* a universe! The universe is not a collection of things, rattling against each other. The universe is not empty space, filled with things rummaging around. Therefore, the behavior of the thing, the individual thing, is not located entirely within the thing. It's located within the process which has created it, and makes use of it. And, that's the case, in this case of this genetic thing. There is no genetic determination. What there is, I use the term "appropriateness." There is, in the development of the species, of the human species, at a certain level; obviously, there's a point where you have monkeys—running for Congress, for example. And, getting elected! That's the worst part!

So, but, what's the difference between man and a monkey? Or, man and a lower species? Here, you have human beings: They're capable of creating. They're capable of changing, willfully changing, their population density, of their standard of living. A species, which by monkey standards is capable of, say, 3 to 5 million population on this planet, *any time* in the past 2 million years—in the ecology of the past 2 million years. It's now got a population of over 6 billion people. How'd that happen? No other species can do that. Every other species, and variety of species, has a fixed relative population potential. Mankind has a willful ability to change his population potential, through discovery of principles of the universe, which we make use of, to change our power, in the universe.

So, man has developed, as an appropriate being, appropriate to the purpose of being made in the image of the Creator. That is, being able to do things that nobody else, except the Creator of the universe can do.

So, the answer to what we are, lies not in the parts that compose us, because, those parts die. The person dies. The body disintegrates. But, the ideas, which are shaping the history of mankind in the future, live on. It is those *ideas*, which determine man's nature. Not the physical composition of it.

But, what we see in the physical composition, is the *organization* of the physical composition by something, which causes this effect, which causes the progress of humanity. What is that? It's ideas.

What is an idea? Well, theologically, God is an idea. The universe is run by an idea. And, we are in the image of the Creator, because we have ideas.

Always Look for a Paradox

Q: Hello, Lyn. My name's Michael. I'm from Seattle. In your last three major works, that I've been following, it seems that you've launched a project, in that, you've explicitly laid out what, in the near term now that we're going to be looking at; and what you've been saying, looking down at the economy from the last 50 years, in intervals of 2-3 years, and increasing the pedagogical standpoint of how we're going to get the Baby Boomers to understand what happened to the economy, in these sort of time-lapse images that you've been looking at. And, we've seen a preview of some of the work that's already been done, in the last webcast.

My question is, for those of us that want to help collaborate on this project, of what you've been saying in the last few papers, what you want to do, that you could say a few remarks for those of us, across the country, who do want to help you.

And also, you've said, recently, in one of your papers, that when you made your crucial discovery, that that discovery changed your life from thereafter. And you look at everything from the standpoint of that intention of that principle. So, for those of us, who do want to help you collaborate on this project, we're going to have to look at it from the way that you look at physical economy. So, if you can make sure that we are very clear on potential relative population-density, so we help you with the project, that'd be great.

LaRouche: All right, the first thing to do, is you always start with negatives. You start with paradoxes. A great scientist always looks for a paradox, something that can not be explained in terms of generally accepted interpretations of experience. That's what science is. You start with a paradox, just like, for example, the case I've often cited: The example of Kepler, and his discovery of universal gravitation, which was a unique discovery by him. And, there were several things involved.

First of all, he made a more precise calculation of the existing measurements, including his own, and those of Tycho Brahe. In which he saw that the orbit of Mars was generally elliptical, in the first instance. And secondly, that the rate of progression of the planet in the orbit, was not uniform, but was governed by the apparent principle of equal area/equal times. This also showed up in respect to Earth, because we're observing Mars from Earth, and Earth is in motion. It's rotating, and it's also in motion around the Sun. And therefore, if you have an observatory on Earth, your observatory is moving. So now, the relationship between the changes in orbital characteristics, by trying to normalize this, so you can compensate for motion, comes up with some very interesting phenomena, which you can observe. One you can observe, on the right occasion: That it appears, at a certain point, that Mars loops back on its orbit, and goes backwards and then comes back and resumes the orbit it was going in before.

So, these anomalies, that he observed, provoked him into saying that he now had a crucial proof, that Aristotle was an idiot. He already suspected that, because he was a follower of both Nicholas of Cusa, who was one of the great founders of the Renaissance, and also an immediate follower of Leonardo da Vinci, and Luca Pacioli, who were also followers of Cusa. And so, he knew this.

So therefore, it was the *anomaly*.

Now, from this, he developed two things. For example, he, developed out of this work on astronomy, and developing gravitation, he proposed to future generations that they must understand elliptical functions, which on the surface seem fairly simple. But, we are still working on them. The essential discovery was made successively, in a sense, in this area, by Gauss and by Riemann, with the help of an intervening fellow called Abel. A young Norwegian, who worked on this question of Abelian functions. And, by Leibniz himself, who discovered both the infinitesimal calculus, which some people deny, even to the present day, to exist. (You have people teaching mathematics, who deny to the existence of the fundamental principle of the calculus.) And, as a related physical principle, which is the physical principle of the catenary-cued principle of universal least physical action. And all of this came out of this succession of paradoxes, in which sense-perception and a simplistic interpretation of sense-perception, did not allow you to understand why these things happened the way they did.

So, that's the way we approach this problem today, is we look at these questions, and we look at the paradoxes.

Real Economics

Now, I'll give you a concrete one, which is also referenced in the platform, issued now: Is, first of all, we have to stop—as I referred to in that broadcast—we have to cease playing around with trying to adduce economy from financial statistics. Financial statistics is a fraud. Now, most of you here know it's a fraud, that is, particularly most of you who've lived, at least partly, as long as I have. Because, you know what they tell you about prosperity, is a damned lie! We have *not* become more prosperous. Things are *not* better. We did not have an improvement in the economy in the past ten years. It never occurred (*Figure 1*). Those in the lower 80% of family-income brackets *know it*: It hurts! They not only see it, they smell it, *they feel it!*

All right. So, therefore, what we have been told about the economy *is one big lie*. And all the economists, the academic economists, are liars.

Now, you want people to understand how an economy actually works. The first thing you have to do, is prove these guys are liars. Now, how do you do it? You say, "Dear Professor Idiot. We came to teach you a class. 'Why You're an Idiot.' And we're going to prove it, right now." All you have to do, is what I did, in part, in that presentation, the webcast on July 15. In which I've outlawed all financial reporting in our organization—it's a crime. It's not a source of information, it's a crime. Because all of these things are lies.

Take a map of the United States. Take it county by county. In each county, divide it by 100 square miles. In each of these counties, count it by 100 families. Now, look at the physical conditions of life, and production, in every part of the United States, on the basis of this map: What area lost the farm? What area lost the power generation? What area lost water? What area lost farmers? What area lost industrial jobs? So forth and so on. What area lost health care? And you see a picture of the United States, over the past period of 40 years; especially the past period of 35 years; especially the past period since about 1981, since the Volcker measures—and look at what happened to the economy. This nation of ours is being *physical destroyed* and economically and physically destroyed in the conditions of life.

But, people say, "Well, in Boston, we have this. We have that."

Well, how much did it cost you? Who could afford it?

New York City: "Oh, big buildings!" Ha-ha, if you could get by the toll booths. How much did it cost you? Who can afford to live in that city?

Why are people moving the way they are? People find areas of the country, in which they can live and raise families, they can no longer live in; they can't afford to live there. The physical facilities that they used to have, don't exist! The factories don't exist! We don't produce our own food! We don't produce what we wear! We don't produce what we use! We import it, from slave labor overseas!

Wal-Mart is typical: Wal-Mart moves into an area, it takes over marketing. By its power, it gobbles up the competing firms of the areas it's moved into, in a county, or multi-county area. These firms go out of business. Wal-Mart demands that the producer firms, from which these firms in this area—foodstuffs and so forth—are supplying, the markets, these firms can no longer compete with Wal-Mart. They go out of business. The producing firms go out of business. Because they say, we can get cheaper production from China and so forth, overseas.

Globalization, NAFTA, and so forth, with the aid of Wal-Mart, are destroying the United States. How do we eat? We go into national debt. We steal. The current account deficit: We no longer pay for what we consume. We have a currency whose value is totally artificial. On the world market, our currency is not worth what it's pegged today.

Then, you look at the physical figures: Where are the jobs? Where are the plants? Where are the industries? Where can we produce what we need?

We can't do it any more.

We've become like Rome, ancient Imperial Rome, which lived on slaves it had conquered from overseas. Looted countries it had conquered. And when the countries it had looted, were looted down, then Rome no longer had any supplier. And you had the great collapse, the so-called first Dark Age, of European civilization, which came in the collapse of Rome, *which was a vast and deep depopulation of Western Europe*, as a result of Rome.

Get Your Hands Dirty

We are now, in the United States, and in Europe: We are now at the verge, where a financial collapse would not mean a cyclical depression. It would mean a process, unless we change the system, of a deep collapse.

All you have to do, is do this simple, first step, in response to your question. We just simply do, what I've ordered people to do: Forget these financial correlations. Forget what this *idiot*, Alan Greenspan, says. The man's a monster! He's a beast! He's an animal. Put him back in his bathtub and hope he comes clean. Don't pay any attention to this stuff! Yeah, we pay attention to it, in a certain way. But, don't try to say, "This tells you how things are going." It doesn't tell you how things are going.

Looking at physical things tells you how things are going. The conditions of life: health care; hospitals; hospital beds (*Figure 2*). What's happening to senior citizens? What's happening around the country—county by county? Look at areas, once prosperous and productive, which are now *dead*. And look at the concentration of some people in a few areas, which are not dead—like you see in the Boston area here, which is gentrified, but not particularly productive. This used to be a very productive part of the United States: The Route 128, in the post-war period, was one of the most productive areas of the United States. It was partly shut down, by '66-'67, with the change in the U.S. policy, when we began to shut down the NASA operations. Then, we moved on later, to 495, around greater Boston. That went down, because labor in New Hampshire was cheaper than it was around Boston, so therefore, they moved out, toward New Hampshire, southern New Hampshire.

And here, you have this thing is sitting here, as Boston is a financial center. Money comes in, into a financial center.

But, look at what we used to have. I mean, it was horrible! I mean, don't kid me about the Boston area. I know—I lived here! You can't sell me on this stuff. It was rough. But, we were a productive part of the world. GE used to have in this area, used to have, oh, about 30,000 employees. Find out how many employees GE has in this area, now. Find out what they used to produce; what they produce, now. Go through the Census.

We are losing the industries. We're losing essential industries. We no longer have not only a *shortage* of employment in these industries, we are losing *whole categories of industries* which are part of the food-chain of industrial society. We're shipping them overseas. We're *losing* technologies. We are *not* progressing. And, that's the point, is, to think like a scientist: Get your hands dirty. Look at the physical reality you're dealing with, and study the physical reality, to show you *what is really happening*. Now, try to find out, *how* it is happening, *why* it is happening, and what policy changes have to be made to stop that, and to reverse that process. I mean, for me, it's simple. I know the answer, already. But, for you young people, you've got to go through the experience of discovering what I know. And, a lot of American people have to, too: By going through the process of looking at the *physical facts*. Looking at what the problem is. Looking at what used to exist; what we've lost; what we have to put back.

And, having a program, as I do—what the Platform's about—a program for rebuilding this nation, and starting immediately. What do you do, tomorrow morning, if you're President, and the nation is in a depression? What do you do, and how do you know it'll work? I can answer the question. Can you?

You should be able to answer the question. If you're not able, become able.

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LaRouche to West Coast Cadre School

Beyond the Convention: Mobilizing the Resistance to Fascism

Lyndon LaRouche spoke to a cadre school in Los Angeles via teleconference, on July 17, 2004.

Well, this is a very interesting time of your life, and mine. For example, we have a pattern of things, which is indicative: A case in Germany, in Bavaria, where we made a comparison to [Nazi Economics Minister Hjalmar] Schacht for some of the present policies, and somebody tried to officially get nasty, about the fact that we mentioned Schacht, as a precedent for what is actually going on today.

In France, we have a case with Eric [Sauzé], also implicating our dear friend, Jacques [Cheminade]. And there, also, something is done, the same thing. In the United States, a similar thing.

Now, we actually have live Nazis, running around all over the place, in government, in the Democratic Party, and elsewhere. They don't always call themselves Nazis, but their pedigree is that. You know, I've gone through this, again, and again, and again, and tried to make it absolutely clear, that this long history from the 18th Century, when the British East India Company, under Shelburne, set into operation in France, an operation called the Martinists, out of which came the French Revolution, came Napoleon Bonaparte, then came the Synarchists, between 1918 and 1945, who produced all of the international Nazi operations, including the Spanish [Francisco] Franco, was a Nazi, that is, he was a junior, Spanish-speaking edition of the Nazi Party.

And in Mexico, the Nazis directly created a party of *Hispanidad*, under various names, including the PAN; which this guy Fernando Quijano joined, under the direction of a Nazi, but, in concert with an American, Nestor Sanchez, who was tied to the section of the CIA, which was running death squads in Central America. So, actually, in spirit he is a Nazi. Fernando is, by adoption, a Nazi.

So, they're all over the place.

We're in a period, in which, like the period 1918 to 1945, in which the Nazi system was dominating all of western and central Europe, under the Nazis really—but it was under the Synarchist International, which created the Nazis. And, when Hitler died, the Synarchist International continued—and they kept many of their assets from the Nazi SS and SD system in it, including General Wolff of the SS in Italy, from whom the Italian terrorist organization, still existing today, came.

So, this thing continued. Now, we've come to a time, at which the present world system is disintegrating. Actually, we're in the last phase: When the official financial collapse occurs, we don't know, but it will be soon. But, now we're in the doom of the existing world monetary-financial system. Much worse than in the period 1918 to 1933.

But, it's the same general idea: Is, that what happened over the post-war period—you had Truman, who was effectively a protector of that section of the Nazi system, which was brought *inside* the Allied system again, through these banker networks. His policies were that: Truman had, essentially, the policies which are followed by Cheney today. So, the Democratic Party had its Nazis, too. As a matter of fact, the head of the Democratic National Committee, in 1932, John Raskob, was a guy who was involved in a plot against the President of the United States, and was Roosevelt's opponent for the nomination, just as McAuliffe is my opponent. And these guys are all either fools, who work for Nazis, or Nazis, at least in principle.

So, that's the problem. That's why people are so sensitive, when you make a comparison with a policy now, with the same policy which was pushed under different auspices by the Nazis then. We've come full cycle. The Nazi threat is back. It is sitting in the Vice President's chair. And, of course, the Attorney General's chair.

So, we have this problem. And people are very sensitive about it.

A Declaration of War

Now, as you probably have noticed, I have declared open warfare, in various degrees, on these Nazis. We've done it with the series of the Beast-Man reports, which are documentation of this....

Is there a security risk to the United States? Yes! Where does it come from? It comes from the same people who were behind Hitler, that is, the same banking network, which is supporting the Governor of California, Schwarzenegger, who represents a part of the same thing: This is George Shultz. Remember that Schwarzenegger was *part of* the Enron operation. He was a participant in it, through his financial operations. And, if you want to say, "Who robbed California?" Well, Schwarzenegger's still there, working for George Shultz, still.

So, this problem is here. It's a real problem, and we're out to defeat it.

Now, where do we stand? We have several things going on. The first, as I've emphasized: You're not going to stop this thing outside the United States. We can find help, from outside the United States, to stop this problem, as Roosevelt did, in his time, against the Nazis. But, we're not going to sit back and find that somebody from abroad, from Europe or elsewhere,

is going to intervene and save our bacon, by getting this Nazi threat away from us. We're going to have to do it *ourselves*.

If we do it, effectively, if we show leadership, of the type that Franklin Roosevelt typified, *we will get support* from many parts of the world, for a U.S. effort in this direction, and we can defeat this problem. We can also overcome and deal with this threatened, general collapse of the monetary-financial system and economic system, we can deal with that. But, it must come from *us*.

Now, coming from us, means what? Well, as I've explained, the way the United States works, which is what most people in universities, teaching and so on, lie about or just don't know about: The United States has a constitutional system which is different than the constitutional system of any other part of the world today. There was a tendency in that direction, with Charles de Gaulle, with the creation of the Fifth Republic in France, as a true Presidential system. And he had some of the impulses in him, at that point, particularly, as he'd gone through a whole series of changes in his own life. He had the impulses to do it, to save France, and to save civilization.

But, our system is unique. It's a Presidential system. And it's based on a principle. Now, other constitutions in the world *do not have a principle*. Not in the sense of a scientific principle. They have a list of do's and don't's. It's a patchwork collection: a statement of purpose; then, something like a patchwork quilt—you stitch something in here, you stitch something in there, and this patchwork quilt is called a "Basic Law," or "National Basic Law," or some people dignify it with the term "Constitution."

So, we're the only country in the world, which has a real constitution. And we've had the Constitution, in principle, since it was adopted between 1787 and 1789. The same principle was expressed in the notion of the "pursuit of happiness" by the 1776 Declaration of Independence. This Constitution came from Europe: That is, it was created in United States, but the *ideas* behind it, included things like the 15th-Century Renaissance; the legacy of Athens, Plato's Athens, or Solon's Athens. This was a conscious idea, in the framers of our republic: Solon's conception of Athens; Solon's letter, in his advancing years, to his fellow citizens about how they had, shall we say, "screwed up." That was a model. Plato, Plato's dialogues, were a model, for what we did in forming a republic. But it was also a Christian model: It was based on the conception of the general welfare, of what's *agapé*, the same concept which was adopted by the Apostle Paul, but which is already in there in the *Republic* of Plato, and in other parts of the dialogues.

So, we start with a principle, which is in the Preamble of our Constitution, the principle of sovereignty against empire. We are sovereign. The principle of the general welfare, which is *agapé* for all of our people. The principle of *agapé* as extended to the responsibility to our posterity. So that, a youth movement is actually the future of a nation. Because what an adult generation, or the older adult generation, is doing—the incumbent adult generation—is doing with its youth, *is* the future of that nation. That's our Constitution.

Our system of government is based on a Presidential system, not a parliamentary system. European systems do not have a true republic. None exists in Europe. European systems are based on the existence of an "independent"—so-called—central banking system, which actually represents a Venetian-style, international financier oligarchy. This oligarchy has veto powers over the financial and related affairs of the nation. And, in a time of crisis, those interests move in, as they did in 1918 through 1933, to impose what we call "fascist" states, or similar kinds of states, on their nations.

We have a principle, which Roosevelt expressed, as did Lincoln before him, that, in a crisis, a financial crisis, the U.S. Executive branch must take the lead, under its Constitutional powers, to protect the people against the buzzards, the vultures, the bankers, which is what Roosevelt did. He saved the financial system; he saved the banks in general. But it was done by the Federal government, under the authority of the Federal government, through, chiefly, the Executive branch, and the support for what the Executive branch was doing rallied from the Congress. Over a reluctant, mostly pro-fascist, Supreme Court, under Hughes and so forth.

So, this is the system.

Mobilizing the Resistance

Now, what we've done: We now have—or, we are integral to, is the best way to put it, and we are a spark-plug within that—a group in the Congress, around certain committees, around certain figures, which is mobilizing resistance, against the fascist regime of Dick Cheney, and his stooge, the current President. We have, also, significantly, from among the ranks of the retired and other representatives of the professional parts of the Executive branch of the government—military, intelligence, diplomatic, and so forth. We also have support, not only from people who have served in government, as officials, but those who, in universities and other ways—as me, for example—have advised government, have been a part of the Presidency, in its function, at various times, in our past careers. Many of us are now grouping together, more and more of us are coming together, resolved to do our part, to save this nation, from what threatens it. We have, as I said, we have people from the Congress, that background—no longer in the Congress, but formerly; people in the Executive branch.

That's the core. That's the core, under our system, of mobilizing *our* Constitutional institutions, to defend *our* nation, and to rally our people to the defense of the nation, in that way. That's what we're doing.

So, at this point, our enemy is, essentially, anyone who is soft on Nazism. Which is the same thing as being soft on those kinds of bankers, who are like the Synarchist International bankers, who gave us the Nazi and similar systems throughout Europe, from between 1922 and 1945. That's what we're doing.

Now, there's a very special feature of this, which I addressed, also, at the recent webcast, this past week, Thursday [July 15]: the idea of immortality. To have the guts to put your life on the line, when that may be necessary, for the sake of humanity. If you do not have a sense of immortality, you will find you don't have the guts to do it. This is the Hamlet problem. Hamlet—Shakespeare's Hamlet—plunged to his death, in order to free himself of this nagging fear of immortality, as he sums that up in his Third Act soliloquy. This is a typical problem. I go through the list of people, who are candidates for President, or have been Presidents, or similar kinds of positions—and I find a whole bunch of them are cowards, in the sense that Hamlet was a coward. Who went in flight forward, to death, rather than face his anxiety about what lies beyond death. "Get it over with! Go to death: Get it over with!" Like the guy who charges the machine-gun nest, and gets shot to pieces, because he can't stand the tension of waiting. That sort of thing. Flight forward. That's typical of the situation.

So therefore, we don't have—this is called a "Christian nation"; it's not Christian. Don't kid yourself. It's very hard to find a Christian, especially in the churches! They're Hamlets, at best. They believe in an immortality, a Heaven which lies outside the universe someplace. They don't believe in immortality of the individual, within the universe. Or like Jeanne d'Arc, or like I made the comparison to Martin Luther King.

Those of us who fight for something, even at the expenditure of our lives, in order to bring something into being, which must be brought into being—our immortality is expressed by doing that. Just like the immortality of any great discoverer of universal physical principle: They *live* in what they've contributed to humanity, what is transmitted through their work. They've put their lives on the line, for humanity. And they live, still, because they are still acting, in consequence of the discovery, or the similar act, that they've made, which is still there, vibrating, still giving life, to civilization. People lack that.

Now, to have an effective youth movement, you have two factors. First of all, you have the fact that, well, nobody's getting out of this life alive, you know. But, you have also a sense among youth, that there is no future, under a continuation of the present trends, the Baby-Boomer trends. And there has been, for the past four or five years, a very sharp cleavage, a new

kind of cleavage, not only within the United States, but also within Europe: a cleavage of the young adult generation—that is, typified by the 18 to 25 group—and their parents' generation. This is not a difference within the family. It's almost as if it were a different species: Because the old fellows (they're not so old, really, but they pretend to be), the old fellows are wandering around in dream-land, in fantasy-land; acting out a fantasy; not facing reality; looking at their comfort; living in a world of entertainment, not reality; fleeing from reality, into entertainment, like the ancient Romans in Imperial Rome. Bread and circuses. The bread is shrinking, but the entertainment is increasing.

So, the problem is, if you're going to take the job of changing society, it's like fighting a war. You're putting your life on the line—if not physically, at least in principle. Do you have the stamina, to stand up to that? Or will you fall by the wayside, when the pressure gets too tough? The fears become too great? Like Hamlet's fears. The only way you conquer that, is to have a sense that you *are*, in a sense, have access to immortality. And, that's of course, the reason why I emphasize this Gauss 1799 paper [The Fundamental Theorem of Algebra], and what's related to that: Is, to get a sense inside our people, as I've described, like a lightning bolt, where suddenly you *see the point*, in this case made by Gauss, against Euler and Lagrange. When you *see* that, now you know what a universal physical principle *really* is! And you understand, that this is a power in and over the universe. And, that by grasping that, and building upon that, you can change the world for the better, for coming generations: It gives you a personal sense of the authority of immortality.

And that's what we're trying to do. That's why the youth movement is crucial.

The Convention Is Undecided

We're now going into Boston—nobody knows what's going to happen up there. On the one side, it's a clown show. But, on the other side, some of the people who are participating in the clown show—even people like Kerry and so forth—have a sense, that there's something very, very wrong, in the present process in the Democratic Party in particular, and in the nation.

So, it's not decided. Some things seem to be decided. Some people are pushing, to say, "No, it's closed. The question is settled. It's all over. It's concluded." It's not!

But, we *don't* know what's going to happen. Because, what is going to happen, is probably something that nobody thinks is going to happen, including us. So, it's like going into war: You're going into a situation, there is going to be a decision, there is going to be a battle somewhere, and things are going to happen. What's going to happen? You don't know! But, you know that you're going to do what you can, to *determine* the outcome, whatever turn the situation takes.

Now, what we're going to do, is, as I said, I'm going to get out, soon, a platform, which will be an independent platform, for Democrats. I will have that platform circulated in the context of the convention, and also more widely circulated. It will be an overlap of what is going on with the campaign, now. So, the campaign will actually continue. It will go beyond the pre-Presidential nomination campaign, to the post-nomination campaign, and we'll do it without skipping a step. We'll still be in there. We'll be doing it; we'll just be doing it, under slightly different auspices: Mobilizing the nation, mobilizing around the idea of the Presidency, and also concern for the composition of the Congress; and various other issues we take up.

What we're going to do, is, we're going to cause the youth movement to emerge as a spearhead of the politics of the Democratic Party—whether they think so, or not! *That's* what we're going to do. And, you guys have to have a sense of your immortality; you have to have a sense of history, not from the underside, but from the topline, looking at it from the long term.

And we're going to go in there. We're going to hold our own events, in Boston. Whatever happens in the convention—we

will do, what people used to call "our thing." We'll be there. We will be in interaction, with the convention process. Maybe not in the halls in the convention, but in the process around it. We will come out of that, as much remembered, or more so, than the convention itself, because, people may walk away from this convention in disgust—who knows? Who knows what's going to happen? Whatever the selections are, of the Presidential candidates, *we are going to shape the environment*, which will determine what those candidacies mean, going into the November elections.

That's what we're going to do.

And so, therefore, we are now in a time, where decisions are made, the great decisions are made, which determine the outcome of history, for a long time to come. If you look back, you realize that, since 1763, there has been a certain continuity, in modern European history as extended to larger parts of the planet. It's a continuous process. We've now come, to what might be called a "millennial crisis-point," where hundreds of years—or, actually, implicitly thousands of years, since the fall of Athens, and since the rise of Rome—we've come to a point, where there's going to be a change in the course of history: We're either going into a liberation from the kinds of problems, which the past events of the previous century have meant, or we're going into a dark age. We are at the crucial point of making that decision. Why? Because we're powerful? No. Because we have this or that? No. Because nobody else is willing to do it. Nobody else is willing to take on the challenge which I opposed: *We have to do it.*

And, as I saw, in the discussions we had this Thursday evening, after the webcast event, among people who were largely elected representatives—our discussion, which took a very interesting turn in the process, *they* understand, or they have an understanding of what we have to do. *They* understand that a Democratic Party without a *real* youth movement, like *our* youth movement, not like some bunch of boys carrying tea and coffee, or something, as flunkies; but *our* type of youth movement, is the future of the nation, if the nation has a future.

So, you got a big job! I'm there as long as I'm alive! But, you got a big job before you—even from a little movement, to a big job.

That's it. Okay. Back to you.

Feature:

[LaRouche's Boston Platform:](#)

[A Real Democratic Platform for November 2004](#)

[by Lyndon H. LaRouche, Jr.](#)

This Platform was issued on July 30 by the LaRouchePAC political action committee.

For the sake of the Democratic Party, and for all of the citizens of the U.S.A. and their posterity, an unusually tough Platform —the attached Platform! — must be placed in general circulation at the time of the Boston nominating convention. In presenting and adopting this, I am resolved that we must defeat the attempted continuation of the Bush-Cheney (or, is it not the Cheney-Bush?) Administration, by, first, dumping Cheney from government immediately (otherwise, there might not be a November 2004 election), and by, second, providing a new President and a new, bipartisan coalition within the Congress, without DeLay.

- [July 25 Webcast: LaRouche Issues His 'Real Democratic Platform': 50,000 Go Out at Boston](#)

Lyndon LaRouche gave an Internet webcast from the John Hancock Hotel and Conference Center in Boston on July 25, speaking to a packed audience of leaders of the LaRouche Youth Movement, Democratic Party National Convention delegates and elected officials, and Boston area LaRouche supporters. The candidate announced the release of his own 'real Democratic Party Platform For November.' Here are LaRouche's opening remarks, introduced by his national spokeswoman, Debra Freeman.

New LaRouche PAC Aims To Mobilize The Lower-Income 80% To Act

Lyndon LaRouche held a press conference and webcast from Boston on July 30, the morning following Sen. John Kerry's acceptance of the Democratic nomination, to announce the launching of a new political action committee. This is his opening statement, introduced by spokeswoman Debra Freeman.

Elected Dems Blast DNC Dirty Tricks Against LYM at Boston Convention

LaRouche Youth Movement and Democratic elected officials met the press on July 25 in Boston, to denounce the dirty tricks operations intended to bar the LYM from participating in the Democratic Convention. Those dirty tricks, consequently, proved unsuccessful.

LaRouche Launches Drive for Democrats To Win in November

by Jeffrey Steinberg and Nancy Spannaus

Just hours after the conclusion of the Democratic National Convention in Boston, former Presidential candidate Lyndon LaRouche held a July 30 press conference at the city's historic John Hancock Center, to announce the formation of 'LaRouche PAC,' a political action committee dedicated to assuring the crushing defeat of the Bush-Cheney Republican ticket in November.

Economics:

UNAIDS Conference Shows Bush Administration's Imperial Attitude

by Colin Lowry

The United Nations AIDS program released its annual report on July 6, before the opening of the 15th International AIDS conference; it shows that in the last year, 3 million people died of AIDS, and 5 million became newly infected with HIV—more than in any previous year. The report documents what EIR forecast as early as the late 1980s: The epidemic is accelerating rather than slowing down under containment policies which have remained essentially the same for more than a decade.

International:

Interview: Jürgen Hübschen

How Iraq Must, and Can, Become A Sovereign Nation Once Again

Born in 1945, Colonel Hübschen (ret.) was an active duty officer for almost 40 years, including one year of training in the United States and 10 years of daily cooperation with American fellow officers. Following a general-staff education, he became a colonel of the Germany army, and, an expert on the Middle East. Hübschen served as military attache´ at the German embassy in Baghdad for three years, has travelled extensively in the region, and maintains contact with individuals and aid organizations in Iraq.

Philippines President Arroyo Stands Up

by Mike Billington

Except for Great Britain and Australia, the two intimate partners of the Bush/Cheney imperial vision, no nation has been more subservient to the pre-emptive war policies in Washington than the Philippines under President Gloria Macapagal Arroyo. It was therefore a great shock, and a promise of hope to that desperate nation, that President Arroyo stood up to the would-be Gods of Olympus in Washington, unilaterally withdrawing the token Philippine military force serving in Iraq, more than a month before the scheduled end of their tour of duty on Aug. 20.

Western Powers Seek Sudan Disintegration

by Uwe Friesecke

The United Nations Security Council is debating a resolution on Sudan, in preparation for a vote, which blames the Sudanese government as being responsible for the humanitarian disaster that has engulfed its Western Darfur province for more than one and a half years. Other governments, and members of the U.S. Congress, are pushing to threaten Sudan's government with sanctions and military intervention if it fails to stop the crisis. This is combined with a massive international press campaign accusing the Sudanese government of genocide and ethnic cleansing in Darfur.

National:

Army Whitewashes Abu Ghraib Torture Scandal

by Carl Osgood

The Defense Department's strategy of burying the Abu Ghraib torture scandal under a blizzard of investigations that will pin the blame for abuse and torture of Iraqi detainees on the 'aberrant behavior' of a few soldiers, was put into action on July 22. That was the day the Army released an Inspector General (IG) report on detainee and interrogation operations in Iraq that concluded that the abuses 'were unauthorized actions taken by a few individuals,' the result of inadequate supervision.

U.S. Economic/Financial News

Infrastructure Breakdown Poses National Security Threat

While the Cheney-Ashcroft team trumpets the threat of terrorist activity at airports and seaports, as the pretext for advancing new police-state measures, the fact is, without a commitment to fixing the nation's broken infrastructure, the terrorist threat cannot be defeated. The case of the ports of Los Angeles and Long Beach, Calif., which are linked by a freight railroad, is exemplary. The backlog of cargo-freight, due to inadequate loading and unloading systems at these ports, poses a serious problem, reports the *New York Times* July 27.

The Los Angeles and Long Beach ports combined, are the nation's busiest. They handle roughly one-third of the 9 million cargo containers that arrive in the United States each year. The workforce at the ports and the standard of equipment are so insufficient, that cargo cannot be unloaded at the required rate, and gets stacked up. Often, ships must wait, anchored at the ports for five to eight days, before being unloaded.

The Dept. of Homeland Security has promulgated regulations for carrying out security checks on cargo and people at the ports. But the infrastructure bottlenecks create multiple problems. David Arian, president of Local 13 of the International Longshore and Warehouse Union, which works the Los Angeles waterfront, reports that, due to the immense freight backlog, the regulations for checking seals on containers and the cargo inside the containers "are presently not being enforced," and that the truck drivers who bring goods into and out of the ports are not checked at all.

U.S. Air Grid Being Dismantled

US Airways, the seventh-largest U.S. air carrier, plans a major overhaul, its chief executive officer announced July 27. The airline said that it will begin dismantling its hub in Pittsburgh, and replace it with direct flights between major airports. US Airways has already eliminated a third of its flights out of Pittsburgh. As of September, over a dozen cities will have service cut off from Pittsburgh. This will leave Reading, Pa., for example, with no air service at all, for the first time since 1941. Further, U.S. Airways hinted of plans for even additional cuts to air service out of Pittsburgh.

This constitutes an additional case of the Cheney-Bush Transportation Stabilization Board (TSB) helping to orchestrate the take-down of the U.S. air grid. The TSB extended US Airways a \$1 billion loan, but to comply with the covenants of the TSB loan package, US Airways claims, it must have some level of cash on hand. Therefore, the airline plans to cut \$800 million a year from workers' wages and benefits. CEO Bruce Lakefield has said that unless the airline's unions accept these cuts by Sept. 30, the company would run the risk of defaulting on the TSB guaranteed loans, and slide back into bankruptcy. Thus, through this game, the TSB and banks are slicing up the U.S. air grid, including United Airlines and other major carriers.

Machinists Sue United Airlines Over Pension Default

Amidst the dismantling of the nation's air grid, the union representing 37,000 current and retired United Airlines ramp workers and customer-service agents sought a court order July 29 to force the bankrupt air carrier to resume payments to employees' pension plans, demanding that the company not continue its "slash and burn" approach.

The International Association of Machinists and Aerospace Workers (IAM) accused the top United officials of a breach of fiduciary duty, by skipping a \$72 million contribution this month, and announcing that the airline would not make nearly \$500 million in payments scheduled this fall—under terms dictated by its lenders.

The lawsuit, filed in U.S. District Court in Chicago, seeks the amount United owes the pension plans, plus a court order requiring the airline "take all necessary steps" to fund its employee retirement accounts.

"United Airlines must get the message that they cannot abandon employee benefits at will," said IAM District 141 president Randy Canale. "They will not be allowed to continue their slash and burn approach to restructuring without realizing serious consequences."

One Year Later: Mill Shutdown Leaves N.C. Town Shattered

After 116 years of production, the Pillowtex mill in Kannapolis, N.C., which produced bedsheets and towels, closed down permanently on July 30, 2003, thanks to the free-trade delusion, eliminating 4,800 jobs in Cabarrus County—the largest mass lay-off in the state's history. One year later, some 1,600 former Pillowtex workers—one-third of those laid off—are still without jobs and will run out of unemployment benefits—for many, the only source of family income—in the next few months. *USA Today* reported July 30. Many former employees are living without health insurance; while others have lost their homes. Personal bankruptcies are rising.

Until just 20 years ago, when Kannapolis ("the city of looms") incorporated, the mill paid for schools, garbage collection, the police and fire departments, and water.

Shortly after the Pillowtex shutdown, Wal-Mart invaded, opening a Supercenter in Kannapolis.

N.Y. Lawmakers Told To Act Fast To Save Manufacturing

New York factory managers warned Republican state lawmakers that without emergency action, manufacturing in the state will cease altogether, the *Syracuse Post-Standard* reported July 30. "If you let manufacturing go down, pretty soon everybody will be ironing each other's shirts," Robert Trachtenberg, president of the Central New York Technology Development Organization, told New York State Assembly members. One factory job creates from 2.5 to three jobs in the local economy, he informed the Assembly Republican Manufacturing Task Force. Since 2000, the area already has lost a staggering 10,000 manufacturing jobs.

Will Halliburton Go the Way of Enron?

Halliburton Co. said July 23 that it had posted a loss in the second quarter, as a project went sour in Brazil, and costs climbed for asbestos litigation cases, while work orders in Iraq are falling off due to the controversy over its shady operations there, according to the *Dallas Morning News* July 23. One-third of Halliburton's revenue came from Iraq in the second quarter. Overall, the company took a loss for the quarter of \$663 million. The report marked Halliburton's third straight quarterly loss.

"We do continue to be a political punching bag," David J. Lesar, Halliburton's chairman, told analysts in a conference call, alluding to the hits at Vice President Dick Cheney. Halliburton faces three investigations into its practices overseas, including allegations of bribery in Nigeria, violations of U.S. trade restrictions in Iran, and over-charging in Iraq. Christopher Gaut, Halliburton's EVP, said the company would increase spending on public relations to defend its reputation "at least through the election."

Lesar defended the company's record in Iraq, even before analysts asked questions. Noting that Halliburton lost 42 personnel there, he said: "No other company in the world could have operated with such dedication." But one Houston analyst wasn't so sure. "There is no doubt that there has been an ongoing series of profit revisions, and each time feels like the last time, but it isn't," he said. The investigations in particular are problematic he said. "From a financial analyst's perspective, you never want to see things like this."

U.S. Housing Bubble Continues To Inflate

The U.S. housing bubble continued to inflate in June, as the average price of an existing home jumped to a record high of \$191,800, UP 9.6% from June 2003, rising in all four regions, according to the National Association of Realtors July 26. Sales of existing homes rose 2.1% to annual rate of 6.95 million units, also a record high, as homebuyers rushed to buy before mortgage rates rose even higher. Home price increases are being driven not by the myth of "supply and demand," but by the Federal Reserve's hyperinflationary liquidity pumping.

World Economic News

Italian Government Launches 24 Billion Euro Austerity Budget

The Italian government announced a 24-billion euro budget balancing plan July 27. Of that, 17 billion should come from "structural measures," whereas 7 billion should come from privatizations. In addition to that, which is supposed to bring the deficit under 3% in 2005, privatizations worth 25 billion per year have been announced between now and 2007, with the aim of reducing public debt from 106 to 100%. Among the austerity measures of FY 2005, cuts in welfare and a higher tax on second houses have been announced. The latter indicates that after squeezing the lower income layers, the middle class is being targeted.

Iran, Russia, Azerbaijan Will Establish Common Railway

In the first specialized meeting attended by the railway organizations of Iran, Russia, and Azerbaijan, a memorandum of understanding (MOU) was signed for establishment of a joint tripartite railway company, IRNA reported July 27. The document was signed by deputy head of Iran's Railway Organization for planning and international affairs, Abbas Qorban-Ali, deputy head of the legal department of Russian Railway, Youri Shevchenko, and deputy head of Azerbaijan's Railway, Mehdi Mehdiyev.

According to the MOU, given the significance of the north-south corridor, the three partners reached agreement to implement a railway project connecting the two cities of Rasht and Astara in northern Iran. The joint venture aims to build up a railway route originating in Qazvin and ending up in Astara, via Rasht and Bandar Anzali.

"The three countries agreed to start the executive operations of the project as soon as possible," Qorban-Ali said. The project will connect Iran's railway to the city of Astara in Azerbaijan Republic via Rasht-Anzali-Astara route." Predicting the expense of 250 km Rasht-Anzali-Astara route at \$600 million, he said that it will be implemented in four to five years.

He added that the railway between Bandar Anzali and Astara in northern Iran is expected to cost \$200 million.

Iran will take charge of constructing Qazvin-Rasht-Anzali-Astara railway route. "To expedite implementing Qazvin-Rasht-Astara railway line, Russia has proposed to invest and participate in this part of the project," he added. Putting the primary annual capacity for transport of cargo along this route at 2 million tons, he said that the figure is expected to rise to 10-12 million tons in the coming years.

United States News Digest

9/11 Commission Findings Confirm LaRouche Assessment

A review of pertinent parts of the Final Report of the 9/11 Commission, shows that the Commission has stuck to its guns on key findings that correspond to Lyndon LaRouche's assessment of the roots of the 9/11 plot, as was described in an article by Jeffrey Steinberg in the July 2 issue of *EIR*. This centered around LaRouche's evaluation that there had been either a high-level covert operation involving contaminated elements of the U.S. national security command, or that there had been a take-down of the system of internal U.S. security, which left the country vulnerable to such an attack.

What is remarkable is that, despite heavy pressure from the Bush-Cheney Administration, the findings of the Final Report do not measurably differ from the findings reported in the Commission's staff statements, which were issued simultaneously with its hearings on various subject-areas.

Some key findings, which tend to affirm LaRouche's assessments, are:

* That the incoming Bush Administration had received numerous briefings and reports on the international terrorist threat, and that National Security Council counterterrorism chief Richard Clarke, a holdover from the Clinton Administration, had warned the incoming Bush-Cheney Administration of the terrorist danger, and insisted that "We *urgently* need ... a Principals level review on the al-Qaeda network." The Administration did not respond; no such Principals meeting on terrorism was held until Sept. 4, 2001, although there were 32 Principals meetings on other topics.

* That President Bush put Dick Cheney in charge of efforts to prepare for a terrorist attack in early May 2001, but that Cheney's task force did almost nothing, and "was just getting underway" four months later, at the point of the 9/11 attacks.

* That Attorney General John Ashcroft also was key in sabotaging any counter-terrorist preparations. The Report notes that FBI counter-terror chief Dale Watson charged that Ashcroft and the new Justice Department leadership "were not supportive" of the FBI's counter-terrorism strategy. Watson told the Commission "that he almost fell out of his chair" when he saw a May 2001 Justice Department budget guidance memo, which did not even mention counter-terrorism as a DOJ priority.

The Commission Report also repeats, word-for-word, the section of the earlier staff statement which indicated that Vice President Cheney had issued an order to shoot down suspected hijacked civilian aircraft, without prior authorization from the President.

The Final Report also notes that there were a number of contacts between Iraq and Osama bin Laden, but it concludes: "But to date we have seen no evidence that these or the earlier contacts ever developed into a collaborative operational relationship. Nor have we seen evidence indicating that Iraq cooperated with al-Qaeda in developing or carrying out any attacks against the United States."

Some Urge Caution on 9/11 Panel's Recommendations

While some members of Congress are calling for fast action on the 9/11 Commission's recommendations, the speed at which Congress can actually act, this late in a Presidential election year, remains an unanswered question. Adding to that impediment are notes of caution from many other members against acting too quickly before fully examining the ramifications of all of the commission's recommendations. Rep. Peter King (R-NY), a member of the House Select Homeland Security Committee, noted that "it took 50 years for this current intelligence system to develop...." While agreeing that reforms have to be made as quickly as possible, he said, "I wouldn't want to do it in a matter of weeks or even a few months...."

Adding to King's words of caution were Senators Chuck Hagel (R-Neb) and John D. Rockefeller IV (D-WVa). Hagel told the July 27 *Washington Post*, "We must be careful with what we do, and not overreact to political momentum and pressure.... Intelligence is finely tuned; there is no margin for error." Rockefeller, the ranking Democrat on the Select Intelligence Committee, warned that "Changing organizations to solve one problem can create weaknesses elsewhere. We must also remember that there are no easy solutions or silver bullets."

The issue that is creating the most concern is the proposal to create a post of National Intelligence Director within the White House. Senate Armed Services Committee chairman John Warner (R-Va) has expressed concern that putting an intelligence director in the White House risks politicizing the position. Sen. Carl Levin (D-Mich) told CNN on July 25 that the greatest issue "is whether or not we can separate any kind of political pressure from the intelligence assessments.... We have got to make sure that the assessments which are provided are free from politics."

Byrd Hits Senate Cowardice on Iraq War

In a striking contrast to Senators John Kerry and John Edwards defending their votes for the Iraq war, Sen. Robert Byrd (D-WVa) said in a July 24 interview with Salon.com that most Senators were cowardly and failed to carry out their responsibility when the Bush Administration sought their support for the Iraq war, based on misleading information.

"We don't ask enough questions," Byrd, who is the Dean of the Senate and a Constitutional scholar, said in an interview with Salon. "We didn't in the run-up to the war. The Senate was silent. And having come to the Senate when I did, and having seen and heard and worked with the type of Senators who were here, when I compare that in my own mind with our virtual cowardice about the war, the buildup to it, I'm very disappointed. I'm chagrined."

"We failed" on the question of the war, Byrd continued. "We relegated ourselves to the sidelines. How many times? How many times did I hear the words, 'Let's get this thing behind us. Let's talk about something else. It would be better for us in the election if we changed the subject.'"

When asked why Democratic Senators were so silent, Byrd said that Senators who were running for reelection "were afraid," that they "didn't want to be charged with being unpatriotic.... They believed the garbage that was being spewed out by the administration."

Byrd cited Vice President Cheney's speech to the VFW in August 2002, where he said that there was no doubt that Saddam Hussein had weapons of mass destruction, as an example of how the Cheney-Bush Administration misled the Congress.

Asked if this administration is even worse than the Nixon Administration, Byrd answered: "Of course it is." He noted that in this administration, there are "some carry-overs from the Nixon Administration who are right smack in the middle of the arrogance," including Cheney and Paul Wolfowitz.

Homeland Security Buildup Decimating City Police Forces

Cities across the nation are slashing their police forces and eliminating specialized law enforcement units that helped reduce crime in the 1990s, amid Federal aid cutbacks and Federally mandated redeployments of police to combat terrorism, according to a July 27 report in the *New York Times*. Police chiefs lament the destructive impact on crime-fighting, even as money flows to Homeland Security.

Cleveland, for example, has laid off 250 police officers—15% of its total force, this year. Moreover, the city has re-assigned detectives to patrol duties, eliminated gang and auto-theft squads, and closed mini-stations in poor neighborhoods.

Many of the nation's 17,000 police forces have been ordered by the Federal government to deploy more officers to fight terrorism. Combined with sharp cutbacks in Federal and state aid to local police departments, this has led to officers "sitting in patrol cars waiting for calls for service after a crime has been committed," complained Donald Pussehl Jr., the police chief in Saginaw, Michigan.

"They are robbing Peter to pay Paul," charged Joe Polisar, president of the International Association of Chiefs of Police, and the police chief in Garden Grove, California, referring to Federal money taken from local police departments, being used to set up Homeland Security programs.

Computer Loses Voting Records in Florida

Most of the electronic voting records from the 2002 elections in Miami-Dade County, Florida, have been lost as a result of computer crashes, raising further concerns about the unreliability of touch-screen voting machines, according to media accounts July 28. A citizens' group uncovered the loss of the records, after requesting all audit data from the gubernatorial primary; there now is no computer data for that election.

Numerous problems afflicted Miami-Dade voting in that primary: touch-screen machines took much longer than expected to boot up; polling places opened late; and poorly-trained poll workers started up and shut down the machines incorrectly. The ACLU found that 1,544 votes, or 8%, were "lost"—a figure which is considered unusually high. One study found that voters using touch-screen machines were six times more likely to have a "no vote" recorded, as voters using optical scanning devices.

Bush on Anti-Depressants To Control His Behavior

The sometimes-reliable Washington leak sheet, *Capitol Hill Blue*, reported July 28 that President Bush is being given powerful anti-depressant drugs to control his erratic behavior, depression and paranoia; the anti-depressants were prescribed by White House physician Col. Richard Tubb after Bush flew off the handle at a July 8 press conference, where he was asked about his relationship to indicted Enron chief Kenneth Lay.

Capitol Hill Blue says that its previous reports on Bush's mood swings and obscene outbursts were confirmed in the recent book on Bush, *Bush on the Couch*, by prominent psychiatrist Dr. Justin Frank, which diagnosed Bush as a "paranoid meglomaniac" and an "untreated alcoholic."

One long-time GOP consultant is quoted as saying that he is advising his Republican Congressional candidates to keep their distance from the President. "We may have to face the very real possibility that the President of the United States is loony tunes," he says. "That's not good for my candidates, it's not good for the party, and it's certainly not good for the

country."

Then, the July 29 edition of *Capitol Hill Blue* reports that a sullen Bush "is withdrawing more and more from aides and senior staff, retreating into a private, paranoid world where only the ardent loyalists are welcome."

A top Republican adviser says: "The George W. Bush we see today is not the same, gregarious, back-slapping President of old. He's moody, distrustful, and withdrawn."

Only close advisers such as Karl Rove and Karen Hughes are allowed into the tight inner circle around Bush. Among Cabinet members, only Attorney General John Ashcroft remains part of the inner circle, with both of them believing they are on a mission from God.

Homeland Security chief Tom Ridge is said to be complaining that he gets very little time with the President, and that he gets most of his marching orders from Ashcroft, who is called "Bush's Himmler" by Ridge's staff.

"Too many make the mistake of thinking Dick Cheney is the real power in the Bush Administration," says a senior Homeland Security aide. "They're wrong. It's Ashcroft and that is reason enough for us all to be very, very afraid."

But, the article notes, Cheney does remain part of Bush's tight inner circle, while Defense Secretary Rumsfeld is said to have fallen out of favor, and is planning on leaving, no matter what happens in November.

White House aides say that the West Wing has been overtaken by a "siege mentality," which some compare to the last days of Richard Nixon.

Ibero-American News Digest

Cabinet Change in Argentina Strengthens Kirchner's Hand

Argentine President Nestor Kirchner ousted both his Justice Minister and Security Secretary over the July 24-25 weekend, in what appears to be an attempt to take control of security policy, and entrust it to his closest political allies. Justice Minister Gustavo Beliz and Security Secretary Norberto Quantin disagreed with Kirchner's orders against repressing groups of unemployed protesters, called *piqueteros*. Kirchner argued that a preemptive and "dissuasive" policy is required to contain the protests, as harsh repression will only feed the opposition. The crisis came to a head on July 16, when a mob attacked the Buenos Aires Legislature building, and Quantin and the head of the Federal Police force in the capital gave orders to send armed policemen into the chaos. Kirchner immediately countermanded the orders, warning that, "that way, you'll hand them the deaths they want."

Beliz is a high-level member of Opus Dei in Argentina, and an asset of the British Crown's Transparency International NGO. Ironically, this hardliner has long advocated "reforming" security institutions out of existence, in the name of "fighting corruption."

Kirchner named one of his closest political allies, Horacio Rosatti, to replace Beliz. Rosatti had been serving as General Prosecutor of the Treasury, in charge of all state prosecutors. Last February, as vulture funds were placing liens on Argentine diplomatic assets in the United States, Rosatti authored an op-ed in the daily *Clarín*, asserting that the Drago Doctrine, which affirms that a nation's foreign debt cannot be collected by force, is still applicable today. The Drago Doctrine was elaborated in 1903, when Britain, Germany, and Italy attempted to forcibly collect Venezuela's debt.

Scandal Aims at Central Bank Leadership in Brazil

Brazil's Central Bank President Henrique Meirelles and the bank's Director of Monetary Policy, Luiz Augusto Candiota, are under investigation by public prosecutors and a Parliamentary Investigatory Committee (CPI) for tax evasion and money laundering, *IstoE*, one of Brazil's leading weeklies, reported July 23.

The *IstoE* leak marked a significant escalation by the national institutional forces to oust Meirelles and his team. Meirelles, who was a top executive of FleetBoston Bank before taking the helm at the Central Bank in 2003, is the linchpin of foreign financiers' control in the Lula government, and responsible for keeping Brazil's interest rates among the highest in the world.

Candiota resigned on July 28, swearing that he is innocent of charges that he conduited over a million dollars out of the country illegally, through offshore tax havens, when he was an official at Citibank in Brazil before joining the Central Bank in 2003. The Executive Director of Credite Suisse-First Boston's Investment Bank in Brazil, Rodrigo Azevedo, was promptly named as his replacement.

Folha de Sao Paulo suggested July 26 that Candiota was sacrificed, in order to shore up the position of Meirelles. Meirelles says he has no intention of quitting, although he admits to the charges against him: that he filed no tax return in 2001, because he was living in Boston that year, at the same time that he listed his official residence as Goias, Brazil, with Brazil's electoral authorities, so he could run for Congress—from the Boston headquarters of FleetBoston! He insists there's no crime, because a tax residence and an electoral residence are legally different.

Whether Meirelles will weather the storm, remains to be seen. Calls for his resignation continue, and the release of the minutes of last week's Central Bank meeting where it was decided to keep the benchmark interest rate at 16%, is likely to increase the pressure for his ouster. The minutes suggest the Central Bank could RAISE interest rates, if inflation continues.

Synarchists Target PRI, Through Echeverria Case

Mexico's "Special Prosecutor for Political and Social Movements of the Past," the special prosecutor in charge of investigating the "dirty war" of late 1960s and 1970s against "left-wing" guerrilla movements, Ignacio Carrillo Prieto, formally charged former Mexican President Luis Echeverria (1970-76) with "genocide" on July 23, for allegedly ordering repression against a June 1971 student demonstration which led to the deaths of about a dozen students. Indictments are pending against Echeverria's Secretary of Government Mario Moya Palencia, his Attorney General Pedro Ojeda Paullada, and Army Generals Manuel Diaz Escobar, Rogelio Flores Curiel, and Luis Gutierrez Oropeza.

The criminal court judge examining the evidence presented by Carrillo to determine if the case should proceed to trial (in the Mexican legal system, a judge performs the function of a grand jury in the U.S. system), dismissed the case on July 24, on the grounds that the 30-year statute of limitations had run out in 2001. Carrillo said he will appeal the ruling within three days, and will take it up to the Supreme Court, in necessary.

The charges against Echeverria were a transparent effort by the Synarchists who control the Fox government, to try—yet again—to institutionally shatter the PRI party, of which Echeverria is a member. The majority of PRI congressman, in alliance with most of the PRD, have systematically blocked the repeated efforts of President Vicente Fox (PAN) to ram through privatization and other IMF-dictated structural reforms.

Playing right into the hands of the foreign Project Democracy fascists who lie behind this attempt—not to bring about

justice, but to blow Mexico apart—is PRD leader Cuauhtemoc Cardenas, who continues to stick to the line that the accused should be tried, and only then should decisions be taken as to whether to pardon them.

Carrillo Prieto was educated at Belgium's Catholic University of Louvain, a synarchist nest which played a key role in creating "leftwing" Theology of Liberation, in particular. Carrillo's grandfather, Jorge Prieto Laures, however, was a founder of the Catholic Association of Mexican Youth in 1920, which later played a role in the Cristero War and the founding of the Nazi's National Synarchist Union. In 1939, his grandfather helped found the Revolutionary Anti-Communist Party, and, later, the World Anti-Communist League (WACL) of notorious Moonie, death-squad fame. His Anti-Communist Party supported the Presidential candidacy of Gen. Juan Andrew Almazan—a Nazi, whose campaign chief was PAN founder Manuel Gomez Morin—in 1940.

Mexican Youth Remind Spanish Royals: Your Empire Is Dead

Carrying posters and banners with messages such as "No to the Hispano-Synarchist Reconquest! Enforce the Monroe Doctrine—LaRouche," and "Renationalize the Banks! Kick Out the Financial Vultures: Santander and BBVA; Sovereign Credit for National Industry!—LYM," the LaRouche Youth Movement in Monterrey, Mexico, gave a raucous welcome to Spanish Prince Felipe de Borbon and his wife Letizia on July 19, when they arrived as the stars of an International Hispanists' Association Congress.

Everywhere the Spanish royals went in Monterrey, they were followed by fawning media—and the LYM, who were chanting and giving bullhorn briefings, and giving out a leaflet denouncing how the Spanish banks and energy companies were grabbing up Mexico's resources, acting as frontmen for Synarchist financiers who intend to reconquer Mexico and Ibero-America, "in a utopian attempt to turn the clock of history back to feudalism and monarchies." These are the networks out to install fascist regimes again around the world, using assets such as Spanish fascist Blas Pinar and his foreign allies, the LYM warned.

The mobs of national and international journalists swarming over the royals could not avoid the LYM organizers. Their demonstration was filmed by Spanish Television (TVE) and Miami's Telemundo, and reported by the National Radio of Spain. Mexican dailies *Mural*, *El Norte*, and *Extramex* reported that the prince and princess "were greeted by a demonstration of the LaRouche Youth Movement, whose members denounced 'the rape' of Mexico by Spanish banks Santander and BBV." Monterrey's TV Channel 12 noted that a group linked to "the American LaRouche" had protested looting by Spanish banks.

Conflict in Mercosur Highlights Urgency of LaRouche Policies

The summit of Mercosur Presidents in Puerto Iguazu, Argentina, on July 5, was characterized by extreme tension, particularly between Argentine President Nestor Kirchner and Brazilian President Lula da Silva. Just before the summit, Argentina had unilaterally announced it would impose restrictions on imports of Brazilian electrical appliances, and implied that other products, including textiles, refrigerators, shoes, and now possibly cars, motors and auto parts, would be added to the list.

This provoked outrage among Brazilian producers, while Argentine businessmen say the measure is necessary to eliminate "asymmetries" in trade between the two countries. This year alone, Brazilian exports to Argentina have increased by 75%; exports of stoves by 121%, and of refrigerators, by 176%, in the first five months of 2004.

Talks between Argentina and Brazil on discuss trade issues have smoothed over some issues, but the crisis between the neighbors continues. In Argentina, the alleged economic "recovery" has largely been based on activating installed capacity (paralyzed during 2001-2002), allowing for a certain degree of import substitution. Now, producers are panicked at the

flood of imports coming in from Brazil, even while they do not have either cheap credit or infrastructure available needed to gear up actual production, beyond what has already occurred.

In Brazil, meanwhile, domestic credit rates remain prohibitively high, while credit for export is significantly cheaper. Sixty percent of Argentina's auto market is dominated by Brazilian products. Brazilian Industry Minister Luiz Fernando Furlan has already hinted that he has measures prepared to impose on Argentine products exported to Brazil.

Only a regional, continental development program based on LaRouche's global industrialization plan, can change the dynamic that has developed.

Uruguay's Leading Leftist Presidential Candidate Bows to Bankers

No sooner did the World Social Forum's candidate for President of Uruguay, Tabare Vazquez, win the primary, than he flew to Washington, to ask Inter-American Development Bank chief Enrique Iglesias to serve as his Finance Minister. A long-standing member of the Inter-American Dialogue, Iglesias is the "soft cop" for IMF policies in Ibero-America, and a vehement defender of drug legalization. Iglesias declined Tabare Vazquez's offer, because he preferred to stay in his international post, but he promised Vazquez he would support his government (should he win the elections) "101%", and would be its "permanent adviser." Vazquez reported, after his July 12 dinner with Iglesias, that Iglesias assured him that it was no concern whatsoever to the financial system, nor to investors, nor to businessmen, that the governments of the region were passing into the hands of "progressive forces."

Uruguay's Presidential elections are to be held in October.

Vazquez is currently the leading contender in the race, heading a coalition of parties grouped around the "Frente Amplio" (Broad Front) originally founded by the Tupamaros guerrillas. The Frente Amplio was a founding member of the Sao Paulo Forum continental narco-terrorist alliance, along with Lula's Workers Party (PT). Tabare is from the moderate, political wing of the Frente, but it appears that he's decided, as Lula has (so far), that the route to power lies through selling your soul to the financiers.

Western European News Digest

Schroeder To Attend Commemoration of 1944 Polish Uprising

In an important gesture toward conciliation between Germany and Poland, Chancellor Gerhard Schroeder travelled to Warsaw on Aug. 1, to attend numerous official events in commemoration of the Polish uprising 60 years ago, which was crushed after two months by the German forces.

Schroeder was to meet with Polish Prime Minister Marek Belka and State President Alexander Kwasniewski, and lay wreaths at three different monuments: 1) for the participants and victims of the 1943 Warsaw Ghetto uprising; 2) at for the juvenile Poles that died in the Polish struggle for liberation; 3) for the participants and victims of the all-Warsaw uprising of 1944. At the conclusion of the events, Schroeder will give a speech, and there will be a concert in commemoration of the events of 60 years ago.

Schroeder, who was in Warsaw July 30 for talks with former Prime Minister Leszek Miller, said that he gladly accepts the invitation, which he considers a "great honor," and he will also attend a special ceremony during which a statue symbolizing the 180,000 Polish victims of the Nazi military crack-down against the uprising, which also destroyed most of Warsaw, will be unveiled.

Buttiglione: 'Franco-German Axis' in Italy's Interest

"The Franco-German Axis is in the interest of Italy," declared Rocco Buttiglione, the new Italian EU Commission nominee, *Il Sole 24 Ore* reported July 31. Italian Prime Minister Silvio Berlusconi, in order to appease his government ally UDC party, and avoid a government crisis, has appointed Buttiglione, a UDC member and current Minister Without Portfolio, to replace outgoing EU competition commissioner Mario Monti. In his first interview after the appointment, Buttiglione announced a break both from Monti's previous budget formalism, as well as from Monti's hostility toward the Franco-German axis. Buttiglione's words would not have been well received by Berlusconi and his Anglo-Italian *entente cordiale*.

"The Italian interest in an entente with France and Germany is greater than with any other countries," Buttiglione said. "Italy must work to relaunch the French-German axis, which must play the pivot" in EU politics. Buttiglione noted that France and Germany, together, account for 50% of EU GDP; he defends the decision not to proceed with sanctions against Paris and Berlin for violation of the Maastricht Stability Pact, saying that, "had we punished France and Germany with sanctions up to 0.5% of GNP," and "thrown them into a recession, we Italians would have suffered first."

However, Buttiglione warns France and Germany that they should not play a "directorate," but rather play the "pivot," which means "organize consensus with everybody, Commission included."

Buttiglione then called for reforming the Stability Pact, introducing the "golden rule" that investment expenses do not count as deficit. If the Stability Pact is an obstacle to achieve "the target of 3% in research and innovation, established in Lisbon," then, the pact is wrong. "Instead of forcing cuts to current expenses, the Pact has so far produced cuts in investments."

House of Commons Issues Report on Iraq Security Failure

A report, released July 29 by the British House of Commons Foreign Affairs Committee, blames an "insufficient number of troops" for the breakdown in security in Iraq. The document says: "We conclude that the violence in Iraq stems from a number of sources, including members of the former regime, local Islamists, criminal gangs and Al Qaeda.... Iraq has become a 'battleground' for Al Qaeda, with appalling consequences for Iraqi people... However, we also conclude that the coalition's failure to bring law and order to parts of Iraq created a vacuum into which criminal elements and militias have stepped in...."

The report found it "disappointing" that some countries—without naming them—had not committed forces in Iraq.

The 181-page report was published by the 13-member cross-party committee a month and a day after the June 28 handover of sovereignty to an interim Iraqi administration in Baghdad.

British Court Inquiry into Iraq Prison Abuse

A high court hearing in London July 28 on abuses by British troops in Iraq, heard testimony from a lawyer representing the families of Iraqi civilians, who were allegedly killed by British forces. A hotel worker, who had been imprisoned near Basra, in British-occupied southern Iraq, said that he and others were hooded, beaten on the neck, chest, and genital areas, kick-boxed against a wall, and ordered to "dance like Michael Jackson." He said his fellow detainee, Baha Mousa, who died in custody, "appeared to have much worse ill-treatment than the others."

The High Court will decide whether to conduct a full inquiry into the Iraqi civilian deaths, which could open the way to

criminal prosecutions of British troops involved. The Blair government has refused to hold such inquiries.

Regional Christian Democrats Embrace Maglev

The Upper Lausitz regional CDU section has embraced maglev development as a prominent item in its Saxony campaign platform, but the Saxon state governor clings to conventional railway grids for Saxony.

The Upper Lausitz regional CDU in August 2002 passed a resolution with the following points: the party and its members in the national parliament shall launch an initiative for a maglev track from Munich to Wroclaw, Poland, via Nuremberg, and the three Saxon cities Chemnitz, Dresden, Goerlitz.

Apart from pointing to the immediate benefits for maglev development in Germany as a whole, and in the eastern states of Germany in particular, the resolution stated that such a German-Polish maglev project would also "represent a signal toward EU expansion to the east."

CDU Neo-Cons Target Labor Force

Friedrich Merz, deputy chairman of the CDU parliamentary group, called on July 26 for the elimination of workers' protection from layoffs to be eliminated, on the bizarre grounds that if workers cannot be fired, no new jobs can be created.

Christian Wulff, Governor of Lower Saxony, initially called for a general return to the 40-hour work-week, but then retracted it.

Edmund Stoiber, Governor of Bavaria (and chairman of the CDU's sister party, the CSU), wants to cut the state budget by 500 million euros per fiscal year, with the aim of having a fully "balanced budget" by no later than 2007. This translates into average cuts of 15% of every single state budget.

Cossiga Praises British Intelligence, Slams Chirac

In a July 24 interview in Italy's *Corriere della Sera* on issues involving maneuvers inside the Italian intelligence services, former State President Francesco Cossiga zeroed in on "Gaullist Chirac," a reference to French President Jacques Chirac, whom he called "anti-Israeli and anti-Jewish, who follows the path of Vichy's fascist France."

Cossiga recommends that Italy reform its intelligence structure on the model of Britain. Recalling that when he reformed Italian intelligence in 1978 (shortly before Aldo Moro was kidnapped), he appointed members of the super-secret freemasonic P2 lodge to the top of Italian intelligence. Cossiga exclaimed: "That ridiculous story about the P2! Serious people never took it into consideration." Cossiga seems particularly worried that Carabinieri General Vittorio Savino, the candidate to replace current SISDE (Italian Intelligence) head Mario Mori, because of "high-level political protection" which evidently Cossiga's synarchist masters do not like.

Missile Defense Sites in Eastern Europe?

Several media, including the London *Guardian*, *Jane's Defense Weekly*, and the Polish daily *Gazeta Wyborcza*, have recently reported that the Bush Administration is planning to build ballistic missile defense (BMD) bases in eastern or southeastern Europe. For about eight months, negotiations have been taking place between U.S. government officials, from the Pentagon and the State Department, and the governments of Poland, the Czech Republic, Slovakia, Hungary, Romania,

and Bulgaria.

One BMD interceptor rocket site in Alaska is operational, a second one in California will soon be operational. The U.S. government has reached agreements with the British and Danish governments on upgrading BMD radar stations in Greenland and northern England. Now, a new BMD radar station and a third BMD interceptor rocket base are to be built in Europe.

According to the *Guardian*, the BMD negotiations are being led by Undersecretary of State John Bolton on the U.S. side. The paper also refers to a statement made by Lt.-Gen. Ronald Kadish, director of the Pentagon's Missile Defense Agency, who told Congress earlier this year of plans to build a third BMD base in Europe.

Poland seems to be the most likely country for the planned BMD sites. Polish Foreign Ministry spokesman Boguslaw Majewski was quoted by several press, saying: "We are very interested in becoming a concrete part of the [BMD] arrangement. We have been discussing this with the Americans since the end of last year."

A senior Polish source told *EIW* that "nothing so far is fixed" on the BMD issue, even though the US government "is working hard on it."

Russia and the CIS News Digest

First Rail-Sea Shipment On North-South Transport Corridor

The first consignment of goods transported by railway left the Russian coast of Caspian Sea for Iran on July 28, in the framework of the North-South International Transport Corridor. Russian Prime Minister Mikhail Fradkov officiated at a ceremony in Astrakhan, saying, "Here we have a gateway of both Europe and Asia." Also present were Gennadi Fadeyev, managing director of the Russian Railways, his Iranian counterpart, Mohammad Sa'id Nejad, and ambassadors of several countries.

The shipment became possible with the inauguration of a new rail line, connecting Yandyki railway station to the port of Olya on the Caspian. Fadeyev underlined the significance of the Yandyki-Olya link in the corridor: "Given the remarkable reduction in the cost and time of shipment [compared with shipping through the Suez Canal], more consignments will be shipped via the North-South Corridor in the future." The route now links Asia to Russia and Europe, in particular northern Europe. The 49-km rail line between Olya and Yandyki connects the port city to Russia's rail network. The project cost 3 billion rubles (about \$104 million) and was funded from Russia's transportation budget.

The North-South Corridor is chaired on a rotating basis by its three founders: Iran, Russia, and India. Iran chairs the corridor in 2004. Seven countries—Iran, Russia, India, Kazakstan, Belarus, Tajikistan, and Oman—have access to the corridor, according to the agreement. Meanwhile, the applications of Ukraine, Syria, Azerbaijan, Armenia, and Bulgaria for membership in the treaty are currently being examined. Turkey also recently applied for membership in the North-South corridor.

Yukos Situation Increases Oil Price Volatility

Benchmark crude oil prices rose above \$43/barrel on July 28. One factor was the announcement of Russian bailiffs' orders against the sale by Yukos Oil of any "property," pending seizures to satisfy its unpaid tax bills. Justice Ministry and Yukos officials both said July 28 that the orders included oil currently being produced, as well as Yukos's various production units and other assets. The next day, the orders were clarified: They do not apply to oil sales. Yukos produces about 20% of

Russian crude, or 1.7% of world production.

There were dramatic developments around Yukos in July, some of them in the open and others the stuff of murky rumors.

* As of July 16, the trial of former Yukos and Menatep (the holding company above Yukos) execs Mikhail Khodorkovsky and Platon Lebedev finally began.

* On July 20, the Russian Ministry of Justice announced that Yuganskneftegaz, the main production unit of Yukos, will be sold to satisfy the company's tax debts.

* July 21, it was reported that Yukos shareholder Lev Nevzlin, living in Israel to avoid Russian prosecution, had asked the Russian prosecutor-general for protection against threats from one Yevgeni Rybin, head of an Austria-based company called East Petroleum Handelsgas. Four days later, instead, Prosecutor-General Ustinov's office indicted Nevzlin on charges of organizing two murders and attempting others, including Rybin's.

* Yukos CEO Steve Theede, an American, announced July 22 that—even without losing Yuganskneftegaz immediately—the company will soon run out of cash and "not be able to fund our business operating expenses, sometime during the first half of August." From that point on, Yukos stock plunged by about 60% on the Moscow exchanges.

* On July 27, Igor Sechin, the Kremlin official long rumored to be driving the assault on Yukos, was named chairman of the board of Rosneft Oil.

* July 28 alone saw a 20% one-day drop in Yukos share prices, after reports of the bailiffs' orders, and before their "clarification" brought a slight rebound.

Sechin Appointment Linked With Energy Sector Restructuring

On July 11, the London *Daily Telegraph* publicized gossip about a "secret plan for the restructuring of Yukos," allegedly associated with an "unknown oligarch" named Gennadi Timchenko, whose Kinex company is involved with Surgutneftegaz and with the state-owned Rosneft Oil company, and would now market Yukos oil on Western markets. The plan, went the story, was coordinated with Igor Sechin, deputy chief of the Russian Presidential Administration. The *Telegraph* pointed to this "Kremlin-linked restructuring" as one possible ultimate fate for Yukos, while purchase by a "strategic investor" from the West would be the other.

On July 27, Rosneft's board of directors elected Sechin its new chairman. Deputy chairmen will be Sergei Oganessian, director of the Federal Energy Agency, and Yuri Medvedev, acting deputy director of the Federal Property Agency. *Kommersant-Daily* wrote the next day, that the appointments would be the first step towards creating a state energy company to "define the rules of the game for Russia's most important market." *Kommersant* suggested that Rosneft has enough money to purchase Yuganskneftegaz from Yukos. Stanislav Belkovsky of the National Strategy Institute circulated the analysis earlier in July, that Sechin plans for a new state-run energy-sector holding company, based on Rosneft and Gazprom, to acquire about half of Yukos Oil's assets.

Prof. Stanislav Menshikov headlined his July 23 column in *Slovo* newspaper, "Yukos Gobbled Up by the 'Putin Group,'" citing various indications to "confirm the long existing suspicion that the real purpose of the attack on Yukos was to start redistributing property, taking it away from the old oligarchic groups formed under Yeltsin and passing it on to new groups, favored by the current President."

Putin Changes Foreign Ministry, Lays Out Priorities

On July 12, Russian President Vladimir Putin held his first session in two years, with the entire Russian diplomatic corps. On the eve of the meeting, Putin signed decrees to reorganize the Foreign Ministry, reducing the number of deputy ministers to one. Former deputy foreign ministers are reassigned to major ambassadorial posts, including India, China, and the United Nations. Putin's speech to Russia's ambassadors abroad was covered in the West for his exhortations to improve Russia's image. He also made more substantial comments:

The top priority, said Putin, is relations with the Commonwealth of Independent States (CIS)—former Soviet republics. He said Russia was "not using sufficiently well the historical credit of trust and friendship, the close ties that link the people of our countries," and that Russia risked leaving a vacuum, which "other, more energetic states will fill." Most important for the CIS, he said, is the "integration processes" occurring within the Eurasian Economic Community (EurAsEC). He also cited the importance of the Shanghai Cooperation Organization (which goes outside the bounds of the CIS, as China is one of its leaders), as a new force on the world scene.

Putin called relations with Europe "our other traditional priority," but spoke about them in brusque terms: "The latest wave of EU and NATO expansion has created a new geopolitical situation on the continent, and the task now is not so much to adapt ourselves to it as, first, to minimize the potential risks and damage to Russia's economic security interests and, second, to find here advantages for ourselves and exploit them."

Putin called for "constant attention" to relations with the USA, aimed at "sustained and bona fide strategic partnership." He said that "the Asia-Pacific region is becoming the most dynamic centre of world economic development and our foreign policy line on deepening relations with APR should be closely tied up with domestic tasks, with the promotion of potential Russian interests towards using these ties to further develop the economy of Siberia and the Far East. Big opportunities also exist, of course, in relations with India and China."

Reform of Russian Intelligence Starts Without Warning

The belief that a reshuffle in the Russian "force ministries" had been postponed until September, has not come true. In addition to streamlining the Foreign Ministry and Emergency Situations Ministry, President Putin signed a decree July 11, reforming the Federal Security Service (FSB). FSB spokesman Gen. Col. Yevgeni Loyev said that the decree elevated FSB head Nikolai Patrushev to the status of cabinet minister and expanded his authority to appoint and promote staff. He will work with two first deputies (one for the FSB Border Service) and two deputies, instead of the recent structure of 12 deputy directors.

Loyev denied media reports that the FSB was being renamed the Ministry of State Security. Loyev did *not* officially confirm, reports that the revamped FSB would reincorporate agencies that were spun off from the old Soviet KGB in the earlier 1990s, such as the Foreign Intelligence Service (SVR). Many Russian media, however, rushed to headline, "FSB will have practically all the functions of the USSR KGB." London's *The Electronic Telegraph* (*Daily Telegraph* online) followed suit with a July 15 headline, "Putin brings back the Cold War spy system," which asserted that Putin had reunited the SVR with the FSB "under one directorate"—which is not actually stated in the decree, though there are leaks in Moscow that it will happen soon.

Russian General Staff Downgraded; Chief Retired

Recent amendments to the Russian Federal Law "On Defense," curtailing the functions of the Armed Forces General Staff and subordinating it more than before to the Minister of Defense, have been implemented much faster than most people expected, with the July 19 dismissal of Army Gen. Anatoli Kvashnin as Chief of the General Staff. Kvashnin refused a new

appointment that was offered to him, and has retired from the Armed Forces. His replacement, Gen. Col. Yuri Baluyevsky, has been a top strategic arms negotiator; Strana.ru notes that Baluyevsky's lack of command experience is consistent with "the end of the epoch in which the General Staff was the managerial elite of the Armed Forces"—a downgrading that is also provided for in the recent legislation. The operational functions, previously assigned to the General Staff, will now be in the purview of Minister of Defense Sergei Ivanov, directly.

Important Russian Military Exercises in June

Beginning June 7, the Russian Armed Forces conducted an unusual military exercise, the first of its kind since the end of the USSR, involving an airlift of forces into a combat theater. Paratroopers from the Pskov-based Airborne Division plus an 800-man motorized infantry regiment with its heavy military equipment, were transported by air from bases in western Russia to staging grounds in the Russian Far East. The scenario for the exercises, named Mobility-2004, included deployment against "an attempt by separatists from an Eastern country to capture part of the Russian sea coast," according Russian TV reports. President Putin and Defense Minister Ivanov observed the combat training at a base near Vladivostok on June 23.

In two memos posted on Johnson's Russia List in mid-June, Kansas State University Prof. Dale Herspring, a specialist on the Russian military, noted that the exercises were the first test of a stated goal of Russian military doctrine, to develop "mobile forces—new operational-strategic units—including airborne forces, naval infantry, light infantry units, military air transportation and helicopters," and linked its happening at this time to the eclipse of Anatoli Kvashnin.

Before his dismissal, Kvashnin lashed out at the government's 2005 defense budget, as well as at Russia's unpreparedness for attacks like the June 21-22 raid on law enforcement agencies in Ingushetia. On June 22, Military News Agency reported Kvashnin's as saying that the fact that the "brazen raid by Chechen fighters was made in daylight and took federal troops by surprise raises many concerns." On June 17, RIA Novosti reported that Kvashnin harshly criticized the 2005 draft federal budget, at a cabinet meeting that day. Kvashnin said, "The draft budget does not allow us to expect significant changes in the attitude to national defense, nor does it allow overcoming the crisis in the Armed Forces." Kvashnin asked the government "to revise the parameters of the budget and pay attention to the amount of money allocated for effecting the program of modernizing arms." He went on, "I also ask to make transparent the mechanism replacing privileges for servicemen [with payment of money], to envisage matters associated with indexing, increase salaries for servicemen and make allocations in accordance not with the planned figures for inflation but with real figures indicating a price increase." Premier Fradkov promised these matters would be taken up by an appropriate commission.

Ukraine Wants To Withdraw Troops from Iraq

Ukrainian Defense Minister spokesman Vyacheslav Bolotniuk said July 29 that his country was in discussion with the USA about pulling Ukrainian forces out of Iraq. He gave no timetable, but the mandate of the 1,650 troops is up for renewal in August. Ukraine has Presidential elections in October. On July 27 Prime Minister Victor Yanukovich, who is one of the Presidential candidates, stated that Ukraine is not yet prepared to join NATO. Amendments to Ukraine's new military doctrine were just announced, by which Ukraine drops the previously announced goal of full membership in NATO and the European Union.

Asia News Digest

President Hu: China Must Reinforce Defense

China must reinforce its national defense, and prioritize the protection of its territorial integrity, President Hu Jintao said in

Beijing. Hu told a meeting of Communist Party leaders on July 24 that China "must effectively reinforce the building of national defense, so that it is in harmony with economic development," the *People's Daily* reported. Hu said China must "continue to give priority to national sovereignty and security, firmly defending the interests of the state and protecting with determination the sovereignty and national integrity of the nation."

Hu's rare statement on military matters, largely the domain of former President Jiang Zemin, came as China continued annual exercises to demonstrate its strength near Taiwan. China has been training 18,000 troops in Dongshan island, 150 nautical miles west of Taiwan, and a large-scale joint sea, land, and air drill in the area seem imminent, the pro-Beijing Hong Kong-based *Wen Wei Po* newspaper said on July 23.

Malaysia Looks to Trade with China, India for Growth

Malaysia's long-term growth hinges on ties with China and India, Malaysian Deputy Prime Minister Datuk Seri Najib Razak told the Harvard Business School Alumni Club of Malaysia's 27th anniversary dinner.

Najib Razak said Malaysia was better placed than other countries to take full advantage of opportunities available with the two countries because of its cultural heritage, with Chinese and Indians forming a significant portion of the Malaysian population.

"China will be our single largest opportunity, to be worked out over decades rather than simply months and years. We have very strong cultural and historical ties with the Middle Kingdom, going back 600 years." Malaysia is, at present, China's largest trading partner in the ASEAN, with bilateral trade expected to exceed US \$50 billion (RM 190 billion) by 2010. Trade with India has averaged about \$2.3 billion per year.

Najib Razak suggested that Malaysia could be an interlocutor between East and West, and modernity and tradition, because of its diversity, he said, and should thus fully grasp the opportunities of its strategic position.

Powell Worried Over Coalition Troops

U.S. Secretary of State Colin Powell, who recently visited Hungary—one of the "Coalition of the Willing," who sent troops to Iraq, has expressed concern over pressures exerted on the allies by the kidnapping and murdering of foreign personnel there. Urging the allies to stay on course, Powell told the Hungarians: "Democracy is hard. Democracy is dangerous. And this is the time for us to be steadfast, not get weak in the knees... We must not allow insurgents, those who will use bombs and kidnappings, and beheadings, to triumph."

Powell's urging followed growing evidence from Pakistan, that in light of two Pakistanis kidnapped recently, and beheaded on July 29, that lawmakers are unwilling to commit troops to Iraq on behalf of the U.S. occupation. Pakistani Foreign Minister Khurshid Mahmud Kasuri assured the National Assembly on July 27 that his government will not take any decision on sending troops to Iraq before securing a formal approval of the parliamentarians. "The government believes foreign policy is bipartisan and all decisions [should] be made after taking the Parliament into confidence," he said.

Pakistan is a staunch ally of the United States in the latter's war on terrorism. Recently, Islamabad indicated to the visiting U.S. State Department Deputy Secretary, Richard Armitage, that Pakistan may send troops to Iraq to help the coalition force.

Neo-Con Bill vs. Korea Passes House

A bill just passed by the U.S. Congress on North Korean "human rights violations" is another neo-con gambit to scuttle the six-power talks, Korean legislators fear, by trying to restrict the South's aid to the North, the *Korea Times* reported on July 23, noting the neo-cons are not dead yet in Washington. The U.S. House of Representatives unanimously passed the "North Korean Human Rights Act of 2000" on July 21. Rep. Jim Leach, who introduced the bill and chairs the House subcommittee on East Asia, says he is cautiously optimistic the bill would pass the Senate in September. It enables Washington to give up to \$24 million a year to NGOs and individuals who agitate to improve the rights of the North Korean people.

The bill also hobbles South Korea's ability to provide aid to the North because it would demand a guarantee of transparency of its distribution and the production of human rights. "The requirement is certain to restrict the South's generous aid to the North," one Korean legislator complained, due to U.S.-ROK treaty provisions. Another measure allows the U.S. to deny recognition of North Korean defectors as South Koreans, to prevent "spies" entering the United States.

Lawmakers of Seoul's ruling Uri Party say they are preparing a statement expressing their opposition to the North Korea Human Rights Act. They also said they will travel to Washington in August to dissuade the U.S. Senate from approving the bill.

Greenpeace Faces Charges in Thailand

The Thai Agriculture Department filed charges against Greenpeace Southeast Asia on July 28, accusing members of trespassing at a Khoon Kael research station, destroying several genetically-modified (GM) papaya trees. "This outrage has severely disrupted our research, which has been going on for almost 10 years. Our scientists were close to reaching a conclusion, but now we have to go right back to the start," said a researcher.

The joint project with Cornell University in the United States aims to develop a papaya resistant to the ringspot virus, common in papaya-growing countries.

Myanmar Announces Major Drug Seizures

The ruling military junta in Myanmar, the State Peace and Development Council, announced two successful drug seizures on July 25, including 600 kilograms of heroin and 5.6 million methamphetamine pills. Myanmar has been rated the world's second-largest producer of illegal opiates after Afghanistan. The production of opiates in Myanmar is carried out by certain ethnic groups, but the country, as acknowledged by the U.S. Drug Enforcement Agency (DEA), has reduced opium-poppy cultivation by two-thirds since 1996.

The government statement said: "As the Asian countries work together in the fight against narcotic drugs, we urge those nations with the largest markets for heroin in the world to join in the efforts in making the world, or at least citizens, safe from the danger of drugs."

Malaysia To Proceed with Plan for Borneo Dam

Malaysia will proceed with its plan to build the US\$1.2 billion Bakun Dam in Borneo, but the existing project will be restructured first, Deputy Prime Minister Najib Razak told an economic conference, adding that the government would take 100% control of the project without the participation of an outside partner. Previously an aluminum smelter had been considered as a possible partner. The dam, which was initiated under the then-Prime Minister Dr. Mahathir bin Mohammad, was taken over by the government and revived in 2001 after it was shelved during the 1997-98 Asian financial crisis, when the main operator fell into debt. The dam, which involves flooding an area the size of Singapore, and requires

relocating 10,000 people, has attracted the predictable anti-scientific criticism from environmentalists.

Australia Blames Terrorist Threats on Philippines, Spain

Australian Foreign Minister Alexander Downer charged that the threat to Australia by a group calling itself Islamic Tawhid Group, which claims to be an al-Qaeda branch in Europe, was a direct result of Manila's and Madrid's withdrawal of their troops from Iraq. Downer told Channel 9 in Australia: "You have to stand up to these people because if you don't, you empower them.... Unfortunately, these actions [the Philippines' and Spanish troop pull out from Iraq] have encouraged terrorists to continue these threats and now we are subjected to them, the Italians are, the Poles, the Bulgarians, by this particular group," he said.

Channel 9 quoted the group as saying that if Australian troops are not withdrawn from Iraq, "we will shake the ground beneath your feet as we did in Indonesia, and columns of rigged cars will not stop."

Supreme Court Overturns Indonesian Terrorist Convictions

Indonesia passed an anti-terrorism law in 2003, under intense pressure from the United States and others, and tried and convicted the October 2002 Bali bombers and their associates under this law, despite the clear ban in the Indonesian Constitution against applying any laws retroactively. Now, the Supreme Court has ruled the trials unconstitutional. Although the 32 already convicted will most likely be re-tried under the criminal code (barring a successful double jeopardy claim), some of the secondary cases may be difficult to prosecute under the criminal code.

Perhaps most importantly, Indonesia will probably have to release Abu Bakar Baasyir, the so-called spiritual leader of Jemah Islamiyah. Baasyir was acquitted of terrorism charges, but, after serving 18 months on an immigration charge, was re-arrested and is now being held without charge under the anti-terrorism law.

First-Ever India-Japan Defense Talks Held

Indian Air Force Chief Air Marshal S. Krishnaswamy held the country's first-ever defense dialogue with his Japanese counterpart Yoshimitsu Tsumagiri. He told the Indian news daily *The Hindu* July 25 that the Japanese defense officials expressed "very keen interest to understand our posture ... the way we do things." Characterizing this as a "great professional interest" on the part of Tokyo, Krishnaswamy said there was no specific objective behind the dialogue, such as the current Iraq situation or any other particular issue.

This Week in History

August 2 - August 8, 1864

Adm. Farragut 'Damns the Torpedoes'; Enters Mobile Bay

Just at daybreak on Aug. 5, 1864, the Union fleet in the Gulf of Mexico, commanded by Adm. David Farragut, moved into battle formation to enter Confederate-held Mobile Bay. The attack was part of Gen. Ulysses Grant's much larger strategic plan to bring the Civil War to a close, and, although it took awhile, it worked.

Grant's overall plan was to move a number of Union armies to converge in Virginia, cutting off Lee's communications with

other parts of the Confederacy, and forcing him into a decisive battle in open country. Now that Union control of the Mississippi River had cut the Confederacy in two, Grant focused on an enveloping movement east of the Mississippi which would make it difficult for the Confederates to use their internal lines. One Union army from the deep South was to cut the James and Appomattox River line of communication, while General Sherman's army would execute a wide wheeling march through the South to complete the envelopment. The capture of Mobile, Ala. would deprive the Confederacy of its last major ocean port and would shorten the supply lines to Sherman's army.

Admiral Farragut (1801-1870), entrusted with the capture of Mobile Bay, was a 63-year-old veteran of the War of 1812, a distinction he shared with Army Generals Winfield Scott and John Wool. Scott, before resigning as commanding general of the army in November 1861, had laid out a plan similar in conception for enveloping the South. Although it was derisively dubbed "Operation Anaconda" by those who thought Richmond could be taken in a month or two, that concept actually was used by the Union in blockading Southern ports and attempting to prevent the resupply of the rebel armies.

The capture of Mobile Bay presented a difficult problem, for the bay had two entrances—one for shallow-water boats, and the other with a deep channel which ran between several well-equipped forts. The main entrance was extensively mined with "torpedoes," forcing any entering ships to run right under one of the guardian fort's guns. But Farragut was the man for the job, not only because of his earlier capture of New Orleans, but also because of the character and bravery he had developed when just a young boy.

Farragut's father was a native of Minorca, whose family had been in the service of Spain for centuries. He became a trader in the Caribbean, and when he heard of America's fight for independence he brought a cargo of munitions to Charleston, S.C. He fought for the American cause both on the sea as a privateer, and on land at the Battle of Cowpens and against General Cornwallis in North Carolina. After the Revolution he moved to Tennessee, where his son David was born, and then to New Orleans where he was appointed a sailing master in the U.S. Navy. In 1810, after the death of his wife, his naval duties forced him to find people who could take care of his children. David Porter, the commander of the U.S. Naval Station at New Orleans, offered to adopt David.

At the age of 10, David Farragut became a Navy Midshipman, and two years later, during the 1812 war with Britain, sailed with Captain Porter on the frigate "Essex" around Cape Horn and into the Pacific Ocean. The Essex captured many prize ships, and David, at the age of 12, was temporarily put in command of one of them. The captain told his crew not to obey Farragut's orders, but Farragut managed to stand up to him and won the crew over to his side. When Captain Porter took the Essex into the neutral harbor of Valparaiso, Chile, two British warships, which had been dispatched to destroy him, blocked him into the harbor. When Porter made a run for the open sea, a storm carried away his main topmast and the long-range British guns decimated his ship. David Farragut acted as a messenger for Porter during the hours of bombardment, and twice narrowly escaped death.

After the war ended, Farragut served on various ships, principally in the Mediterranean Sea. Trying to make up for the education he had lost while at sea, he studied under the U.S. consul at Tunis, and over the years, became fluent in Spanish, French, Italian, and Arabic. He also served on a ship which was supposedly a model of discipline and cleanliness, but whose captain achieved his goals through fear and excessive punishment. Farragut resolved never to copy the captain's example. Farragut's wife Susan suffered from a painful disease for 16 years before her death, and Farragut trained himself in medicine in order to serve as her nurse. After her death, one of the Farragut's friends declared that the women of Norfolk should build a "monument to Captain Farragut" to honor the care he had given his wife.

When the Civil War broke out, Farragut pledged his loyalty to the Union, even though he and his new wife, Virginia, were both Southerners. Because of threats from his now-Confederate Navy colleagues, the Farraguts had to slip out of Norfolk on a boat to Baltimore, which they reached just after Southern sympathizers had clashed with Union troops moving through the city. Quickly boarding a canal boat crammed with refugees, the Farraguts sailed to New York and settled north of the city, awaiting orders. They were slow in coming, because the Navy mistrusted Southerners, even those who had given up

everything to support the Union.

Finally, David Porter's son, David Dixon Porter, and Assistant Secretary of the Navy Gustavus Fox recommended Farragut for the job of capturing New Orleans. When that, and the opening of the Mississippi, was accomplished, Farragut was sent to capture Mobile Bay. Farragut determined that he must keep the Confederate soldiers stationed in Mobile from being sent north against Sherman, who was positioned to take Atlanta, and, if possible, cause more Confederate troops to be sent south to answer his projected attack against Mobile. He launched a feint against Mobile even though he did not have the troops to support it, and he succeeded in his first objective, but partially failed in the second, because only engineers were sent South to reinforce the Mobile forts.

Now that the actual attack was made possible by the arrival of more troops and ironclad ships, Farragut prepared to lead the fleet in his flagship, the "Hartford." But many of his fellow officers were concerned about the 63-year-old's safety, and convinced him that other ships with more powerful guns should lead the attack. This almost resulted in disaster.

One of the lead ships, the ironclad *Tecumseh*, struck a torpedo, exploded, and instantly sank. Her companion ship, the *Brooklyn*, stopped and then turned sideways in the channel, partially blocking the ships behind it. Farragut immediately swung his steam-powered wooden ship out into the minefield and pulled alongside the *Brooklyn*. Farragut had perched himself high in the ship's rigging, equipped with binoculars, a megaphone for shouting orders, and a speaking tube leading to the captain which he had installed earlier. The crew of the *Brooklyn* shouted a warning about the mines, but Farragut famously replied, "Damn the torpedoes!" Then, he called down the speaking tube to the Captain of his flagship, "Four bells, Captain Drayton." He then shouted through his megaphone to the gunboat lashed to the flagship's side, "Go ahead, Jouett, full speed."

The Hartford's sailors below decks could hear the primers snapping off the torpedoes beneath the ship as the Hartford crossed the minefield, but not one exploded. Farragut had gambled that they had been in the water too long while his fleet maintained their long blockade of Mobile Bay, and he was right. The entire fleet passed successfully down the channel and entered Mobile Bay. They were met by a smaller Confederate fleet, but one that featured the dreaded ironclad ram, the *Tennessee*, which had been built at Selma and floated down the Alabama River to Mobile.

One after another, the Union ships tried to put it out of commission, but it was the flagship of Confederate Adm. Franklin Buchanan, and he relentlessly headed for Farragut's wooden flagship. Finally, the two ships met and Farragut tried to ram the ironclad, but it turned slightly to starboard. The two ships passed each other with their guns almost touching, firing into each other. When they had passed, two Union ironclads attacked the *Tennessee* and forced it to surrender. Farragut's ship suffered 25 officers and sailors killed, and when Farragut saw them laid out on the deck, Quartermaster Knowles reported that "It was the only time I ever saw the old gentleman cry, but the tears came in his eyes, like a little child."

Farragut's personal bravery inspired the North to further effort, and his conduct, and Sherman's conquest of Atlanta, which he had helped to further, contributed to the reelection of Abraham Lincoln in the 1864 campaign, and to the eventual success of General Grant's strategy for ending the Civil War.

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