

[return to home page](#)

This Week You Need To Know

Our 'Tsunami' Was Called Katrina!

by Lyndon H. LaRouche, Jr.

August 31, 2005

The sheer horror of that human catastrophe which was set in the process of creation by the continuing ugly negligence of the Bush-Cheney cabal during the weeks before, during, and since the passing of the natural catastrophe of Katrina's "American Tsunami," has already unleashed a political after-shock, far greater in human and material consequences than the events of September 11, 2001. The aftershocks of what is already, the inevitable horrors to be met in the days just ahead, will be measured, chiefly in humanitarian, physical, and political-psychological consequences, which, combined, will have the greatest significance for the future of the current government of the U.S.A., and have ominous implications for governments also world-wide.

On Aug. 2, the general warning had been issued, that we must expect major storms to hit the Southern coasts of the United States during the immediate period ahead. That warning should have activated an order from the President of the U.S.A. to the relevant National Guard, FEMA, and other institutions, to develop an immediately operational plan of precautionary, preventive, and emergency action, to deal with all of the obvious contingencies represented by a probable "Camille-like" event. We now see, clearly, that those urgently needed emergency preparations did not occur.

This great human catastrophe has occurred, chiefly, because the Bush-Cheney Administration chose, willfully, to allow a clear warning of a mere natural catastrophe, to be transformed into the present, vast human catastrophe. The President unfortunately, was on what appears to have been a permanent vacation; the Vice-President, unfortunately, was not.

The typical procedure would have been for the President of the U.S.A., on Aug. 2, 2005, or during the morning briefing on the morning after that, to put a relevant four-star or three-star general in charge, under a Presidential order, of an emergency task force of augmented Corps of Engineers and National Guard forces, in cooperation with FEMA, to craft an immediate war-plan for the worst-case expectation of one or more "Camille"-like events from Florida west along the Caribbean coast for the months of August and September.

Notably, the use of National Guard Blackhawk helicopters —then absent in Iraq —would have been a routinely included point of emphasis for such a contingency. The fact that the Cheney-Rumsfeld operations had stripped the relevant states along the Caribbean coast of much of this needed capability, would have been among immediate points for emergency corrective action at that time: as of August 2-3.

There is nothing new in the strategic thinking of European civilization for challenges of that type. Plato, in his *Timaeus*, made precisely the distinction and relationships between great natural and man-made catastrophes. The negligence of the Bush-Cheney Executive from Aug. 2, 2005 on, is the point of immediate guilt of that Administration in our obligation

now, to distinguish between the murderous effects of a natural catastrophe, and the mass-murderous consequences of a man-made catastrophe created by the negligence of the incumbent Presidency.

As a result of that negligence, unless what are presently unlikely, miraculous rescue measures intervene, far more than 100,000 American lives are presently in immediate jeopardy, from combined direct and indirect effects in progress during the days immediately ahead. So far, the current theatrical posturing by the Bush-Cheney Administration, while sharks swim among the floating corpses in the streets of New Orleans, will do very little to deal with the immediate human catastrophe now in progress in the immediately stricken areas. The rescue teams which should have been deployed in readiness on the days before Katrina struck, were concentrated chiefly in National Guard units deployed, together with their helicopter-rescue capabilities, in Iraq.

However, the culpability of the vacationing mind of President Bush and the overactive propensities of the Vice-President Cheney who has taken over the job of replacement for the perpetually vacationing mind of the President, is only the relatively more recent contribution to the vast human economic and other catastrophes now suppurating northward from the coasts of Alabama, Mississippi, and Louisiana. Right now, a section of the United States, with direct effects on millions of our people, is being destroyed.

Beyond the sheer horror of what could have been prevented, even during the time available to President George W. Bush, Jr., since Katrina left the tip of Florida, there have been decades of negligence by the U.S. government and many others, negligence driven largely by a cultural paradigm-shift of the U.S.A., a turning away from the world's leading physical economy, to our present condition as a nation of virtual slave-labor shacks and vast gambling enterprises, where an essential part of the world's once-greatest agro-industrial power once dwelt. Over several decades of shift, since approximately 1967-68, from a production-oriented to a so-called "services" economy, we have allowed the destruction of the quality of productive employment and community life which had been our national standard of reference for the application of our constitutional principle of promotion of the general welfare of the people of the U.S.A. and their posterity.

In our zeal for ever cheaper labor, and lower taxation, we have been destroying the industries, farms, and basic economic infrastructure of the U.S.A., continuously, over a period of about thirty years. In that process, as we see in the Third World-like conditions developed proximate to the gambling paradises of Louisiana and other once-proud states, we have accumulated the pattern of negligence which permitted a "Camille"-like natural event to reduce an entire region of the the United States along the Caribbean coast into a spectacle like that produced by the way in which a deadly Tsunami hit the coastal regions of Indonesia, Thailand, Sri Lanka, Bangladesh, and India. These changes of the past three-odd decades, combined with a degree of negligence of the Bush-Cheney regime, is tantamount to gross, impeachable negligence; this negligence has produced a margin of effects which promise, at least, to be worse than those of Sept. 11, 2001.

The natural catastrophe, as Plato said, was beyond man's present power to prevent; the greater catastrophe was created by the unnatural conduct of the leadership represented by the President and his ostensible manager, the Vice-President.

Meanwhile, in Europe

When we compare these recent days' events here in the U.S.A. with the usual situation of kindred forms of catastrophes in Asia, we are confronted with our recollection of the advantage which modern European civilization came to enjoy, relative to Asia, for example, as a result of the basing of the modern form of sovereign nation-state republic on the principle of the supreme law of the common good. This is the principle of promotion of the general welfare for ourselves and our posterity, in the supreme law of our republic, the Preamble of our Federal Constitution. This same principle is pervasive, usually with less authority, but present nonetheless, especially since the 1648 Treaty of Westphalia, throughout the good nations of modern Europe.

This principle of natural law is otherwise known as the Christian principle of the common good, as the supreme principle of natural law to which all governments and peoples should be obedient. This principle has been the secret of all those economic and related achievements in promotion of the improvement of the conditions of life and freedom of peoples of European civilization, and elsewhere where admiration for the same principle is shared, as among Jews and Moslems as for Christians.

At the present time, what claims to be the higher law of individual greed, sometimes called "shareholder value," has systemically subverted our Federal Constitution, replacing U.S. law with the Lockean doctrine of law set forth in the Preamble of the constitution of that slaveholders' conspiracy known as the Confederate States of America.

At the present moment, as in political campaigns in Germany and other parts of Europe, as here in the U.S.A. itself, that great moral principle, on which all of the great achievements of modern European civilization in human rights and prosperity have depended, is in grave danger. The law of the jungle, as we witness in the worst cases of states in Asia and Africa, and as the same law of the jungle is amok in Central and South America, is afoot. It was that same predatory instinct, the law of the social-economic jungle, which had been the heart and soul of the Bush-Cheney Administration, even before Bush's 2005 effort to rape the Social Security system premised on the Christian principle of the general welfare; the Bush policy which has been the true spiritual inspiration of the catastrophic negligence which the Bush-Cheney team has inflicted, the human catastrophe heaped upon the routine natural catastrophe of Katrina.

On this moral issue, as reflected in the horrible negligence of the Bush-Cheney team, the entirety of humanity is placed in jeopardy, as the greatest financial crisis in modern history is now about to descend upon, not only the U.S.A., but the world as a whole.

Latest From LaRouche

LYNDON LAROCHE EMERGENCY SEPT 3, 2005 WEBCAST — 'PULLING THIS NATION TOGETHER NOW!'

Here is a transcript of Lyndon LaRouche's emergency international webcast on Sept. 3, 2005. LaRouche's opening remarks are followed by an extended discussion period. Over 310 sites around the world tuned in for the webcast, in addition to 50-100 on a conference call hook-up. Participants included those from Germany, France, Italy, Philippines, Australia, Canada, and in Ibero-America: Mexico City, Monterrey, Lima, Buenos Aires, and Neuquen, among others. In the U.S., gatherings of participants, especially those of the LaRouche Youth Movement, included Los Angeles, Seattle, Houston, Toledo, Boston, and Chestertown, Md.

Most people don't understand what the nature of the situation is, because they're not thinking from the standpoint of what a President of the United States should think at a time like this. We have a crisis now, which is chiefly a man-made catastrophe, added to what had been otherwise a controllable, but severe, natural catastrophe. It is the man-made catastrophe, which is the chief problem we have to face and overcome. If the government had acted properly, as of Aug. 2 or 3, when the certainty of a Force 4 to 5 hurricane hitting the Southern coast was clearly known, a hurricane for which the area is not prepared: The area that was hit by this hurricane, which came in at [Force] 4, and reached close to 5 at a time, that area was not capable of withstanding a Force 3-level hurricane.

So, the minute we knew we had a major hurricane, in the Force 4 to 5 range, aimed at the Southern coast of the United States, anyone in Washington who was on the ball, would have known we had a major emergency, and had to take

immediate, emergency action on the assumption that we were going to be hit by that kind of hurricane. Which would mean: evacuations, plans for evacuations, mobilizing forces for evacuations, certain kinds of emergency measures taken to moderate the situation—all these things should have been done. Nothing was done.

As a result of that, what might have been a few thousand people injured, and a limited number of deaths, is now thousands, and could rise, as a result of complications, if we don't deal properly with it, to a hundred thousand or more deaths in that area. Because what has happened, because of the negligence, we have an infectious-disease potential, of water-borne and insect-borne diseases, which can become epidemic, including so-called Avian flu. These kinds of things. We have to do something, now, or we're going to lose a lot of people.

Now, compare for example, what happened on Sept. 11, 2001: The impact of that catastrophe, was largely limited at first, to the day of the event. There were aftereffects, but the aftereffects diminished rapidly, and the effects were concentrated mostly in the time period of the attack, and on two areas, Washington, D.C. to a lesser degree; New York, more.

This is a different situation: Because of the negligence, lack of preparation and failure to get on the ball, we have a catastrophe, a *human* catastrophe, which has been increasing at an accelerating rate *since* the hurricane struck! It's getting worse, all the time now. So, that's our first problem.

Now, this problem also, internationally, calls into question whether or not the United States is really a nation any more. Whether anybody is running the show any more. Whether we're going to exist as a nation—the has-been superpower, turning into a disgusting joke. That's the crisis. It's not the details—people will be calling in, suggesting this, suggesting that: "We could do this, we could do that." *Shut up!* We don't want those suggestions. We already have people who understand the situation. They're prepared to act. They're officials, they know what they're doing. They don't need your suggestions about what should be done. They need information, indications, that sort of thing.

But, what we have to have is a *centralized* top-down approach. Why— We have to convince the American people themselves, as well as the other nations of the world, that this nation is still a great power, and is capable of responding to its responsibilities. So the confidence in the *United States, and its government is the first point of the human catastrophe, right now.*

If we can not convince ourselves that we are going to deal successfully with this, like a superpower—as was not done up to this point—then we're not going to have a nation. And because we're in a period, in which the international monetary-financial system is headed for the worst economic collapse in modern history, a collapse of the United States and its credibility would mean a catastrophe for the entire world.

Therefore, we have to assert the responsibilities of the sovereign government of the United States as a virtual superpower, to deal with this problem! We have to get our act together, top-down! If we do, we can handle it.

Let me give you some indications.

Evacuation: Now, the first thing we've got to do, is get all these people in that area *out of it!* We've got to move all those people *out.* We've got to move them out quickly, to safe places. Many of them are already carrying diseases, diseases contracted as a result of the conditions to which they were exposed. Others are in aggravated health conditions, because of the lack of treatment. We've got to move them out of the New Orleans area in particular. Because that's a disease center. Epidemics are about to break out. We've got to put them into a safer environment.

Now, one of the places we have—not stadiums, not Astrodomes, or that kind of nonsense. That's children's games. Let's

get serious. The way we would handle this thing, and the way we should handle it now, is we have some military bases. Now, instead of trying to play games, we're going to have to move those people quickly into military bases, or improvised arrangements which are equivalent to military bases. We have some large bases in southern Mississippi. They're in a disease-prone area, but they're manageable. These are not ideal for the long-term. But we must move those people out of the New Orleans area, and similar areas, *quickly*. We've got to move them.

All right, the Mississippi bases are there. Move them there. Get whatever is required mobilized, and *move them now*. Don't talk about buses, don't talk about this —*move them now!*

All right, now we have some other bases. There are not enough of them, yet, online, but there are other bases which are in better areas. Now, we're going to have to take these people and process them. We're going to keep families together, to the degree we can. But some of these people are going to be very sick and need special treatment. Many will have to be isolated, because they carry infectious diseases, that are dangerous, they've contracted under these conditions: cholera, avian flu, all these kinds of things: water-borne disease, insect-borne diseases. That's a *nightmare* down there in New Orleans. We've got to get them to an area *out* of that infectious areas. We're going to have to classify them; we're going to do triage —good triage, not bad triage. We're going to have to take families that have a sickness pattern, put them in an area where they're going to get the adequate medical and other treatment. So, we're going to have to immediately follow up —the usual social-work things, to make sure that everybody's —we know we know who they are, where they are, what their families are, who we have to contact; that sort of thing.

But the way to do it, is first of all, use our military bases, which are idled, but are still functioning. Keep them. Forget the BRAC —keep the bases. Until we get enough bases with capacity to handle the entire area. We're going to move people back, but first of all, we've got to move them to safety.

Now, instead of trying to bring foodstuffs and so forth into the New Orleans area —which we'll do! But not that much —we intend to move the people to a place where we can safely bring the food to them; bring the care to them. Military camps are the best place for this kind of thing. We can also improvise —and the Corps of Engineers are capable of doing this —we can improvise new camps, which are temporary, but at least they will do the job, before the winter sets in, for the time being.

Then we're going to start rebuilding.

Now, this is largely a military job. And what we're going to have to, is take the Corps of Engineers, and fully activate it, and equip it, including with money. It's going to cost a lot of money. We've now got \$10.5 billion allotted by the Congress. That will help; it's not enough. We're going to need about up to \$100 billion just to deal with the immediate costs of this thing —if we're going to keep people alive! Don't talk about the cost! Don't talk about the \$100 billion. Yes, be realistic about it. But realize, that if we don't do this job, *we no longer represent a nation*. We lose our ability to function as a nation, *at a time that the entire world is on the brink of the greatest financial crisis you ever heard about!* We can not let the United States go under! Because other parts of the world can not deal with this global problem without us. We can't solve the problem entirely by ourselves as a nation, but the rest of the world couldn't solve this problem without us.

Let me give you an example: Many of you believe in a myth. You believe that we are a broken-down nation, and the proof of that is, we are producing things in China and India, instead of the United States. That is a myth. That is a *fraud*. Why are we producing things in India and China, rather than the United States, and similar kinds of outsourcing and so-called globalization— Why —because they're better than we are— No! They're not better than we are! They don't have a General Welfare policy! See, 700 million people of a billion in India are extremely poor. You have a concentration of poor in China. India and China are very well off, compared to most Asian nations. Seventy percent being extremely poor, is really a luxury state for most of the Asian nations. We have dying nations in Central and South America —dying, partly because

of our policies. And partly because of our globalization policies, our free-trade policies.

See, what happens is, these nations produce chiefly for us. They use some of their labor to produce for us, instead of we producing for ourselves. *Why*— Because we have a system of public health. We have a system of health care. We have a General Welfare policy. We support our people, we protect them. We fight for their medical care, we fight for their Social Security, their insurance, their pensions. These countries don't have it. They don't have infrastructure. Therefore, they can produce cheaper—but at what cost— By starving 70% or more of their own people.

They're not better than we are—we're stupid!—when we get into this kind of an arrangement. We delight in getting cheap goods from China, and think nothing about the poor people of China, who are producing in China, at prices which don't meet the needs of the Chinese people as a whole— We're doing the same thing in India. The same thing in Third World countries *below our borders*! Do you know what we're doing to Mexico— Do you know what we're doing to Central America— Do you know what we're doing to South America— In this cheap labor export policy—

We are, in the meantime, destroying the United States! We've destroyed our industry! You take a map of the United States, and look county-by-county, over the past 30 years: *We've been destroying the United States!* And many of you live in areas which are being destroyed. You remember when there was a factory, when there was a town, when things functioned. Not any more! We are now turning our people into Third World people! With the kind of jobs, and wages, and incomes of a Third World level.

The rest of the world is not better than we are. We're being stupid. We let this happen to us, because we had a bad policy. There's no reason for it.

Now, what we're going to have to do—and the reason we have this crisis down there in Louisiana, Mississippi, and Alabama, is because we abandoned the policy of the Constitutional commitment to promotion of the General Welfare. And therefore, because we were *cutting costs*, General Welfare costs, and the way we were trying to loot Social Security, we no longer maintained the standard of living, and support for these areas, which would enable them to deal with many of these problems: *We did not deliver, what was required in the Louisiana-Mississippi-Alabama area, even though we knew it was needed, because we didn't want to spend the money!* Because we were trying to cut our social welfare funds, for conducting, say, the war in Iraq, or for a new war they want in Iran: these kinds of things.

So now, we're in a point, that the issue before us, which is posed to us by this plight of our people, in these three states in particular—but that's the not the problem. It poses something larger to us: *Are we a nation*— And what defines us, as a nation— The President and Vice President, of course, have failed, in this respect. We don't throw them out, we don't shoot them because of this. But we have to recognize, they failed. The incumbent President of the United States *has failed*. And therefore, the other institutions of the United States, which are forced to come into the picture, and play a larger role, because the President isn't up to it, we have, together, to hold our institutions together, and to realize, we are still a superpower. We are the leading nation on this planet.

And it's time, we acted like it.

That's our situation.

Now, here, most of you young guys, you've got a good two generations, 50 years or so, ahead of you. Your parents don't. Your parents are entering the last quarter-century of active life, as a generation. And it's a diminishing life. The future, for better or for worse, belongs to you, the next two generations, the next 50 years—and beyond. If we don't solve this problem, you have nothing for the rest of your life. Your parents' generation can die out. And will soon, anyway, within the coming quarter-century. Most of them will begin to die off and disappear. But you are stuck with this for 50 years to come

—right now, you have no future, the way things are going.

Therefore, *you*, and your generation has to mobilize to fight for your future.

You also are the generation that made up the bulk of the troops that went to war in World War II. We're now in another war to defend this nation, and what it stands for, to bring back the dignity of this superpower, as a superpower —to convince ourselves we *are* that power. We're going to have to fight that war. This war is not with guns, as such. We don't desire, we don't need a war of that type. But we have to fight, *as if* for war. We have to mobilize *as if* for war. Your generation is going to be the bulk of the butt of this mass mobilization of the citizenry as a whole. Just as my generation was taken to war, drafted into military service in World War II: We were the bulk. We didn't have much skill. But because of Franklin Roosevelt, we had the best logistics in the world. We had *tonnage per man* of every soldier put overseas; compared with the relative poverty of every other army in the world, including the opposing army in the Germans. What we had, relative to the Germans —*vastly* superior! Not because we were better at war —they were better at war than we were, they were better trained. Longer trained. But *we had logistics; we had sheer tonnage of power!* per capita, that no other part of the world had.

We don't have that, any more. But, you are going to have to help mobilize the population of the United States, you are going to have to be thrust, that pushes what has to be done.

We now have, around the Senate, a bipartisan group of Senators, and other people, in and around government. We have retired people, retired generals, retired colonels and so forth, who could volunteer to fill in on many of the jobs that need to be done.

We can save this nation! We can bring back its dignity. We can't bring back the lives that were lost, by the malfeasance, or misfeasance, in this period. But we can save this nation. We can say, we won this war. And it's up to you.

The approach we're going to have to take, though, is to fight this as if we were fighting a war. Colonels and generals and so forth, retired or otherwise, are going to play a key part, because they know how, quickly, to do the kind of job of mobilization that needs to be done, to fix things that need to be fixed. They're the ones who know how to build a base, overnight, and we're going to have to have more bases for people. They're the ones that know how to organize mass transit —overnight —how to do that. They're the ones that are simply waiting —they'll volunteer, too! —they're waiting for the orders, the authorization to act —*and they will act!* So, we have to mobilize around this, as if for war, and say, "Look, we're looking at, right up front, frankly, when you look at this realistically, we're looking at \$100 billion fix-up job, to come out of this thing *with our dignity*."

And giving the American people, first of all, the sense, that we are a nation, we are still a superpower, we still have it in us, despite even the failure of some of our institutions. And reminding the world, that we are still a leading power of this world. We have *not* gone away. We're *not* going to disintegrate. And we're going to have to go back, to correct our mistake. We're going to have to have to back to the Preamble of the Federal Constitution of the United States, and recognize, the fundamental law of this nation, is in the Preamble, not only in national defense, but in the promotion of the General Welfare, for the living, and for their posterity.

We have *violated* the principle of defense of the nation! Flagrantly! We have violated, even more flagrantly, the policy of promotion of the General Welfare. We are condemning ourselves to contempt, unless we go back, and make the promotion of the General Welfare of the living and their posterity the foundation of government, now.

Thank you.

DIALOGUE

MODERATOR: We do have a couple of questions, that we wanted to ask you. Both of these questions came from —they came as a product of the joint leadership meetings that have taken place in Washington over the last 48 hours, although both of these questions do come, specifically, from the Democratic side of the aisle.

The first question is —well, it's really on the order of battle. It says, "Mr. LaRouche, the issues that we have to address as they relate to the human catastrophe and how to address that, are things that you've made clear. What is less clear are questions related to the ongoing functioning of the economy, and the economic dislocation that we've suffered as a result of this disaster.

"As I think you know, we have, now, two major ports that have been severely crippled as a result of this storm. The Port of New Orleans alone, is responsible for approximately 25% of the nation's fuel supply. It's going to take some time for us, even with the best efforts to get these areas up and fully functioning again. Obviously, the most efficient way to address some of these questions, within the framework of our Constitution, is by Executive action. But that does not seem to be forthcoming.

"Therefore, we're posed with the task of intervening Congressional action. Can you please define your view of an order of battle— For instance, should we be moving immediately to freeze prices on fuel and food— What else is it that we need to do, to address this interim emergency period—"

LAROCHE: You mentioned the question of limits, upper limits on prices of fuel and food: We face not only the price, we face shortages of supply, right now, because we depended too much on petroleum products coming in through the Gulf area. It was a terrible mistake. It was a mistake based on corporate thinking, *not* on national-interest thinking. And we have to recognize, as we are reminded now, that the policies, the economic policies of the United States have to be based on the interest of the United States *as a whole nation*, not on the interest of one group within the nation, or some special group with special interest. That was a mistake.

Now, we're going to have to deal with that. One of the first things we've got to do to deal with that, we've got to clear the Mississippi and the area of waterways around New Orleans. We've got similar problems in the southern part of Alabama and Mississippi. We've got to clear these.

Now, this is a Corps of Engineers job. So we have to augment and give the Corps of Engineers the authority to proceed. They can do the job. Because we've got the grain harvest, that's coming up now! We've got to move that grain, along the Mississippi, out into the Gulf and we've got to export it. We'll have a catastrophe if we don't do that! The only way we're going to do that, is the Corps of Engineers and related institutions, have to get in there and clean up the Mississippi and get the wreckage out of the way. That must be done, immediately!

But somebody has to give the order. Therefore, if the White House is not disposed to give these orders, then the Congress, a bipartisan body in the Congress has to enact legislation which created *authorities*, staffed by people including people —preferably from the military, in many cases; I mean, there are number of retired generals and colonels and so forth, who can be called into duty to staff these things. Corps of Engineers people understand this: We've got to clear this mess out! And these people have to be given the authority, and the backing, and the funding *to move!* —*and to move, now!* Not debate until next week. We've debated too long. We've waited too long, already. We should be moving on it now.

We do have to, again —back to the other question —we do have to enforce —. Now, we had a case out nearby here, of \$6 a gallon for gasoline. And you have people standing by the side of the road and laughing at Hummers. But that's not the

only part of the story. We can not allow a speculative exploitation, which is now going on in the world market, to drive up the price of petroleum products on which this nation and other nations depend, to floating prices. We're going to put a lid on it. We're going to put a lid on it in the United States, and we're going to go to Europeans and others, and we're going to put a lid on it. We're going to talk to people overseas —we're going to *put a lid on the cost of petroleum products*. We're going to *stop* this inflation: Because this inflation is purely based on speculation. And the speculators are going to have to take bath!

We're going to have a price of energy, which enables this nation to function. We're now coming into a winter season —months ahead— Yes! But we're coming into it now! How do you like it, with no heating, in the northern part— How do you like it, the fact that we're shutting down electrical systems, power systems in entire regions of the country now, for lack of petroleum products, because we made ourselves dependent upon it— No!

We organize the flow, of what we need in so-called energy supplies, and we regulate the price, put a cap on it, and we work with other nations *to keep that price, a lid on it!*

Now, we also have a problem of food supplies. Most people don't realize it, but our food chain is quite vulnerable now. Therefore, we have to mobilize, and ensure that everybody gets a chance to eat. Those two things —at this time, there are a minimal number of things we should try to do, in terms of management, from the Federal government. But these are two things that *must* be done! Because, if these things *are not* done, the whole system can blow, the whole effort can fail, as a result of not doing it.

That's the basic thing.

Now, we are going to have to have backup anyway. I mean, the Executive branch is not presently staffed to handle it. For example: FEMA was understaffed, and has no clear direction. It was gobbled up and cannibalized to feed the homeland defense. And now see what happened to homeland defense— What happened in 9/11/2001 is peanuts, compared to what's happening now. You realize, we could lose over 100,000 citizens, or more, right now! And if an epidemic of major proportions breaks out, in the Southern states, because we don't do something about it now effectively, we could have something that'll take out *millions* of Americans. We can have something spreading around this country, like the flu epidemic, the Spanish flu epidemic at the end of the World War I. Problems like that. We can not fool around with this thing. We must get back into action.

Therefore: We must create special authorities, using a lot of our retired military who understand exactly how to organize for this kind of situation. Because our military is *not* a shooting organization, essentially. Our military is essentially a logistic/defense organization. And what we need is logistics. We need generals and colonels who know how to do this, and who can recruit people with experience back into service. So, create authorities; fund these authorities, on mission-orientations to get the job done. The President does not have to be in the act, every time this has to be done. You have to have authorities which are mission-oriented, where there's a problem, where it's been authorized by law, by the bipartisan vote of the Senate and the House —it'll be done! Automatically! By these people who are agents of the U.S. government, in taking care of that problem. And that has to be done now.

So, we're going to have to go to this business of authorities, special authorities, created by the Congress, by law, and authorized and staffed to do these various things that must be done. And special legislation to enable the government, and to compel the government! —to put a cap on the price of fuel, and a cap on the question of food supply. We're going to have a food supply. We're going to have necessary energy. And we're going to fix some of the mistakes, that got us here to this mess in the first place. But right now, we've got to fix that, we've got to ensure our national economic security.

MODERATOR: [first part of sentence lost]...is really, it's a question of the anticipating of what the next few weeks may

hold. It's kind of —it has two components to it. What he asks, is, he said:

"Mr. LaRouche, as you probably know, the National Weather Service is forecasting the potential of at least four to six more storm systems before we are free and clear of this year's hurricane season. We were briefed on Friday, that at least two to three of those will probably be Category 3 hurricanes. In the second case, our concern is that, in both your words and specifically the words of people like former Treasury Secretary Robert Rubin, we're dealing with a highly unstable global financial system, and that predated the events of this last week.

"In the immediate aftermath of Katrina, the President's Council of Economic Advisors told us, that the result of Katrina is likely to be only a blip on the global financial system. Somehow that does not seem at all realistic.

"The question that I have for you, Mr. LaRouche, is, how do we prepare in advance for the possibility of both these eventualities, so that we're not caught flat-footed, as we were when Hurricane Katrina swept the Gulf—"

LAROCHE: On the first thing, I would say, we have to create the equivalent of a special authority which can utilize existing and newly assembled resources, which are assigned to do what was not done in the case of Katrina. That is, they're assigned to take each of these questions, on these storms, and to go at them, on the basis of the kind of reports which your question refers to, the kind of report we had on Aug. 2 of this year. And once these reports come up, on any particular threat, we go to work *on that question, then, immediately*, as we should have done in the case of Katrina.

Remember, we had four weeks' warning, on Katrina. We did *nothing!* Less than nothing, in four weeks, to prepare for what was known to be an attack on a part of the country *that could not withstand Category 3 hurricane!* And what came in, was a 4 to 5 Category hurricane. But we'd have been a disaster if we'd had a Category 3!

Now, if you're talking about Category 3, and higher, hurricanes, these things can not be absorbed on short term. That means you have to mobilize, as you would for an attack, a military attack on the United States, by capabilities which could deal with them! And you have to make it automatic —the way you do in warfare. An automatic defense of the United States against hurricanes! What's wrong with defending against hurricanes— You don't have to go out and shoot a hurricane (it doesn't work too well). But you have to control it. You have to control it, as if it were an invading enemy. And the military know how to do that —not by shooting, but by using whatever we have, to take the precautions that we need, sit down, staff the thing just as you would for a battle; staff it, prepare, take the actions, set up the contingency actions and so forth.

But, on the economic crisis: Well, that's what I've been warning about. It's coming.

Now, let me describe this, fairly, as I've said before: The problem here, is very few people really understand an economy. And Bob Rubin, I think, would say, that he and I share that view: That most of the people who are called economists, who are under 63 years of age, really are not competent as economists. They may be useful people, but they are not competent for defining this. They don't think the right way. We've gone through two generations of cultural paradigm-shift, we no longer think of ourselves as an agro-industrial economy. We think of ourselves as a service economy. The whole system, the whole economic thinking of the country, has shifted totally, to the generation that runs the country thinks in terms of a services economy, not an agro-industrial economy. Well, a services economy is about to *disappear!* In its present form. And you can do nothing to save it. Therefore, we're going to have to rebuild the economy, back to an agro-industrial economy, otherwise, we're not going to make it.

Now, we're at the point, we're at a boundary area. Now, some people say, "What day is the crisis going to come—" You can't answer that question. Because, we're in a situation like Germany was in from June on, into October-November, of 1923. Germany was carrying its income, the apparent income of Germany was being carried by going into debt, through

the printing press money. And the ratio of unpayable debt incurred, to the amount of short-term income you were generating in Germany, was such that the ratio of debt to income, was increasing at an geometric rate. So, what the entire German economy, from June of 1923 until the real crackup in October-November, was on a collision course. Who could have predicted what month that would have gone down—

We are now in a cycle like that. What has happened recently —first of all, go back: 1987, we had in October '87, something which I had forecast, and I had forecast it several months before then, that we were headed for a general, 1929-style crash of the financial market by sometime in early October of 1987. I forecast that in May and June of 1987, I said, "We're on that track. That's what we're going to deal with." *It happened*, just exactly as I forecast.

Now, what happened then— That was the 1929-crash equivalent which occurred in 1987! What year is this now— 2005 —moving toward October 2005, which is always a bad season for financial storms! The system is ready to blow: What Greenspan did, when he came in as Federal Reserve Chairman, he invented a new kind of money, called "financial derivatives." This is not real money. This is gamblers' side-bets. In other words, you got two guys up in an alley, shooting crap. And you got a bunch of kibitzers on the sidelines, betting on the outcome of the shooters. These are *side-bets*. You have people in Las Vegas, you have people playing at the tables. And somebody is conducting side-bets on how the game is going to go on the table, as personal side-bets among them, and exchanging pieces of paper as bets, hmm—

Now, what Greenspan did, is set into a system of side-bets, gamblers' side-bets called "financial derivatives" or sometimes called "hedge funds." And these were used as a form of indebtedness, high-velocity, rapidly rolled-over indebtedness, involving quadrillions, essentially, of debt —untold amounts of debt, because so much of this is private and unrecorded, we don't know exactly how large it is. But it's enormous.

Now, the profit, which is registered on the basis of these kinds of transactions, is then reflected as profit, or claimed profit, in the markets, in the regular financial markets. This is what is shown as the basis for the profitability and stability of the U.S. economy! In a situation *like Germany*, in 1923! Like the summer and fall of 1923 in Germany.

We don't know when this going to blow. It's *ready* to blow. And when it blows, there's not a major bank in the United States or Europe, that will be standing! That's what Bob Rubin's talking about. That's what I'm talking about.

That's what leading economists know! The mortgage-based securities bubble, as concentrated around Greater Washington, as concentrated on the West Coast: This is about to blow! Shacks at a \$1 million mortgage, may be going to \$200,000. Mass evictions. People who thought they had riches, have nothing —or much less than nothing. This can happen at any time!

This is not something in the future. This is not magic, this is not guesswork. *This what we know!* And any leading economist or banker who tells you it's not true, is either stupid, or he's a liar. Any government official who's relevant, who denies this, is a liar, or stupid! And should be removed, for that reason, from that position.

So, we're going to have to act on this.

Now, there is a solution: We have to be ready for the reality, that this crack is going to come. What do you do— When it comes. Well, if it happens, and we don't do anything, if the policies of the present Bush-Cheney were in force, you would say, "This is the end of civilization, and the whole planet is going into a Dark Age, for maybe several generations." Because, unless you do something, to prop up the economy, under conditions that all the banks, the major banks in the world are going under, and you try to run, with a broken-down economy, with no funding and no credit to keep the economy open, what's going to happen— It's going to be chaos. It's going to Hell. We'll either go into some kind of fascist dictatorship or tyranny, or you're going to something worse.

So therefore, there's one solution: And that is, to go to the Preamble to the U.S. Constitution, national defense, and promotion of the General Welfare for present and future generations. The government puts the national banking system into receivership and bankruptcy, and prevents the banks from closing their doors; goes through financial reorganization of the system, to ensure that people are not thrown out of their homes; their businesses stay open; their pensions are paid; and that we *proceed to grow*. With things that have to be done, physical things that need to be done, which will grow the economy, and bring the level of current income above the level of current obligations, current costs.

On that basis, we can work our way out of the problem. We have to do this in cooperation with other countries. But the countries of Europe can not do this by themselves. The countries of Europe do not have real sovereignty. No nation in Europe today, has sovereignty. Because they are all victims of central banking systems, which are privately controlled and which are nothing but agents of a concert of private financier interests. So, the governments of Europe are controlled by the bankers. The government of Germany, the government of France, the government of the United Kingdom, the government Italy —are controlled by private bankers! The government is inferior in political power to private bankers!

So therefore, there's no government in Europe, which is prepared to put the private bankers into bankruptcy, which is what has to be done. The United States is the one nation which has a Constitution, which qualifies us, by tradition, to go to National Banking, as Hamilton described it. You put the private banks into receivership. You keep their doors open. You keep them from being shut down. You reorganize them. You sort the paper out. And you create new credit to make the economy grow.

And make it grow through infrastructure investments and other things, sufficient to ensure that what we're *earning* per year, exceeds what we're spending per year, in terms of current accounts. And we're going to have to do it.

This is not necessarily something which corresponds immediately, and simply, to the crisis we have as a result of the hurricane crisis, and the national catastrophe. But, it's something that government has to be prepared to do.

Now, we have a number of Democrats, in the Senate and elsewhere, who are less unlikely to give serious consideration to what I just said. They might be unlikely to do it, if they thought there was some way of ducking the issue I just raised. But, if they knew, and were sure, that what I'm saying is right, they wouldn't be too resistant, because they know what the consequences are. The problem is, on the Republican side, is not that the Republicans aren't good people —many of them are, they're very good people. Particularly in the bipartisan coalition. But, because of their party conditioning, and because of the conditioning of public opinion, particularly since 1971-72, very few people in the political system in this country, *want* to think in the direction I just indicated. *But:* I can tell them, "Do you wish to survive— Do you want to let your prejudice on this account, get in the way of the survival of our nation—"

"You want to save the banks— They can't save themselves —who's going to save them— *Only the power of government* can save the banks. You want to save the banks— Go to the government. Use the power of government, the *consent of the people in support of government* to keep the doors of the banks open. And to keep the things that banking involves, functioning. Keep people employed; keep people working."

We're going to have to face that. It's part of the crisis.

And, in a sense, it's the failure to recognize this, or to be willing to recognize this, that makes otherwise talented political leaders of this country, tremble like idiots on many political questions. Because, they say, "You can't go that way. The country has changed its mood. We're now for fiscal austerity. We're no longer for the General Welfare. We can barely defend the Social Security system —what're you asking us to do—! Put our careers on the line—" They're frightened.

I'm frightened enough, to know what has to be done. The problem is they're not too frightened, they're just not frightened enough.

But in the meantime, someone like me has to say, "Well, look. I'm prepared to face this. I'm prepared to face war. I'm prepared to face a crisis of the type we have immediately. I'm prepared to face a financial crisis. We need more people like me, who've got the *guts* to face this crisis. I've got the guts to face it, and I know it can work."

MODERATOR: Ladies and gentlemen, you're listening to an emergency address to the nation, by former Presidential candidate and physical economist Lyndon LaRouche.

Lyn, I thank you for your remarks and those answers to those questions. I know you're not going anywhere this weekend, and that's good, because I think there are going to be a lot of additional questions on this, from especially members of the Senate.

But at this time, we're going to return to what the original intention of Mr. LaRouche's appearance this Saturday was, and I'm going to turn things back over to Marcia Merry Baker, who will entertain questions from the youth gatherings around the country. But, just in closing, I would say that since the youth gathered here in Chestertown, Maryland are the ones who have the task of carrying this message to Washington, D.C., my strong recommendation would be that the first question come from here. But, I'll defer to Marcia.

HOST:: Thank you, Debbie. And thank you, Lyn, very much.

And yes, so, if they'll get their question ready on the Eastern Shore of Maryland, I'm just going to say who is participating again, so everyone knows how to proceed. But, Chestertown, Md. will be first.

We have five sites in the continent United States, with hundreds-strong gathered of the LaRouche Youth Movement, and they'll be participating now, with live audio —I'll just anchor the rotation —and put their questions directly to Lyn. And in addition to that, just so everyone knows, we do have, outside the United States, in Mexico and Canada, throughout Central America and South America, we have assemblies of the LaRouche Youth Movement; also in Germany and in Europe; I know in Australia, for certain; places in Asia, in the Philippines, and some individuals in Southwest Asia and in Africa.

We appreciate emails may come in to Lyndon from those people, and because of time, we may have to funnel them, to Lyndon and to the LaRouchePAC, in the course of the upcoming days, because we will stay with the live questions from this gathering of the LaRouche Youth Movement across the U.S. And that will be: Los Angeles, Seattle, Toledo, and Boston, as well as the first place in Maryland. And we now ask them, to place their question directly to you. Go ahead!

MODERATOR: Okay, question from Maryland.

Q: Hello Lyn, this is Erin from the D.C. LYM. And the question that I have, in light of what has just occurred with the hurricane and over successions of time of actually getting to know the individuals in Congress, the aides, the Congressmen, and other things like that: One of the things that I was quite surprised of, about two years ago when we started lobbying, is that even among the institutions, a sense of sort of helplessness. And some of the things you talk about within the population, around the rampant fundamentalism, this sort of anti-intellectualism, and other things of this nature —it's still shocking to see how dominant it is, inside of the Congress and related institutions.

So, the question that I have, is, what are the type of things we need to push on a little bit more, from the standpoint of

pedagogy, to really get at this sort of thing inside the Congress—

Like, before we came down, we did a mass distribution inside of the Congress, the House and the Senate, of your new statement. And to try to pre-empt a sort of "we can't do anything, this is Mother Nature/God's wrath on us"—Can you help us out, on the direction that we need to push these guys, from the standpoint of not looking at themselves as helpless peons, or something like this—

LAROCHE: Well, the point is, these people are a drag on society right now. What we're going to have to operate upon, is the fact that a majority of the population, as typified by a majority combination of the Democrats and many of the Republicans in the Senate, are prepared to move in the direction, at least on the emergency issues, that were the questions you asked about, now. And no matter what other people say, among the Faith-Based Initiative people who are corrupted by money, or who have simply been driven insane into insane religious ideas, like following Pat Robertson, who is not entirely human —this kind of thing —they're the minority, politically! And we are not going to jeopardize the nation as a whole, or the people of the nation as a whole, because a minority of that type, which is irrational, is trying to get us to bend and compromise with their irrationality!

We're going to say, "Brother and Sister, get rational! Because, the question is, the majority of the people of this country have to survive! If you have contrary ideas, your needs will be taken care of—but your opinions may be disregarded. Because, you've lost the election! You lost the vote. You decided to go with these guys, these nuts."

And if the nuts run the United States, there isn't going to be a United States. There's not going to be anything for anyone.

So, do not think that we are going to compromise *ideas*, with that kind of opinion. They are *insane*. Their opinions are insane. We will protect them. We will not turn against them. But, we will not allow insane opinions to determine the policies of the United States, when the very existence of this nation and civilization on this planet, depends upon rejecting their silly opinions!

HOST: Thank you. I think we'll come back to Eastern Maryland with the Washington, D.C. LYM for sure. But, let's go to Los Angeles. I'll ask them out there—it's a very large gathering—to line up their question, just while I'm saying this few seconds of words. And as you all know, we have simultaneous Spanish translation, and we thank you for the emails so far. Let's go to L.A., and the first questioner there, please.

Q: Hello, Lyn. My name is Scott from Oakland. Good morning.

I have a question on how to set prices. Basically, in your new paper, you've been talking about potential, and how, in order to set prices, you have to measure the dynamically defined potential. I was just —'cause it seems like you have to tell the future, and I don't want to sound like a crystal ball person. Could you help with that—

LAROCHE: Very simple: You look at what's called a "fair price structure." Now, first of all, you decide that we need certain products, like certain foodstuffs, certain other products, public services; we need physicians, we need various things. And you say: All right. If we need these things, and we need them in a certain quantity, therefore we have to pay a price for these things, which corresponds to keeping the source of supply functioning. In other words: You don't let competition determine the price. The competition is the ability of a certain section of the economy to produce what we need. And we say, we will pay the price which corresponds to matching the cost of production and continued supply of what we need, in the quantity we need it.

Now, for example, we have also another, related question, there. Because, we can get food from various parts of the world

cheaply. But, that's insane. You look at the United States, we have destroyed our ability to produce food. We have also, as a result of this, we have committed insanity, we've reduced the number of types of food, of any crop that grows! We have now created a situation, in which a disaster with any strain of crop, is an international disaster. For example, just take the different number of varieties of apples we used to have. Take the number of varieties of any foodstuff in any category we used to have. If a sudden blight, or plant disease, or an animal disease, struck that crop, we weren't out of business. Because we had a large option of other kinds of crops which were resistant to that particular disease. What we have now, we've made the entire crop by homogenizing it on a global scale, so a strawberry from the south of Zanzibar, is the same strawberry that we get in the United States—that is clinically insane! We should accept variety: Variety is the spice of life! It also is what makes the food taste better.

And that's where the problem lies. It's simply an idea of "fair trade": We want to make sure that we, in the United States, have *food security*. That we have security in everything we need to live on. And we decide what the things are that we need to live on. And we make sure that we have enough of the things that we need to live on, produced in our own country, so we have national security—national economic security.

Then, we go down that list, and we say: We are going to pay a price, or allow people to set prices, on their foodstuffs or their product, where they get compensated for producing what we need! Which means the capital costs, and the labor costs, the health care that goes into the workers who produce the thing and so forth, that they're going to get fair compensation for their labor. So that we get what we need.

And you take that kind of listing, and you make a national policy plan. Now, the way you do that, is not by setting prices, by government setting prices. But you do things, that will set prices. For example, use protectionist measures; use tax measures; you do investment tax credit programs; you set tariffs; you set trade agreements with other countries. You do interstate commerce regulation, so that we have a balance, an optimal balance, that we require, and you achieve that, as Hamilton laid it out in his paper *On the Subject of Manufacturers*, his Report to the Congress. And by this kind of regulation, you *cause*, more or less automatically, within the economy, that people in business adapt to these rules and regulations, and they come up with prices which correspond to this amount.

You don't have to set it. You may set ceilings. You may set bottoms, you may set ceilings, you may use protective tariffs. But you do various things by government, which create an environment, in which the private sector will come up with the right answer.

HOST: Would Seattle please get ready— We'll go up the coast on the Pacific, and take the question from there. And then, after that, unless we topic-hop, we'll go to Toledo.

Q: Hi Lyn, this is Miko [ph] from Seattle. In the Animation economics paper, you first started talking about the fourth phase-space, and it seems—well, what I was thinking was, that you were referring to the fourth phase-space as the physical economy—the physical economy is actually the self-conscious ordering of the Noösphere generally. But then, and in some of the more recent papers, you've been talking about the fourth phase-space as the specific aspect of creativity in the individual mind. And it sort of, well, it threw off my old hypothesis about what you were talking about. So, could you elaborate what you're currently thinking about what the fourth phase-space is—

LAROUCHE: This is what blows the minds of the fundamentalist, who thinks he's a Christian or something, and is not!

This fourth phase-space is mankind, and God. Because, see, the Noösphere is generated by a principle which exists only among human beings: And that is the principle of discovery of universal physical principles.

Now, this power of cognition, which exists only in the individual human mind, it does not exist as a collective; it exists

—communication among minds, yes, reflects this. But the individual human mind alone is capable of discovering a universal principle of nature.

Now, the action of the human mind, on nature, as a result of knowing and applying this principle, changes the universe, such that we have a category of fossils and a category of existing things, which would not exist except as the products of the human mind. It's called the Noösphere. But this does not exist —the human mind does not exist *within* the Noösphere. It exists *outside* the Noösphere. It's the principle which is acting upon nature, to produce a Noösphere! That principle is exemplified by the creative power, the power like a Kepler, to discover a universal physical principle, in the individual human mind.

Now, what is the category of the individual human mind— It's called God. Because human beings die. And what is the principle which unifies the universe, which is above the Biosphere, which is above the inorganic level of existence— What is the principle that runs the universe— Where is the *will*, that runs the universe— Where is the power that runs the universe— That's God. That has a personality —and we participate in that. And we reflect —we are made as the first chapter of Genesis says, we are made "in the image of the Creator." Our substance, when we die, we are still in that image, in the image of the Creator. We may cease to be flesh and blood, but we're in the image of the Creator. That's that fourth category. It's called God. And it's something that no fundamentalist I ever met knows anything about.

HOST: Thank you. I ask if we could go ahead to Toledo, and after that, continue eastward to Boston. But from Toledo, we have the Midwestern gathering of the LaRouche Youth Movement. Go right ahead.

Q: Lyn on the issue of this nuclear crisis [poor connection, largely inaud]. Hello— Can you hear me now—

Lyn, on this issue of Cheney's nuclear threat, on this issue, what exactly spells victory for us— Because it's still something that's a little fuzzy in my mind. Because, I understand our overall goal, and mission of our organization, but on this whole issue, I'm curious as to what exactly is going to get us out of this moment of crisis, concerning this. I mean, is it simply, we make it through these few months— We impeach Cheney— How do we know that we've flanked this—

LAROCHE: Because we know this cold, factually. Your question, really, is something else, it's not that. There's no question of doubt. *This is Cheney's problem.* This is Cheney's intention. The orders have been given, to STRATCOM. They're waiting, for the opportunity to press the button. There has been advanced deployment of matériel for this war. This war against Iran *is being deployed for, now!* There's no speculation. Anyone that tells you, that this is in doubt, this is debatable —they don't know what they're talking about. *This is "go" as of now! We're trying to stop a "go" operation!*

From places like Diego Garcia and so forth, in the Indian Ocean, is already staffing stuff, for this attack, on Iran! There are operations which the Israelis are involved in. Of trying to introduce, by stealth methods, to put a nuclear device *inside* Iran and then blow it up! And then say the Iranians did it, to hide an accident. As a pretext, to the get the war going.

Cheney wants to get a war going against Iran.

Now, your problem is —it's like Iraq. Your problem is, that you say, "It can't be true." But it *is* true. So, instead of saying "it can't be true," you say, "well, isn't there some doubt as to whether this is really true— What evidence do we have—" The evidence is conclusive! No one who knows anything about this, has any doubt that this is Cheney's intent, and this is a "go" operation. So, anything you hear from somebody that this is questionable, what I say is questionable, they just don't know what they're talking about. And it's very difficult to argue against someone who doesn't know what he's talking about, because he keeps on talking. He doesn't have to know what he's talking about, to keep on talking —he just talks anyway.

The problem is, otherwise, why would people doubt this— Seriously, apart from being flippant. They would doubt it, because they don't understand what the intention of the people, of the neo-cons. What the intention is of the spoon-benders, like General Boykin, who's a spoon-bender: He's crazy! He's nuts! The people who created Guantanamo torture, the people who created the torture in Abu Ghraib; the spoon-benders, members of the military, backed by the President, backed by Cheney, who are spoon-benders: They're Nazis! They're just like Nazis, like Gestapo. Who run prison camps, just like Gestapo, no difference. They're more sophisticated. They use psychology to torture —when to torture, and how to torture. The Nazis were not so discriminating on this thing —they tried to be. But these guys took over from the Nazis, and continued it, and improved on the techniques, of torture.

What they don't understand, they think that you go to war, you see —you have a war, you have an objective. You're going to win this war, and you're going to have peace and things are going to be good and sweet, and so forth. Like the President says, you know, the dumb President says, when he's not on a dirt bike, he says these kinds of things. Well, that's not the point. Go back in history, real history. Go back to the Roman Empire; go back to the Persian Empire; go back to the Babylonian Empire. Go back to the medieval period. Go to Henry Kissinger: What do all these experiences tell you— What is their conception of warfare— Their conception of warfare is *a permanent warfare*. The purpose of permanent warfare, is to destroy, and keep destroying, *existing and potential resistance to empire*. It's what the Roman legions did. It's what the medieval period did with the Inquisitions, what they did with the various Crusades. These were methods of mass killing, to *exterminate resistance* to an empire!

What Cheney and company are trying to do, is create an empire. And how do you create an empire— *By permanent warfare!* By causing wars, to keep war going! You cause a war to make somebody angry, so you can get another war. What they're out to do, is destroy the planet. What's on the list— China! What remains of Russia, Central Asia, Europe, Africa! That's what this is for. You're dealing with something which is bestial, something which is *utterly immoral*, something Satanic! Why would Satan do something like this— Ask, why would Satan do what Cheney is doing— Or, why is Cheney doing it— Because Satan's telling him. Or something like Satan is telling him, maybe something inside him. Maybe it's his wife, she probably qualifies for Satan. Anyway —. That's the reason.

Your doubt is, you don't understand warfare. We're not dealing with warfare like World War II, to eliminate a danger to humanity and to bring about peace. We're not dealing with a Franklin Roosevelt type of war. We're dealing with warfare as a *method*, which is the method of the British Empire, for example. The British Empire used *war*, as a method of government! And they used perpetual warfare, as a method of imperial government.

What the Nazis did, was to set up a system, with the SS system, of eliminating regular armies, and going to a new kind of army which was intended to rule the world by perpetual warfare —torture, killing, and so forth. Make up wars, start them for no reason, just to keep the populations under control, and to bust things up.

What do you think is happening in Colombia, below our borders— Perpetual warfare! Who did it— Elements of the United States, including George Bush —George H.W. Bush, under Iran-Contra.

What's happening in Central Asia— You had Brzezinski, a twin of Kissinger, planned a war on the soft underbelly of the Soviet Union. But the Soviet Union is no longer there —it's gone! But the war is continuing! The war that Bush and the British started, called the Afghanistan war of the late 1970s-1980s.

What started this thing about Islamic warfare— It's a policy: *To have a war against Islam*. How— Why— To run the world, through warfare.

Look at the history of the Roman Empire; look at the history of the Persian Empire; look at the history of medieval empire,

of feudalism, based on the Norman chivalry and Venice; look at the religious warfare from 1492 through 1648, before the Treaty of Westphalia. Look at the way the British got an empire by organizing the Seven Years War in Europe. Look at the way the British organized the Napoleonic Wars —remember, it was the *British*, who created the French Revolution. It was their agents, of London, that created it. Napoleon was a British agent —he didn't know it, but he was. He was controlled by the Anglo-Dutch Liberals who controlled his finances, who therefore manipulated him and got him to do what they wanted him to do. For 25 years, of the French Revolution, till 1815, Europe was being destroyed by the Napoleonic Wars, and the equivalent, as a method of government, to prevent Europe from becoming like the United States.

So, your question really involves a lack of knowledge about this question. But, look at it. Look at the people who think of warfare, *permanent warfare*, not as a way of winning a victory for peace. But warfare as a method of government, by terror, and murder. That's what's up.

HOST: Thank you. What we'll do now, is proceed on the rotation to Boston. If there are technical problems with their phone hookup, that may be why I'm getting some emails, and I can summarize those questions from Boston for you. Do we have a Boston live audio right now— [pause]

All right, we'll go to email, they ask. And also, I'll ask Toledo to called the engineering desk, so that can improve their hookup as we go along.

We've had from Boston two questions, but the one I'll put first, Lyn, is the same one we also had from the Australian cadre school. So, this is a double-header. The question refers to the reconstruction of New Orleans facing the country.

From Boston: "Can we use the new production of jobs as a way to invigorate our economy— And how else can this disaster be used as a wakeup call, rebuilding our economy and outlook as a whole—" And Australia was asking in particular about the advanced machine-tool capability in a time of disaster. The tack-on question was regarding the importance of music in all of this, from Boston. [LaRouche laughs]

LAROCHE: Okay.

Well, hmm. Hmm. This is a big question, because there's so many aspects to it. But, let's take the New Orleans thing, first. What has been done to the United States, since 1971 in particular, is, as we've demonstrated by these —even so far —the animations which have shown exactly county by county in the United States, whole sections of the United States have been destroyed as territory. You have the state of Michigan, for example, the state of Ohio, the state of Indiana, and so forth and so on. The major farm states, and so forth. They've been destroyed.

So, whole sections of the United States have been destroyed. You have populations moving into this area, here, in Northern Virginia, where you get tarpaper shacks going for \$1 million mortgages, or something like that. They put tacks in, instead of nails, and they don't put the tacks in to connect to anything —they just put the tacks in. And maybe the building will hold together, and maybe it won't, and it may be a million-dollar mortgage. We've looked at this stuff, and literally that's it! It's garbage! We're using virtual slave-labor, imported illegals and others from various parts of the world to put these shacks together, and we're charging fantastic mortgage rates, to get people into mortgages —and this whole thing is going to go down! You can get, very quickly, a 60% collapse, or more, in mortgage values in this area, and this particular county, Loudoun County, is Ground Zero for the biggest mortgage bubble collapse in the United States! Right here! It's going to hit us.

So therefore, what's wrong here— We've been concentrating population in a few areas, away from other areas, where there's no economic opportunity. We have destroyed economic opportunity.

Now, take the case of New Orleans, look at it from that standpoint. New Orleans is the key port for the Mississippi system, which goes into all of the farm states, so-called, from the Rockies states, from the 20-inch rainfall line, east and west; from the Alleghenies, and the Midwest, down. It goes largely on rivers and railroads, or used to. Now, we all run trucks, because people don't know how to drive a railroad any more, or something. And truck drivers are cheap—you can kill them and you can throw them away, hmm— They're disposable. That's that way they treat them.

So, anyway, this great flux of production used to come from the interior of the United States, down through the river systems, and related communications and transport systems, down into the mouth of the Mississippi. New Orleans was there. The development of that area was there. Now, we take one area, the New Orleans area, that whole area there which is the mouth of the Mississippi. You take that, which involves the entire area that feeds into it through the water system, from the Rockies and from the Alleghenies, all the way down. It's being destroyed.

What're you going to do— Well, what we're going to do, is New Orleans is being virtually destroyed. But, if we're going to have a nation, we're going to have to rebuild this thing. We're going to have to make Michigan function again; cities that have been virtually closed down will have to function again; farm states that have ceased to function as farm states, are going to have to be rebuilt; and as part of rebuilding that, we realize that every part of this whole region from the Rockies and Alleghenies on down, from the Canadian border to the mouth of the Mississippi, is one integral unit.

So therefore, we have to think about developing every inch of territory, in that whole area. And have an average level of productivity per square kilometer, and have an distribution of population which corresponds to that. But that's all going to depend upon having the New Orleans port area functioning. It's the mouth. It's the keystone of the whole thing.

What're we going to do— It's a mess! It was a mess before the storm hit. We're going to go in there and rebuild the thing. But we're going to rebuild it on a functional basis. We're going to rebuild it, to assert our authority, in not giving up a city! We're not going to surrender territory to the enemy! *We're going to take the territory back!* New Orleans is going to live! The state of Louisiana is going to live! *We're going to take it back! From the enemy!* The enemies within and the enemies without! And, while doing that, and certifying that the characteristics of that city that we want to keep will be preserved, we're going to rebuild it, as a functional port as it's intended to be.

So, now, we're going to take the people out—temporarily. Because you can't have them live there, they'll die if they're kept there. We're going to clean the mess up, get the thing under control from the disease, get the rivers working, get the ports working, get the levees working. Go ahead with a plan of rebuilding the whole thing—and then, repopulate it! And it will come back. *New Orleans will be reborn!* We won't put much money into building the warehouses, or similar kinds of entertainment. But the important things, the nice things, will be provided again. Because people like to have the good things they had before, come back.

HOST: Thank you, and I will tell Boston, because you don't have direct audio, I do have your four or five more questions, but I think we've made one rotation. I just want to ask you, Lyn, if we could continue, we could take one more from Washington, D.C. and Los Angeles. And then we can continue as long as the LaRouche Youth Movement and Lyndon care to. But let's take Washington, D.C. next, and then go to Los Angeles. Then I do have more from other places—and I also thank Peru, Philippines, and Australia for their emails.

So, go ahead Washington, D.C. But I should say it differently: From the whole Middle Atlantic region, they're gathered out in the Eastern Shore in Maryland. Whoever's next, please go ahead.

Q: Hello, I'm Germain [ph] and I have a question in regards to Asia. The U.S. is definitely the financial center of the world, and it's losing its agricultural and industrial strength. On the other hand, China seems to be growing in those areas. In a sense, the world seems to be establishing some kind of industrial dependency on China, similar to the world's

economic and technological dependency on the U.S. So, I'm assuming China potentially has a great influence on the world economy. If this is true, as an emerging superpower, what is China's stance on the world economy— And what could they do to aid the U.S. in fixing the world economy— And are they willing— And is China under the same control of the people that Cheney is controlled by—

LAROCHE: China is not a superpower, and is not about to become one. China, like India, has 70% very, very poor people. And apart from its income, which is gained by selling products at below cost of production in terms of national requirements, China is producing at a loss!

Now, China has some capital development, which is important. It has some technological structural development, which does mean it could have a future. But, in terms of the present world market, China is not a superpower. Nor is India. They have military power, both of them; secondary powers. But China and India are not big successes! They are a disaster waiting to happen.

If the United States, for example, collapses, what do you think's going to happen to China— China is not really independent. China imports product from other parts of the world, processes it, exports it to somebody else, who then adds something to it, so China is sort of in the middle of a production cycle, in most of its production. It depends upon the rest of the world. If the United States goes into a depression, China goes into a catastrophe. The way that China and India have operated, as the most potent of the countries of Asia, is, they've operated at producing goods below their true cost, by undercutting the United States and Europe, by producing below the cost of maintaining their own nation and their own population. They are producing like the guy who is eating, by *eating his legs*.

The myth of China as a great superpower of the future under present circumstances of trend-line, is a piece of idiocy—don't believe it. There's no truth to it. We wish well for China. We wish the best for a 1.3 billion people, and more! We wish the best for a billion Indians. But the way they're going, their future is *not* very good. Because somebody decided in Europe and the United States that it was better to exploit and *suck the blood* from the people of South and Central America, and China, and India, and so forth, and Indonesia—we are the *bloodsuckers* of the world! And we're sucking their blood. And when we stop sucking their blood, their income drops. And they're stuck with the reality of many, many poor people, who are suddenly augmented by people who thought they had incomes who are working on very low wages, to undercut the U.S. labor market or the European labor market, and they suddenly have no wages. And you are on the base then, of an explosive social catastrophe, a crisis of expectations in Asia beyond belief!

And the problem is, that Asia does not have a social welfare program. Look back at the history of Asia. At the time of the Renaissance in Europe, where the modern nation-state first emerged on the ruins of the Venetian system, the United States was an also-ran in the world. India and China had been dominant nations at that point; we were second rate, or in Europe, were second rate. We adopted in the 15th-Century Renaissance, and affirmed this from 1648 on, we adopted as European civilization, a policy, which is called the General Welfare policy, the policy of promotion of the General Welfare: That we are responsible for *all* of the people, and their posterity, as the Constitution provides. This is called the General Welfare, or Common Good policy, on which modern nation-states of Europe were based.

Europe has that, in varying degrees. *Asia does not*. The countries of South America, in general, used to have a Common Good policy. But since 1971-1982, it's been taken away from them; they no longer have a Common Good policy. Mexico has no General Welfare policy, in effect. None of the countries of Central and South America have a General Welfare policy. They're practically "Asianized." The danger is, that the United States and Europe, become "Asianized." But the countries of Asia are already "Asianized."

And there's nothing more counterproductive than the idea that China is the nation of the future, that somehow, they're successful and we're not. We're not successful, because we've become stupid, by abandoning the principles that made us

powerful and great. And this crisis now, is going to change everything.

Because, if we don't change, the way I indicate, the direction I indicate, *we're not going to exist!* Nor will China! Nor will India! They'll blow up, in a crisis of expectations. They'll be fragmented, as China was fragmented in the 19th Century. As India was fragmented and moved in on, and a few French and a few Brits took over a whole nation, a whole region, a whole continent, the Subcontinent of Asia: taken over by a handful of Brits —the British East India Company! With a private army, took over India, which had been a powerful nation. Because it was *an Asian nation!* China went into a crisis, because it was an Asian nation, which lost something, which had made it successful before then, relatively speaking.

We and Europe, and European civilization, represent a superior culture, because we, as modern European civilization, have adopted the principle of the General Welfare, as a general principle —a principle which was first established in ancient Greece, as a principle. That principle developed in Europe, and brought to the fore under the influence of Christianity, in modern times, since the 15th Century, has been the secret of the sudden growth of the world's population, worldwide, and the sudden power of European civilization. We are now, under George Bush, and Kissinger, and Brzezinski and so forth, we are *now destroying that*, with our present policies.

And the point is, is to recognize the truth of this thing, and don't believe any more of these rumors that are spread, about "China is the great superpower of the future." This is war propaganda by Cheney and company. If China's powerful, therefore we have to bomb it. So, when some people say "China's powerful," that means somebody wants to bomb it: It's getting too powerful. India's getting too powerful, we're going to destroy it. That's the logic of these characters. That's the logic of empire —a country's too powerful: destroy it! Ah —it's nice and powerful, destroy it. Next target —or the target after the next one.

HOST: Well, next in our lineup, I'd like to have Los Angeles. While they're getting ready, I'll just reiterate, I do have Boston's questions. Toledo is back on audio, so we're going to continue until Lyn and the various meetings say we have to close....

Q: Now I run the risk of sounding like Clausius, or something like that, but —I still have fears of the entropic inevitable heat-death of the universe. It's not —I know, when I read your paper, I was optimistic, when you talked about dynamics. But I still —freak out. And when you mentioned the collapse of production of food, because we depend on petroleum too much, my fear of "the Ghost of Clausius" floating around increased. I was wondering if —is there work done to produce food *en masse*, now, so that there's, I dunno, anti-entropic intervention of mankind— Can you please answer the question—

LAROCHE: It's called nuclear and thermonuclear energy. That simple. No, the point is, Clausius was a faker, he's a liar. And the people who believe it, as scientists, are stupid. The concept of energy of Clausius, of Grassmann, of Kelvin, of Maxwell: It's all stupidity! It's all fraud! And suckers believe it! And idiots teach it. There's no truth to it, so don't worry about it. It's a bogeyman, it doesn't exist. Entropy does not exist, as a characteristic of the universe.

Look for example, let's take the case of the Sun. I've said this many times, but maybe I should repeat it again, here. Lo-o-ng, long time ago! —according to Kepler —we had a Sun. It was not a boy, but it was a Sun. It was spinning rapidly, because it was very lonely. And as Kepler explained, this rapidly spinning sun, was shedding its spinning, by shedding some of its content. Now, what this did, is it formed a disk, a plasma disk outside the Sun, looking pretty much like you would say, a picture of Saturn today. A plasma disk, out there.

Now, at that time, the Sun had, on the Periodic Table, it was very low. It had, of course, a few elements, but not many. It didn't have much of a Periodic Table. The only compound of significance was probably cyanide. But, suddenly, we had, before nuclear energy was discovered, as such, we had a Periodic Table which was fixed at about 92 elements, with

various isotopes included. How'd we get that— Well, the Sun, through thermonuclear fusion from the Sun, by simple thermonuclear fusion as we understood it (after the tests in the Pacific), could have gone up to about the level of iron on the Periodic Table. But, we had 92 elements! How'd we get to the higher rank, above iron in the Periodic Table.

So, I said, well, I think it was polarized fusion in the disk, outside the Sun. So, we took that to people at Lawrence Livermore Laboratory. We contested, and said, "this is the case." It was on the basis of some work on Saturn at that point. And, they did a study, based on the LASNEX, which is their big computer program on thermonuclear processes, and said, "yes, that's probably the case."

Now, but then, you have the other side of the thing. Now, you got a Solar System developed by this solitary Sun, which spun things off in a disk, which then distilled the product in the disk, like a fractional distillation system, that each mass produced would fall into an orbit, like petroleum cracking system. And some went into the orbit of Mercury, and some went into the orbit of Venus, some went into Earth, and so on and so on. And, then, as the material was distributed there, because the orbits were elliptical, you had a shock effect, as Gauss put it, and then you get moons and you get planets. Instead of material distributed along the orbits, you get planets and moons and so forth —the whole geschmeer, as they say.

But then, what happened is, they began to degenerate, radioactive decay! So, you got a certain amount of material was generated by the Sun, by this factory which produced new elements! By thermonuclear fusion, produced new elements. But then, radioactive decay. It's now decaying. You have elements, isotopes in the Periodic Table, which are the result of decay of higher-order elements in the Periodic Table.

So now, you have a process in which, the Sun, a solitary Sun of something or other —no bitch involved —the Sun generates a higher order of structure, from its own action. And that is not entropy, buddy. Now, the Solar System, now, goes into a process of radioactive decay, where elements are dropping down the scale, as they're shedding neutrons and so forth.

So now, man intervenes. We're going to intervene and we're going to put a new factor in there. We're going to take it up again, through thermonuclear fusion. And mankind, by simply from a standpoint of geology, mankind is the most powerful force in the universe. We have a higher order, in terms of fossil relationship, we have a higher order than abiotic processes, in terms of the change in mass —that is, a smaller and smaller percentile of the Earth is abiotic material, as such. A large amount is products of fossil of life, of living processes. A growing amount, growing at a more rapid rate than the fossils of living processes, is the Noösphere. The Noösphere is generated by the human mind, which is not part of the system. But it is above the system, and controlling it.

So, the system as a whole, is *anti*-entropic. As a matter of fact, the universe couldn't exist, if it were entropic. So therefore, Clausius was a big, fat slob and a liar. Don't waste your time with him.

Talk to Sky. Sky will straighten you out.

HOST: We do have a question from Germany, from Alexander Pusch and the LYM participating there in Germany right now. I'd like to put that to you. And then, I'll read it verbatim. Right afterwards, if you want to continue, we would go to Seattle and Toledo. And the Boston questions on epistemology and music, I have right here.

"Hello Lyn" (this is from Germany, from Alexander) "As you know, we of the LYM that are engaged in the battles at the front in Europe in Helga's campaign for Chancellor in particular, are very much mobilized for the upcoming two weeks, that will decide the outcome of the election to the Federal Parliament. Helga has issued a statement on the preventable human catastrophe, which was caused by the impeachable, criminal negligence of the President, and of Dick Cheney and

his increasingly dysfunctional puppet. And we will be distributing this statement of Helga's all over the country. As a leader of the Youth Movement here, I want to ask you if you could situate for all of us here, what the significance of the changed situation is, due to all of this for the election, and for Helga's role and our role in it. Thank you very much, from Alexander in Duesseldorf."

LAROUCHE: Well, the key thing is, everybody's looking at the United States from around the world, now. They're looking at it with, as they say in Germany, "*Schadenfroh*" —they say, "Oh, the United States is going down, that's good. [growsls] Ahhhh! We always hated them, they're going down, now."

But, then, they worry at the same time. Because, if the United States is going down, what is that going to say about them, these poor little orphans, without a United States to run them around—

In the meantime, you have a bunch of —I don't know what you would call them —. They're —Neanderthals, I would suppose. Maybe they come from that valley in Germany, called "the Neanderthal." But, anyway. These fellows are trying to go back to fascism, or something more primitive than fascism, to overthrow the General Welfare principle in Germany. Which exists in the Constitution, and, it's much older than that. It's the Common Good, it's a principle of Christianity.

And of course, the interesting thing, is that the way this tendency came up, in the CDU/CSU, was that Kohl was involved in it. From Britain came this idea, this sociological-social theory bunch, who wanted to get rid of Christianity in Germany. So, they got rid of Adenauer, and virtually ran him out, in order to eliminate Christianity from the CDU/CSU, which are called the Christian Democratic Union/Christian Social Union. Kind of, a little election fraud there, going on.

Anyway, as a result of this, they've gone all the way. The worst of this thing, I think, is the Liberals in this thing, who are really Anglo-Dutch Liberals in the extreme. And so, they come along, and they are now in the process of trying to destroy the social welfare system, to destroy the principle of the Common Good in Germany. This would mean, going back from European civilization to Asian civilization —a degeneration from European civilization back to Asian society. And Europe won't last much longer on that basis.

Now, the basis for this, is Angela Merkel, and her advisors, have based their campaign on an affinity for a real fascist, a Liberal Imperialist (which is what a real fascist is), Tony Blair, the Prime Minister of the United Kingdom. And this affinity to George Bush, by Blair and by Merkel, has been called the frontrunner, the up and coming frontrunner of a Merkel candidacy, which is not very popular among German people —for, I think, very good reasons. But there's a problem about which party in Germany, is the least unpopular. It seems to be the trend.

Now, along comes the United States, which has been halcyon power, of destruction of the principle of the General Welfare. And suddenly, the United States is hit by the most terrible crisis, and is threatened almost with disintegration. By a crisis, which is caused *by this policy* of abandonment of the General Welfare, as typified by the Bush campaign against the Social Security system. Suddenly, the United States is in an uproar, the people are in an uproar, Bush almost has negative popularity, let alone less than 30%, as a result of this. And Europe is saying, "Ah! The United States is going off the anti-General Welfare policy, back to a General Welfare policy." Because, if you're going to save these people *who are in danger of dying*, in Louisiana, you're going to have to go to a General Welfare policy. Which is a *reversal* of the previous policy of the Bush-Cheney Administration. And a reversal of the trend, which has been on in the United States, since 1971-72.

So therefore, Europe looks up, and says, "Hey Mama! Whatcha doin' to us—" You know, the Anglo-American Mama. [wailing] "What're you doin' to us— We followed your orders. We destroyed the social welfare system. And now, Mama! You're going back to it! You goin' to abandon us—" Probably.

So anyway, so, the issue now in Germany is: Existential crisis. Can Germany exist under an anti-social welfare policy, especially at the time that the United States' circumstances, have *discredited* the anti-social welfare policy among European civilization nations— That is, Europe and the Americas, which are European civilization nations.

So, it's a very interesting situation. And obviously, Helga, of course, is on top of the thing. And of all the people speaking, she's the only one in Germany, who has, as a leading candidate, is carrying the ball on this. And if she weren't doing it, despite the fact that we have some other candidates who are working for the same cause, we wouldn't have any impact from *anyone* in Germany, except for what Helga's doing. And the hope, of course, is that Schröder, who is a fairly good survivor, might somehow pick up on this, as he picked up on what Helga was doing in the last general election campaign. And might step to the fore, and sweep the cards from the table, and somehow defeat this monster, which Merkel is a part of.

That's the situation. It's fascinating. The key thing, here, though, is the factor in Germany that I'm looking at, and the same factor here: Germans are more easily demoralized than Americans. That's because of more wars, and various kinds of things, and because they consider themselves a second-rate nation for so many years, and so many decades, that they are more easily demoralized from the defeats they've had. So, you have seen, even in the youth process in Germany, a certain degree of demoralization of the German population —less than during the campaigns of last summer, the previous year. The importance of this development in the United States, and it should be appreciated, that, even with two weeks remaining in the campaign, there can be a reversal in the general trend downward of young adults in Germany, toward a more positive kind of activity. This could rejuvenate politics in Germany, if Schröder takes the opportunity, which in a sense Helga has created for him by putting this on the agenda.

And we don't know what's going to happen in Germany. But if we do our job here in the United States, and we do it in this period now, as some people in the Senate, on a bipartisan basis are acting now, this will put a jolt into the politics of Europe, especially Germany in this election —and, Germany might be saved as a result of precisely, in part, our contribution or Helga's contribution, to the survival of Germany.

HOST: Thank you. Let me just add right here, we have now confirmed participating 400 locations. This is probably the largest assembled gathering of LaRouche Youth Movement around the planet that has ever taken place, and this was only on 18 hours' notice, to have you here on this video telecast. So, I appreciate everyone's messages. We have an important question from Argentina, but what I would like to do, is nevertheless proceed, in the sense that this is a Labor Day weekend of special education and cadre schools at the five sites in the United States. And if it's OK, Lyn, to continue, we would ask, Seattle, Toledo, and I'll just summarize epistemology and music questions from Boston, and still take Argentina. Are you up for this—

LAROUCHE: We'll do it.

HOST: People who are asking your questions can keep in mind, that we're against the clock. So, I'll ask Seattle to go right ahead....

Q: Hello Lyn, this is Aleesia [ph] from Seattle. I'm noticing with the organizing that there's a certain faction of the population that it seems throughout history, that has willfully participated in this sort of economic order. And it's been a minority, but it's been because of their conscious effort to do it, they've made history, I guess. I'm wondering —how do we marry the Youth Movement, who's actually consciously taking on this sort of ordering, doing the historical work, doing all the work we're putting into it, and then the people directly in action to implement it— How do we — I know there's a certain amount of organizing we do in the population, but not everybody is going to, just because of the nature of their work, just because of the nature of the things we have to do to participate, you don't get that sense that you're directly contributing to the economy. How we marry these factions of people that are actually in the position to do something, and

the people who understand the nature of the situation—

LAROCHE: Well, I don't like to give Napoleon credit for anything —Napoleon Bonaparte, that is—but he did say, correctly, that every one of his leading officers carried a marshal's baton in his rucksack. That the secret of politics is that, particularly in a time of crisis, you have to think that your function is an extension of the U.S. Presidency. Not the extension of the George Bush, because otherwise you'd have dirt bikes coming out all over the place. But anyway —your participation in the Presidency. What that means is, you have to represent the policies —top down —that must be radiated from the Presidency, *now*.

That means that you get away from this idea of this competition among different categories of interest. This *is* no difference in category. It's *all one country*. It's all one human being, per human being. And everything in particular about that country, is a functional extension of the *unity* of the country as a whole. The unity of the country as a whole, is expressed by the leadership of the country, the functional leadership —the issue of the Presidency. So, the point is, that everything then falls into place.

What you have among Baby-Boomers, the problem you have with them, is Baby-Boomers don't believe in Presidencies. That's why they vote for such bad choices, because they hate the Presidency. They throw mud at it, like the bad candidate, the bad nominee —not a good one, not a competent one.

What you have to do, is take the issue now of the Presidency. What does that mean— That means, this nation is *in danger*. In danger, in the sense, that *from the top*, in the policymaking of the nation, decisions must be made, which are multifarious in their application: We have to save the people in New Orleans. We have to save the territory of New Orleans. We have to save the function of the Mississippi River. We have to deal with an epidemic which can threaten the entire nation, coming out of there, like Asian flu. We have all of these particular problems, and all these subject-matters —education, everything, every subject-matter you want to mention, falls under the Presidency, in terms of the definition of the implications of *this* present crisis we're dealing with.

The Baby-Boomer will say, "Can't I focus on *this* thing, or this thing, or this thing, or this thing—" That's the pressure you get from the Baby-Boomer culture. They don't think of the nation as being unified. They want to specialize in "this thing." "Well, wouldn't it be better if someone ——" "Why don't we do something in this little area— Wouldn't that be a contribution to saving the nation—"

You mean, instead of going from the Presidency on down—

"Ye-e-s!" "Since the Presidency can't be moved, why don't we do this li-t-tle thing —here. Do a 'lit-t-l-e good' —and hope that it radiates. Rather than being so insolent, and so filled with that crazy idea of leadership, that we would propose that the *wh-o-le* problem could be fixed— That the *nation* could be actually *wh-ol-ly* saved—"

Hmm— That's the problem. The problem of small-mindedness. And the worst reflections of the Baby-Boomer disease. Because, see, the Baby-Boomer was brainwashed. They were brainwashed before they were born. They were brainwashed, even before they were conceived, in most cases. The act of the conception occurred among people who had already degenerated. And I don't know what this did in terms of genetic effects, but the effects were obvious as it came down the line. They no longer believed in a nation: And with the help of the influence of the Congress for Cultural Freedom (which is the Cultural Sodomy Congress, actually), they actually destroyed in schools, especially in suburbia —starting with Levittown, in New York; that's where it started, that's where the degeneration started, with Levitt and his turning potato patches into houses. And sometimes the potato got into the person, and it didn't function too well.

But anyway, so this destruction of the culture, people didn't believe in leadership; they didn't believe in truth; they believed

in "how you say things" —not what you say, but "how you say things." What you look like. What your neighbors are saying about you. You worried about little things. So therefore, the Baby-Boomer generation didn't believe in leadership any more. My generation did. We were the World War II generation. We believed in leadership, because the nation had survived because of leadership, Franklin Roosevelt's leadership. This was a generation which was conditioned *against* Franklin Roosevelt's leadership, conditioned *against* the United States, *hated* the United States, or feared it. And therefore, they will tend to fragment questions into, this question, that question, this question —that it's a question of "which choice do we have."

You have only one choice: You have to represent the challenge expressed by the Presidency of the United States. Because the Presidency of the United States must make decisions at this time, on which *every aspect of life* of the people of the United States depends. If the Presidency doesn't function, what you do on one aspect or another aspect, doesn't mean damn! You have to take the whole issue. And that's what the challenge is. And to do that, you have think like a leader.

Now, at present, we have a President who doesn't function. But we have to, with the aid of the Senate and other institutions, we have to cause the nation to function, *as if it did have a good President in the Presidency*. Because, we have to produce the *result* that a good Presidency represents, even if we don't have a good President for that purpose.

HOST: Thank you.... I think we have audio from Toledo, and then, we don't have audio from Boston, but we do have emails....

Q: My question is basically dealing with the Parmenides paradox. In a discussion you laid out in your Animations paper, where you studied philosophy from the standpoint of systems, of thought, I suppose. You've said in the past that the Parmenides paradox is one of the most —is a crucial paradox for all science. There was a discussion last night, where I found myself a bit paralyzed by this thing. I sort of get trapped within the contradictions. So I'm just wondering, what specifically about the Parmenides —why do you look at it that way— And how do you —cause it's very very clear, when looking at the Parmenides, that you're dealing with a system, right. But when you're dealing with some of the other Socratic dialogues, I don't see it quite as vividly.

LAROUCHE: The Parmenides could also be called the Heraclitus dialogue, because the figure of Heraclitus, who comes in in sort of a skewed way in that dialogue, is the issue. It's the issue of the method of the Pythagoreans against the Eleatics.

Now, the issue is this. It's the same thing as the Aristotle question. People say that you define knowledge in terms of the study of parts, and then you go to the second part, about trying to figure out what the connections are among the parts. Just the way that Claudius Ptolemy tried to depict the Solar System as, you take some observation, you look at this object, this object is moving around. You try to say, "Well, what does it do regularly— What does it do on every Tuesday—" And you just trace that. And you say, "Well, what causes this, we don't know. We won't speculate on that. We'll just describe to you what we think happens all the time, and what we expect *will* happen all the time."

Now, the human race and society, and especially man, are not like that. As Heraclitus has said, nothing exists except change. Nothing exists except change. Now, I dealt with this again, in a paper which I'm writing now, on the subject of the spoon-benders, or the "dark side of the spoon in Russia." The Parmenides question. Take the case — I use the case, there, of the case, which is important for that particular thing, on Count —well, on the history of Russia as a whole, and take up the question of Russian figures as such. What's their importance— And how do you understand what their role was in the past— I said, well, don't look at the figure as a person in an event that you could visit. You can't visit that place —not merely because it was long ago, but because what happened then, was a transition to the present. And don't look at the person as such: Look at the person as the person who was involved in the transition, which changed society from the period before the person was born, to the period after the person had died. So look at the person's life, *not* as the person is pushing and pulling. But the person represents a transition, to the extent that they affected society, from the condition of

society before they were born, and the condition of society that they left it, after they died.

So, in case the case of everything in the universe, the significance of that, as Kepler put it —Kepler's definition of gravitation, as an orbit of constantly changing orbit. That is, the vector was constantly changing, no matter how much you divide it, no matter how small you divide the orbit, into smaller pieces, it's always a change. The vector is never constant.

So, the mathematician can never tell you, why the planet Earth orbits. No mathematician can tell you why the planet Earth orbits, as long as they remain a mathematician. Because from the standpoint of algebraic mathematics or simple Euclidean geometry, it can't be explained! Because it constantly changes. The motion of the planet is constantly changing. So your mathematical description of the orbit, you can do, but it doesn't explain anything.

So therefore, the constancy of change, is that.

Now, what happens in the Parmenides dialogue— He presents this in a series of problems, of paradoxes: That all of these things are linked, by what— By the *change*, from one set of relations to another. And the literal person, the reductionist, doesn't see the change. They say, "Yes, there was this, and there was this." Well, how do you put the opposites in the same set— Because they're *not* in the same set. The set was changed!

And in the dialogue, Plato emphasizes repeatedly, twice specifically, the problem was, they disregarded *change*. The change —it's not the change *by* the object: It's change itself, as *generating* the object, which is the issue. And that's what the problem is.

And therefore, when you try to explain the Parmenides dialogue, in terms of changes of objects, when you concentrate on the objects, you miss the point of change. And the principle is change.

For example, look at the Sun, as I said earlier, today. The Sun starts as a solitary Sun, a fast-spinning Sun. It spins off a disk, as shedding matter. The disk undergoes thermonuclear fusion; generates the material of a 92 element Periodic Table. The material is then spun off into predetermined orbits. The material distributed along the orbit then condensed, according to Gauss, into planets and moons. You have the 92 elements. Then the whole thing begins to decay, through radioactive decay, or the equivalent of radioactive decay.

So, how do you define the elements of the Solar System— You have to define the process of *change*, which governs the way they were generated, the way they decay, the way the system as a whole works. Change!

And that's what —the problem of the concept today, is that people have lost the ability to understand this concept of change, because they think in mechanistic terms, in Cartesian terms, rather than dynamic terms. And that's exactly what is being addressed by Plato, crucially, in the Parmenides dialogue. He does it elsewhere also, in a different way, in other locations, but that's the significance of that.

HOST: Thank you. If we can continue to these Boston questions. It's actually along the dialogue pathway of discovery, and I will read directly one from Aaron. But just add to it, because we don't have audio connection to them.

LAROCHE: What happened— They lost their citizenship, or something—

HOST: I don't know. I'm going to ask Jenny. It's a musical question, maybe. We can't hear them.

LAROCHE: Okay!

HOST: And speaking of which, we've had a plea, then I'll get to Aaron's question —Aleesia, who is in Boston, says, "I'm a new member here, and I've been trying to fight to understand, but can you explain to me why the music ties into everything being done in this movement, including our organizing—"

But, hold that. Kenny and Aaron, both in Boston, put this question to you. Kenny says that he's trying to deal with "organizing people on the basis of true human discovery, which call a need for their action, instead of some kind of formal agree-to-disagree methods." And he questions the epistemology of that, coming to terms with that.

And then, from Aaron, on your personal history and the history of science, he asks this: "In the History of Calculus by Leibniz, he begins with the idea that the historic individual can't be separated from his discovery. And within his paper he brings one through his process which led him to the discovery of the characteristic triangle. And for you, in a 1997 paper on How Cauchy Destroyed France, you talked about 'Of the Infinitesimal' in relation to the human discoverer. What was it, that your discovery of the relative population-density has, as a relation to Leibniz's history of the calculus—"

LAROCHE: Well, it's the same thing, except Leibniz was dealing in a different context than I was dealing, because again, he was dead and I was alive. So therefore, he was part of the change in my background, and I can not replace his existence.

But, the point is that, the change that connects us, can be explained —that change. So, rather than try to compare the two changes and make them congruent, they're not the same. But the change that connects me and Leibniz —first of all, it started because I read Leibniz. And because I thought that the geometry that I was being taught back when I was 14 years old was fraudulent. And I was right. So, my studies of Leibniz led me in those directions, and that's how I got to where I was.

But the point is, remember, Leibniz went through a process too, starting from his, let me see —it was in 1676 that he left Paris, and he had just published his paper on the calculus, on his discovery of the calculus, then. It was never published at that time, because the printer didn't print it, but he left it with the printer, and he went on back to Germany, back to Hanover, and left the paper there. But that was the first formal thing.

Now, then he went into a deeper question, because his original work had been done in consultation with Huygens, because in 1872-1876, he'd been in Paris as a protege of Jean-Baptiste Colbert, in the science project.

So, he went back. And then he later faced the question of the curvature. The initial thing with Huygens —Huygens had postulated the cycloid as the basis for a calculus. And Leibniz had dealt with that with some —not swallowing it, but essentially, with reference to that. Then, he got into this question of the issue of Fermat afresh, Fermat's treatment of the question of the shortest time, quickest time, in the path of light: refraction as against reflection.

So, this question led Leibniz to discover what some of the youth have dealt with, Sky and company, on the geometry of how the catenary is generated. Why the catenary corresponds to the principle of curvature, which governs this principle of the calculus, the least-action principle, as a universal physical principle. And how, from the catenary and the construction of the catenary, the natural logarithms were first discovered and defined by Leibniz. So this is all one process.

Now, when you get to my work, later on, which is based largely on Leibniz, but also reflects work of Gauss and, particularly Riemann, that Riemann makes this thing clear.

Now, what I did in economics, is based on my knowledge of Riemann, and specifically his Habilitation Dissertation, which

to me was on this process of change. What Leibniz did initially was to define the question of change, how you reflect change. This came from Leibniz's study of the work of Kepler, who defined the requirement for a calculus, first, as one of his bequests to future mathematicians. And elliptical functions—which is then essentially solved, in part, by Gauss, and then by Riemann in his work on Abelian functions, and on hypergeometries. So, these things all come together, as one kind of process.

So, you start from the comparison approach to defining the infinitesimal. You go to Leibniz on simple universal physical action in that kind of geometry, based on a catenary-based function, which is actually in the complex domain. Then you get beyond Gauss, into the work of Riemann, who suddenly frees geometry from this legacy of *a priori* definitions, axioms and postulates! And says that—throws the whole thing out; and now says, that everything is based on the physical proof of hypothesis.

And it's what you're dealing with in economics.

So I, dealing with economics, and refuting Wiener—Wiener was crazy, with this business about information theory—simply went to what I knew about machinery and invention; and said that the difference is, economy is based on the principle of invention, which is reflected into the product through the machine-tool principle: That you have a discovery of principle. You define an experiment, to test the hypothesis. The design of the test of the hypothesis is a machine-tool design question, in which the machine-tool design that tests the principle will have a feature in it, which corresponds to the principle. And therefore, if it works, now you take the machine-tool proof of principle—now you can take this into the shop, and you can make things based on the use of the same principle. And this results in an increase in productivity, advances in technology, and so forth.

So that's what I worked on, and my point was that Riemann's understanding, is the only thing that works for that. And which goes far beyond what Leibniz himself anticipated, in his earlier work. And that the universe is driven, and society is driven, by this discovery/machine-tool relationship. And the application of the fruit of this successful machine-tool test of principle, to designing new kinds of things, and this application increases the power of man in the universe. And there's the Godly aspect of the thing, as opposed to the ungodly approach which is represented by Cauchy.

HOST: What we'd like to do, is continue—Los Angeles if that's okay—but in between, I'd like to group together questions that have come in from the Philippines, Mexico City and Argentina. I'll just read one of them, but they're all concerning the international situation in the following way.

This is from Diego in Buenos Aires: "My question is about the international financial collapse and its impact on Ibero-America. What about the tendency to return to gunboat diplomacy to collect debts—What about the talk of terrorist cells in Argentina—" And I'll just fill this out, from Blanca Perez in Mexico City, who is a political activist: "In terms of international affairs, like corruption and narco-traffic, what kind of proposals do you have—You're talking about a new humanist economic system, anticipating new structures, but who is going to make it happen—" And, the Philippines is raised particular references, as you've noted before, about oil and the strangling commodities prices.

So, I've put that all together, and next we'll go to Los Angeles.

LAROUCHE: Okay. Well, in any case, this is a very large subject. But essentially, on the narco thing—the other thing I've already answered, in answers to previous questions. That the United States must get its act together. If the United States does not get its act together, I don't think there's any possibility of solutions in the world, now, for South America, Central America, Africa, or Eurasia. I don't think they exist. Without the United States changing its ways and going back to becoming itself, I don't think the rest of the world has a chance. Because, I've already indicated, no other part of the world is prepared to take on the questions.

I mean, in China, look, are the Chinese people suddenly going to say, "Oh, our whole system is screwed up, because it's an Asian model"— They're not going to do that. Are the Indians going to say, "Our system is screwed up because it's an Asian model country"— They're not going to do that. Japan, Korea, no. The Koreans might; the South Koreans might do that. But the Japanese won't. The Japanese will try to find some clever way of dealing with the situation. But they won't say that. And in Europe— All based on conditioning to European Liberalism. They won't do that. South America— They don't have the power to do it.

If the United States does it, if the United States initiates it, then various parts of the world will click into place. *It's up to us.* We are the responsible party.

The narco thing —we have to recognize that the narcotics traffic was created by the Anglo-Americans. Not by the Colombians. It was *introduced* to them, as a way of —if you look at the trace of Anglo-Dutch Liberalism, and you want to find out where the narco-traffic was organized in Colombia, go back to Anglo-American Liberalism. The Liberals did it. They introduced it. It was introduced, why— To destroy the country! The same way as the question earlier, on warfare: perpetual warfare as a method of government. The purpose was to *destroy* the independence of these countries, to *destroy* their ability to have independent government! How do you do that— The best way, have a narcotics movement. Have a whole, self-financed narcotics thing, which destroys the country, but it makes money for the people who deal in the narcotics. So, this was a willful part of destruction.

Therefore, *if* the United States gets its act together, we'll crush the narcotics traffic. Not by crushing the people, but by crushing the traffic. We can do that —we know how to do that. So that's the kind of approach we have to take to these things.

HOST: I think Los Angeles is hooked up, and you can go right ahead now with your question, please.

Q: Hello, this is Brendan from Los Angeles. Looking at the type of living standards that exists in places like the South and in growing places in the United States, especially in the Midwest, now, after the post-industrial area, exactly what —I was thinking about this example of Toyota, trying to set up some factories in the South, where they found that they didn't have the skilled labor, and ended up moving to Canada instead.

Given that we're having this type of breakdown in infrastructure, that our generation isn't skilled to do these types of things, that it seems that the mass mobilization as far as creating the credit system, and the banking system, and the necessary Executive powers, to carry out a type of Roosevelt-style administration, it seems like we're going to have much more difficulty with the skilled labor. And I'm just thinking how to go about that. Can you do both, a mass construction effort, as well as a training effort, at the same time— Can that take place simultaneously—

LAROUCHE: Permit me to make a point. I usually don't ask permission for that. The sky's the limit. I think you, in California, will get what I mean.

First of all, yes, we don't have the skills. We do have skills of that type in the United States, but Toyota didn't want them. Because Toyota didn't want to go Michigan, didn't want to go to Indiana, didn't want to go to Ohio. We had the skilled labor force, there. But they didn't want to go there. They wanted cheap labor. They went to a cheap labor area, no skill. Ha-ha-ha! Too bad! Asian thinking. No skill, no technology.

What we're going to have to do, has two aspects to it. The sky is the second part. The first part, is that we will have to use, as the way of rebuilding the economy, basic economic infrastructure. Now you see, for example, we won't have power plants, we don't have all kinds of things.

Obviously to do anything as an industrial or agro-industrial society, we're going to have to build some infrastructure. We have a lot of poor people who don't have much skill. Or unfortunately they have skill as an economist, which means they have no skill at all in this kind of market, today.

So what we're going to do is we're going to have to put them to work doing something useful, not white-collar work, but blue-collar work. And it's going to be largely in infrastructure projects: Building rail systems, building all the kinds of infrastructure we need. Fifty percent of the economy should be in infrastructure. We haven't been building infrastructure essentially for 30 years. We've been destroying it. So therefore, we're going to have to make up for 30 years of depletion, of basic economic infrastructure, which is about to collapse. So government can do that fairly efficiently. The public sector is easy for the government to deal with. The private sector is bad for government to try to deal with. It doesn't function as well, because you're demanding independence and creativity. In government, you're trying to get some degree of uniformity and standards of objectives. All right.

We can build railroads. We can build all kinds of things, medical systems and so forth. We can put people to work. We can bring the level of production above breakeven. We've built things that have a 25-year or 50-year useful life to them, like water systems for areas west of the Mississippi. You can't get potable water any more—you buy it in a bottle. It's probably reprocessed urine, which is now called "refreshed." Refreshed water, taken out of a cesspool—or something like that. You can't trust water out of a tap, in areas you could! The water systems are breaking down. They're a hundred years old or older, and they're breaking down. You can't get safe water.

So, we're going to have to invest in building up this infrastructure. We're going to have to invest in large-scale power systems. They're going to be nuclear. They're going to go upscale, not downscale. We're going to have high-temperature gas-cooled reactors. We're not going to import oil so much. We're going to use water, and generate hydrogen-based fuels from nuclear power plants, high-temperature gas-cooled reactors. And, of course, when you burn hydrogen-based fuels, the waste product is water, which is not considered usually a pollutant. In fact, it's fairly pure water, when it's produced at that point.

So therefore, we're going to, essentially, first of all: Most of the employment by two necessities: We need the infrastructure desperately. We can't do much without it. Secondly, we don't have the labor force that is capable of doing much more than infrastructure. So we're going to do it. And the private sector outside of infrastructure, will grow on the stimulus provided by the investment in infrastructure: subcontracts, contracts to major projects.

Now, the second thing, we can't keep doing that. We have to, now, produce a labor force which can go into higher technologies. That's where the sky comes in. And what this means is that, we have our young people in the Youth Movement, who are in a free-wheeling process of development of scientific and related knowledge. This is a ragged university on wheels, in a generation that otherwise has no future. We're going to have to generate a way of thinking, the mental attitude, needed for scientific progress: That is coming from this Youth Movement. The grounding of developing a cadre, that can educate a population, a youth population, is coming *not* from our universities, but is coming from our LYM. The Sky's the limit—in California.

HOST: [station id] We have just ten minutes to continue this webcast, in dialogue with Lyndon LaRouche, with the LaRouche Youth Movement, especially in the United States, and around the world. I have two points in our concluding minutes. The final question would come from Seattle, with this interpolation. Maestro John Sigerson sends me a message from Boston, where he's with Aleesia, the new member, who again says, "If you would care to say what music has to do with the organizing mission you just described, he would appreciate it."

LAROCHE: It's very simple, but it's not so simple. It's simple in conception: Music is the development of the creative

power of the soul. It lies in doing it the right way, as John will explain it to her, and can demonstrate to her in Boston, where he's got the people there to demonstrate, by doing a demonstration case, right there.

First of all, as John will insist, to understand music, you must first of all have some degree of competence in the Florentine bel canto method, and must understand some of its basic implications, simply, for even the single voice. You start with the single voice, in the sense of trying to explain it.

But then you say, "What happens when you put the different species of voices together, in counterpoint—" Then you find out, that your idea of the Bach major-minor scale, is not adequate. It's right, but it's not adequate. Because then, when in composition you find that, since your passage of the voice is not only along the line assigned to a voice in the score; but the voice is also being transmitted *across* the voices—that is, the music is going across the voices, not just within it. Even within a human single singing voice, you have three or four different registration areas. And therefore, the voice is also moving across areas of registration, through pieces, where you have the transition in the registration.

So therefore, when you hear a performance, or a choral performance, if you rehearse the parts separately—the voices separately—and you put them together, the result would be from an aesthetical standpoint, slightly toward awful, even if they've rehearsed properly. Because now you're running into certain differences, that you have to straighten out, of enhancement and disenchantment. So that you now are not functioning in keys, but you're functioning in modes.

Yes, Bach's major-minor keys are correct. *But:* When you perform, you're performing across the voices, and there, the modes—across the voices, the modes come in.

So generally, when you have a string quartet of professional musicians, who know what they're doing, they can hear one another's performance, and they can compensate to deal with these modal ironies.

Now, the one mode we use most frequently is the Lydian mode, to explain how the modalities work. And you can use the *Ave Verum Corpus*. But you can also use what they've been using in Boston, in particular, you can use the *Jesu, meine Freude*: which will give you cases of how the thing sounds awful, if you don't adjust things in order to compensate for the modalities, which Bach has deliberately introduced into the composition, to give you coherence. Because the effect is, you want to get a composition which, when heard—as I've said many times—from a moment of silence before the first tone, to a moment of silence after the last tone, you want this thing to be a completely integral piece, which conveys to the mind *one single idea, and only one single idea*: the identity of the composition. And to do that, you have to adjust the performance.

As I say, with a string quartet like the Amadeus, they heard it themselves. They could hear this thing. And Norbert Brainin, recently deceased, would say—. He wouldn't say, "Let's correct this"; he would say, "Let us do this again." And since they were sharp people on intonation and other things, they would recognize what he was saying. "Let's listen to this, and see what we're doing. What's wrong with what we're doing—" And that's how it worked.

So, what happens is, these dissonances, or semi-dissonances, which are introduced as a question of modality. Which in the case of Boston—John can demonstrate this, because he knows how to do it; most people don't know how to do it—is, a chorus director can, with a properly trained chorus, can get the right effect by listening, because a chorus director can *hear* these problems, and point out, suggesting this, suggesting this.

But, then you look back at this, from a standpoint of a mathematical standpoint, and you say, "What's going on here? What is this? I mean, we know this is right." In order to have the composition come across, from the most moment of silence to the last moment of silence as one coherent idea, conforming to a Dirichlet principle notion of a single idea: What does this mean? Where does this come from? Well, it comes from the human mind, not from the singing voice. It comes from the

human mind. The bel canto capability comes from the singing voice. But, this question of modality doesn't come from the singing voice, as such. It comes from a correction of the singing voices, in choral work, for the human mind.

Now, this insight, which is demonstrated by bel canto-trained singing in Classical choral work, such as, most simply, the *Ave Verum Corpus* is probably the simplest way to demonstrate this one —and we've studied it and dealt with it a number of times —actually expresses genius: the quality of genius of discovery. And therefore, the importance of music, that unless you have gotten —. You know, tuba players are generally not on the road to genius. Violinists, if they are well trained in the voice, if they're bel canto-trained voices, and perform that way, probably, if they're any good, do reflect genius. Wind instruments, if the performer *sings* into the instrument, bel canto, it works. If the singer *blows* the instrument, it don't work!

So therefore, all of this reflects the human mind —not just the human physiology, but the human physiology that's optimal form, the bel canto form, for the singing —but affected by the human mind. Music has a special power: Classical composition, as opposed to this crazy popular music which destroys the mind; destroys everything, destroys your sex life and everything else. Get away from it! That, this is sacred to people, because it is a social activity, in communication, and in participation in communication, which reflects the essential difference of man from the beast. So that, only if you have a touch of this, are you likely to really have a fair opportunity, from case to case, in developing as a human being. It's this quality of genius, which is expressed by this aspect of music, which is the most efficient medium of getting people to recognize, socially, genius in one another.

InDepth Coverage

Links to articles from

[Executive Intelligence Review](#), Vol. 32, No. 35

[*Requires Adobe Reader®.](#)

Feature:

Our 'Tsunami' Was Called Katrina!

by Lyndon H. LaRouche, Jr.

August 31, 2005

The sheer horror of that human catastrophe which was set in the process of creation by the continuing ugly negligence of the Bush-Cheney cabal during the weeks before, during, and since the passing of the natural catastrophe of Katrinás 'American Tsunami,' has already unleashed a political after-shock, far greater in human and material consequences than the events of September 11, 2001. The aftershocks of what is already, the inevitable horrors to be met in the days just ahead, will be measured, chiefly in humanitarian, physical, and political-psychological consequences, which, combined, will have the greatest significance for the future of the current government of the U.S.A., and have ominous implications for governments also world-wide.

FEMA Made Inoperative By Bush/Cheney Agenda

by Mary Jane Freeman

New Orleans emergency official Terry Ebert called the Bush Administration's response to Hurricane Katrinás assault 'a national disgrace.' On the morning of Aug. 31, at the New Orleans Superdome, he warned that the slow evacuation there had become an 'incredibly explosive situation,' and he complained bitterly that the Federal Emergency Management Agency (FEMA) was not offering enough help: 'This is a national emergency. This is a national disgrace. FEMA has been here three days, yet there is no command and control. . . .'

Interview: Mark Ghilarducci

Disaster Preparedness and Response 'Dis-coordinated,' Unfunded Since 9/11

Mark Ghilarducci, currently the Vice President and Director of the Western States Regional Office of James Lee Witt Associates, has 25 years of service in emergency management, fire, emergency medical services, and rescue disciplines. He is also the former Deputy Director of the California Governor's Office of Emergency Services, appointed by then-Governor Gray Davis, with responsibilities for statewide Emergency Operations and Public Safety, Planning, and Training. Prior to that he served as a Federal Coordinating Officer with the U.S. Federal Emergency Management Agency (FEMA), where, appointed by then-President Clinton, he directed and coordinated Federal response and recovery operations after the declaration of major disasters and emergencies.

Needed Federal Actions Were Known, But Not Taken

by Richard Freeman and Ramtanu Maitra

In July 2004, more than 250 emergency preparedness officials from more than 50 Federal, state, and local agencies and volunteer organizations, participated in an unique 8-day long gathering, organized by the U.S. Federal Emergency Management Agency (FEMA). They conducted a 'tabletop exercise,' a simulation of what would happen if a Category 5 hurricane were to slam into New Orleans. Their conclusion: perhaps the greatest catastrophe in American history. They cited a study that 'the death toll . . . in the New Orleans area could be between 25,000 and 100,000.' As well, according to one participant, 'as much as 87% of the areas housing would be destroyed.'

Criminal Negligence: Chertoff Talked, While Bush, Cheney, Rumsfeld Walked

by Paul Gallagher

Had this been Indonesia after the tsunami crushed its coast, the U.S. press and State Department would have dripped scorn. By the afternoon of Sept. 1, four terrible days had unveiled the growing scope of destruction, despair, and thousands of deaths over a 10,000-square-mile 'ground zero' following Hurricane Katrina—and not one Bush Administration Cabinet member, let alone President Bush or Vice President Dick Cheney, had visited any part of it. Nor had any measurable Federal disaster mobilization reached it, although private organizations, led by the Red Cross, had jumped into action, and were sheltering and feeding over 100,000 refugees in an increasingly desperate crisis.

Mosquito-Borne Epidemics Threaten Katrina Survivors

by Laurence Hecht and Christine Craig

Contrary to denials by officials of the 'mosquito President' George W. Bush's Administration, there is a potential for the spread of devastating diseases among the vulnerable population in the wake of Hurricane Katrina. Water-borne diseases such as cholera, typhoid fever, and other diarrheal illnesses are threatened from stagnant, filthy water. Experts in entomology also warn of the danger of mosquito-borne diseases, especially West Nile and St. Louis encephalitis. As a final blow, the immunologically suppressed population will offer a vulnerability to the avian flu H5N1 pandemic which disease experts fear may strike the world this flu season.

Closing the U.S.'s Premier Port

This map of tonnage handled in U.S. ocean and inland ports, shows the large volume of freight shipped through the various Gulf of Mexico seaports in Louisiana, Texas, Mississippi, and Alabama. By weight, most of this is bulk commodities, including grains and chemicals, as well as petroleum products. For example, some 60% of U.S. grain exports go through Gulf ports, now disabled. More than 18% of the nation's oil imports come through one port alone—Louisianás Port Fourchon, not expected to be fully operational for well into September. And Gulfport, Miss. is a specialized entrepot for fruit imports.

Interview: Sen. George McGovern

'Katrina Could End The War in Iraq'

George McGovern, who as a World War II bomber pilot was awarded the Distinguished Flying Cross, represented South Dakota in the U.S. Senate from 1963-81, and in the House of Representatives from 1957-61. As the Democratic Party's Presidential Candidate in 1972, he was defeated by the incumbent Richard Nixon. President John F. Kennedy appointed McGovern as the first director of the U.S. Food for Peace program in 1961. He also served as U.S. Permanent Representative to the United Nation's Food and Agriculture Organization in the Clinton Administration. In 2000, he was awarded the U.S. Presidential Medal of Freedom, and in 2004, he was awarded the French Legion of Honor, France's highest military honor. Senator McGovern spoke with EIR correspondent Nina Ogden by telephone on Sept. 1.

Interview: Robert Livingston

'A Catastrophe Worse Than 9/11'

Rep. Robert Livingston is a former Republican Congressman from Louisiana. He was interviewed by Bill Jones on Sept. 2

A Look at the Corps of Engineers In the 1930s

by George Canning

This short summary of the book Lucius D. Clay, *An American Life*, by Jean Edward Smith (Henry Holt and Company, 1990), provides a useful view of the role of the Army Corps in the period of the Great Depression.

The Army Corps of Engineers Tradition: A Crucial National Science Resource

by Pamela Lowry

'We must get up early, for we have a large territory; we have to cut down the forests, dig canals, and make railroads all over the country.' —A West Point cadet to a foreign visitor, 1854

Economics:

Freak-Out at Jackson Hole

by Lyndon H. LaRouche, Jr.

This statement was released on Aug. 27, 2005, by the LaRouche Political Action Committee (LPAC).

Even the mere hint of today's global, financial reality from Fed Chairman Alan Greenspan, and a matching side remark by former Treasury Secretary Robert Rubin, have touched off a furor of lunatic rage among the customary annual coven of wishful dreamers assembled for this weekend's annual rain-dance at Jackson Hole.

LaRouchePAC Testimony

Re-Regulate Energy, End 'Enronomics'

What follows is written testimony submitted by the LaRouche Political Action Committee, LaRouchePAC, to the U.S. Senate Committee on Energy and Natural Resources for a hearing Sept. 6 on 'Global Oil Demand/Gasoline Prices.' The testimony was prepared by Marcia Merry Baker and Richard Freeman, and titled 'Establish Energy, Interim Energy ReReregulation; End the 'Enronomics'-Thinking Behind 'Unnatural' Disasters.

Economic Debate at Berlin EIR Seminar

Dr. Nino Galloni

Production Must Be Primary, Not Finance

Italian economist Dr. Galloni submitted this paper to the seminar. He has served in several government ministries, dealing with economics and labor issues, and is currently the auditor of INPDAP, the main institute coordinating pension funds for public-sector retirees in Italy. An interview with him was published in EIR, Feb. 25, 2005.

Dr. Kim Young-Chul

A New Monetary System For Sovereign Citizens

Dr. Kim teaches Western Economic History in the Department of Economics at Keimyung University, Daegu, South Korea. He organized the 1998 'Daegu Round' conference against the IMF and GATT/WTO 'rounds' of globalization, addressed by IMF critics from around the world. Dr. Kim has addressed anti-globalization conferences in Indonesia, Canada, and the U.S., as well as many in Korea, where he is active in 'Consolidation for Alternative Policies,' which seeks a new economic pathway. He received his degree from the University of Illinois at Urbana-Champaign. Dr. Kim submitted this paper to the Berlin seminar under the full title, 'A New World Monetary System for Sovereign Citizens: Finding a Voice for East Asia after Globalization.'

International:

Europe's Future Hangs On BüSo's Campaign

by Rainer Apel

The upcoming national election in Germany, to be held Sept. 18, is by no means merely a national issue: The economic and political situation in Germany, with its 82 million population (the largest in Europe), is decisive for Europe as a whole, and for international relations in general. And, whatever political leadership Germany has, is also important for the United States, because Germany 'is the only possible keystone for an effective partnership between the USA and a wider coalition of Europeans,' as Lyndon H. LaRouche, Jr. pointed out in an Aug. 28 statement, headlined, 'Europe Hangs by a Shoe-string.'

BüSo Wrote the Book On German Neo-Cons

First to target Germany's neo-conservative movement was the LaRouche Movement, which issued a definitive booklength expose' of this neo-liberal nexus in January 2005. Thousands of these books, entitled *Germany's Neo-Cons: Who Is Out To Destroy the Federal Social State?*, have circulated.

Zepp-LaRouche Leaflet Slams Merkel's Neo-Cons

Under the headline, 'Merkel's Neo-Cons Want To Imitate Bush-Politics in Germany: Will There Soon Be a Catastrophe Like Louisiana?', Zepp-LaRouche has made a new appeal to German voters. We reprint the text of her latest mass leaflet, issued Sept. 2, in full.

Indonesia Again Faces The Speculators' Gun

by Mike Billington

Indonesia has been subject to the looting and subversion of the 'economic hitmen' as often, or perhaps more often, than any nation on Earth, so the current assault by the international synarchist banking circuit, its institutions, and its associated hedge funds should not have been unexpected. This time, it has sent the national currency into free fall, and is draining the foreign reserves. The attack is of special note, however, because it comes as the world financial system itself is careening out of control, and Western financial analysts are warning that an explosion in heavily indebted Indonesia, together with similar crises in other developing-sector nations, like the Philippines and Brazil, could be the spark that ignites the nowinevitable global collapse of the dollar-based financial system.

LaRouche Reps Address Mahathir Conference

by Muriel Mirak-Weissbach

The gathering in Malaysiá's capital, Kuala Lumpur, on Aug. 1-3, dedicated to the achievements and policies of former Prime Minister Tun Dr. Mahathir Mohamad, assumed a special importance because of the fact that it occurred in themidst of the global economic-financial breakdown crisis, and the related, dangerous drive for war against Iran. Of special note was the fact that two representatives of American physical economist Lyndon LaRouche, the founder of EIR, were invited to address the conference, indicating the role played by LaRouche and his ideas in Malaysia under the leadership of Dr. Mahathir.

Iraq Disintegrating in Fight Over Constitution

by Muriel Mirak-Weissbach

Iraq may turn out to be the first country in modern history to self-destruct through a constitutional process. The draft constitution, to be submitted to a national referendum on Oct. 15, was drawn up under the guiding hand of U.S. Ambassador Zalmay Khalilzad, whose intention must have been to lay the basis for partition of the nation.

Investigation:

MOON OVER PARANÁ

Dick Cheney's 'Spoon-Benders' Rampage Through South America

by Dennis Small

War. Chaos and war are what Vice President Dick Cheney and Defense Secretary Donald Rumsfeld are in the process of unleashing across South America. Look carefully at what they are up to. Religious hoaxster Pat Robertson used his Christian Broadcasting Network telecast Aug. 22, to issue an in-your-face call for the assassination of Venezuelan President Hugo Chávez. 'If he [Chávez] thinks we're trying to assassinate him, I think that we really ought to go ahead and do it. It's a whole lot cheaper than starting a war.'

Banco Santander: Run by The Financiers of Hitler

Leading the foreign takeover of Ibero-América's banking sector is Banco Santander Central Hispano (BSCH), the largest bank in Spain, and the sixth largest in Europe. Santander, with 15 banks spread across IberoAmerica, is the largest foreign bank in the region, with \$77 billion in assets, or 9% of the region's total.

When Robertson Rants, Gen. Boykin Listens

by Jeffrey Steinberg

On Aug. 22, 2005, televangelist Rev. Pat Robertson broadcast a call for the assassination of Venezuelan President Hugo Chávez on his 700 Club TV show. Robertson said: 'You know, I don't know about this doctrine of assassination, but if he [Chávez] thinks we're trying to assassinate him, I think that we really ought to go ahead and do it. It's a whole lot cheaper than starting a war, and I don't think any oil shipments will stop.' Robertson justified his assassination call by charging that Chávez was 'going to make Venezuela a launching pad for communist infiltration and Muslim extremism all over the continent.'

LaRouche's War Against the WWF

by Gretchen Small

One day before George Bush, Jr., and Dick Cheney were inaugurated in Washington, on Jan. 20, 2001, the Rio de Janeiro offices of U.S. statesman Lyndon LaRouche's EIR and his Brazilian political associates were raided by judicial police, at 5 p.m. on a Friday. The raid—in which police seized pamphlets exposing the role of the British Crown in blocking the development of South América's interior—had been ordered at the request of Prince Philip's Worldwide Fund for Nature (WWF) in Brazil. WWF-Brazil had finally succeeded in finding a judge willing to issue an order restraining LaRouche's associates from attacking the WWF Brazil, either in print or verbally, because, as the WWF Brazil protested, they were 'causing incalculable damage to its image, as well as to its members and supporters,' and if this were permitted to continue, its 'reputation would be irreparably affected.'

Chaco War: Anglo-Dutch Resource Grab

by Cynthia R. Rush

So inhospitable is the Chaco Boreal region of Paraguay, located north of the Pilcomayo River, that it has historically been called the 'Green Hell.' Unbearably hot, it is infested with swarms of insects and poisonous snakes; there is only thorny vegetation and swampland, and little water. Even today, it is sparsely inhabited....

National:

BRAC Real Estate Scam Might Still Be Stopped

by Carl Osgood

While many observers are considering Secretary of Defense Donald Rumsfeld's base closing plan a 'done deal,' since the Defense Base Closure and Realignment Commission (BRAC) completed its final deliberations, it is anything but. From the state lawsuits over the proposals to close Air National Guard units, to Rumsfeld's criticisms of the BRAC Commission's actions, to the possible impact of the disaster brought to New Orleans by Hurricane Katrina, to possible action by the Congress—the last word on BRAC is a long way from being written. However, this has not stopped real estate developers from salivating over the speculative possibilities of some of the bases that the commission voted to close, such as the Walter Reed Army Medical Center in Washington, D.C.

Cheney Threatens GOP Anti-Torture Efforts

by Edward Spannaus

As the Senate comes back into session, a major battle is shaping up over Republican-sponsored amendments prohibiting torture and requiring humane treatment of military prisoners. Before the Senate recessed in July, Vice President Dick Cheney threatened that the White House would

veto the entire Defense Authorization bill, if it included these amendments, on the grounds that they would 'interfere' with the President's conduct of the war on terrorism.

Interview: Perry B. Clark

'The Root of the Problem Is the Dollar'

Rep. Perry B. Clark is a Kentucky State Representative, serving the people of the 37th District, Louisville. He was interviewed on Aug. 29 by Paul Gallagher.

MEK Terrorist Front Ups Anti-Iran Propaganda

by William Jones

Alireza Jafarzadeh, former spokesman for the Iranian opposition group, the National Council of Resistance of Iran, a front group for the banned Mujahedin-e-Khalq (MEK), held a Washington, D.C. press conference on Aug. 26, trying to buttress the war drive against Iran, with a series of new 'expose 's' of a clandestine Iranian nuclear-weapons program.

U.S. Economic/Financial News

Censored Census: U.S. Poverty, Lack of Health Insurance Rise Steeply

The U.S. Census Bureau —using only the "official" Consumer Price Index inflation deflator, and failing to report alternative estimates it has reported in past years —nonetheless reported Aug. 30 that poverty and lack of health insurance in America both rose markedly again in 2004, the alleged "third year of economic recovery." Median real incomes fell from 2003 to 2004, and poverty rose in particular in the Midwest region, and among white males 18-64 years of age, reflecting the accelerating collapse of skilled industrial employment in America.

In answer to questions at the Census press briefing Aug. 30, from both the *New York Times* and *EIR*, Census division chief Charles Nelson asserted that poverty had continued rising "in the same way" in 1992-94, in the supposed recovery from the Bush "41" recession. But later, the Coalition on Budget and Policy Priorities, in a conference call analyzing the new reports, showed that Preston's claim was not true.

*Overall "official" poverty rose by 1.2 million Americans, to 37 million; and its official rate, from 12.2% in 2003 to 12.7% in 2004.

*Real median income of Americans fell by 1.2% from 2003 to 2004.

*Real median income of men who worked full-time, year round, dropped sharply, by 2.3%; that of women who worked full-time, by 1%.

*Real median income of households was unchanged, in part because of another fractional increase in the number of people working in the typical household. But the real income of working-age households —i.e., not retired seniors on Social Security, etc. —fell by 1.2%.

*Real median income in the Midwest region has *fallen 8% since 2001*, according to Charles Nelson answering a question from *USA Today*.

*The uninsured (health insurance) rate for the nation remained at 15.7%, but the number of uninsured went up 800,000 to 45.8 million. Almost all, 770,000, of this increase was among employed Americans.

*About 22% of the insured population, 55 million out of 245 million people, now have Medicaid as their health insurance.

*Employer-provided health insurance dropped below 60% of the insured for the first time, to 59.4%; that is 4.2% below the share of employer-provided insurance in 2000.

Of the "alternative measures" —the National Academy of Sciences (NAS) poverty measure, for example, includes far more accurately the real rate of increase of health-care costs, and in 2003 was more than 2% above the Census "official" poverty rate —Nelson said that they were not included because "we got these reports out early," that he had no idea what they'd show, and that they'd be released "by the end of the year."

A press release Aug. 30 by Sen. Jack Reed (D-RI), ranking Democrat on the Joint Economic Committee of Congress, summed up Bush's first term: "Income for the typical American household fell by \$1,670, 5.4 million more people slipped into poverty, and 6 million more joined the ranks of the uninsured.

"The proportion of Americans living in poverty rose to 12.7% in 2004, up from 11.3% in 2000. Inflation-adjusted median household income was \$44,389 in 2004, down from \$46,058 in 2000. The number of Americans without health insurance increased to 45.8 million in 2004, up from 39.8 million in 2000."

Blowout of Real Estate Bubbles To Pop U.S. Economy

Global real estate bubbles are a major force propping the U.S. economy, wrote Irwin Stelzer of economic policy studies at the Hudson Institute, in the neo-con *Weekly Standard* Aug. 30. According to a Hudson Institute work up of Bureau of Labor Statistics data, the housing and related industries and businesses in America "now account for 4.8 million jobs, some 60% more than the once-mighty auto industry. Whereas the auto industry has desperately shed 60,000 jobs in the past four years so as to reduce its future pension and health care costs ... the housing industry has created almost 600,000 jobs in the construction and financial services."

Across the globe, investors have poured money into the commercial real-estate markets of America through mortgage-backed securities, "providing lenders here with still more money to lend to prospective home buyers, many of whom have substandard credit ratings." And, where U.S. housing prices have risen 13% between the third quarters of 2003 and 2004, those of Spain, New Zealand, France, and Britain have risen even more.

Insider Selling of Stock by Home Builders Hits Record High

Home builders' sell-off of their own stock has hit record-high levels during the past three quarters, the *Wall Street Journal* reported Aug. 31. Merrill Lynch cites record net insider selling over the past ten months at eight of 12 home-building companies, amid a surge in speculative buying and building.

Heavy Debt Loads Could Sink U.S. Economy

"'Buy Now, Pay Later' Thinking Could Sink Us"; "Several Scenarios Could Spell Doom for U.S. Economy"; "Heavy Debt Loads Raise Odds for Economic Tumult in U.S.": These were but a few of the headlines run over an Associated Press story Aug. 28-29, ranging from Washington State's *The Olympian*, to Connecticut's *Waterbury Republican American*, and Wisconsin's *Milwaukee Journal Sentinel*, etc. The message of the first of a three-part series by AP's business editor is that "The party's over: Debt could bring the American economy down."

The "debt beast" has led American consumers to accumulate nearly \$11 trillion in debt, author Eileen Alt Powell writes. Outstanding balances on credit cards have risen to more than \$800 billion; that's \$7,200 per U.S. household, more than double the indebtedness of a year ago. And that doesn't include an additional \$1.3 trillion in debt for cars, appliances, and personal loans. Nor the more than \$8.8 trillion in mortgages, up 42% since the 2001 recession.

At the same time, the U.S. is living off money from abroad, as countries such as China finance our deficit of probably more than \$700 billion this year.

"What would happen if interest rates suddenly weren't so benign, or if foreign governments, corporations and individuals stopped investing so heavily in America— Some analysts fear such actions could trigger doomsday scenarios in which the bills come due and Americans can't pay, with devastating consequences for the economy.... The entire American financial system could be affected," the AP story worries.

Looming Worldwide Financial Panic Would Dwarf Great Depression

"It would make the Great Depression of the 1930s look like a walk in the park," were a sudden sell-off of dollars to trigger a worldwide financial panic, said Clyde Prestowitz, president of the Economic Strategy Institute in Washington, according to the *Australian* Aug. 29. Prestowitz cites the example of "some smart MBA at the Central Bank of Chile or someplace" who decides his bank is holding too many dollars and decides to "dump \$10 billion." He does. The market thinks the dollar has broken, and panic selling sets in. Prestowitz rejects the notion that markets are self-correcting, saying that markets tend to excess and over-shooting. When markets go down, the weaknesses get concentrated, and only an intervention at the right time can stop things from getting out of control, à la LTCM. "How's the U.S. going to look as a global power when the dollar is at 50% its value?" he asks.

Conn. Officials Form Task Force To Regulate Hedge Funds

Officials in Connecticut are forming a task force to regulate hedge funds, spurred by the collapse of Bayou Group, New Times Live reported Aug. 31. State Attorney General Richard Blumenthal said the move could have major ramifications for the largely unregulated funds. "I think it may be a defining moment in the hedge fund [sector's] development," he asserted. "This instance may be simply one major alarm bell for the broader public." The task force is headed by Blumenthal and the state's banking commissioner.

U.S. Manufacturing Slowed in August

The Institute for Supply Management (ISM) announced Sept. 1 that its factory index fell to 53.6 in August, down from 56.6 in July. According to a median forecast in a Bloomberg survey, economists expected an increase to 57; now "economists" opine that July may have being the peak. Also the ISM's index of new orders fell to 56.4 last month, down from 60.6 in July, the highest figure this year.

The ISM, based in Tempe, Ariz., surveyed more than 400 companies in 20 industries, including clothing, printing, transportation, furniture, and plastics, to compile its indices. The production index, a measure of work being performed, slid to 55.9, from 61.2, the highest since last September. On the other side, the index of prices which companies pay for raw materials and energy, recorded the biggest increase in 15 years last month: It jumped from 48.5 in July to 62.5 last month. Costs to companies may rise in coming months if energy prices continue to climb; crude-oil futures reached a record \$70.85 a barrel on Aug. 30, and remained at \$69 a barrel on Sept. 1.

The National Association of Purchasing Management-Chicago, meanwhile, announced that its gauge of regional

manufacturing fell the most on record: The index declined to 49.2 from 63.5 in July, compared to an expected 61.

World Economic News

Nearly 2 Billion in Asia Live on Less Than \$2 a Day

Although poverty is slowly being reduced in the Asia-Pacific region, an estimated 1.85 billion people, or 57% of the region's population, still lived on less than two dollars a day in 2003, the Asian Development Bank (ADB) has reported, according to Agence France Presse Aug. 30.

The number of people living in even the most extreme poverty —less than one dollar a day —was estimated at 621 million or 19.3% of the population, down from 688 million in 2002, the Manila-based organization said in a report.

"Much of the region's overall success in recent years is the result of a dramatic reduction in poverty in the PRC [People's Republic of China]," it said.

The new poverty estimates are contained in the ADB's Key Indicators 2005, an annual statistical compendium of economic, financial, and social indicators.

The data is based on figures for 2003, which, the ADB says, is the most recent year for which sufficient data is available to formulate estimates.

About 93% of the 621 million people living on less than a dollar a day in 2003 lived in India (327 million), China (173 million), and other South Asian countries (77 million).

"Although the percentage of South Asia's population living under extreme poverty declined to 29% in 2003, from 41.3% in 1990, relatively rapid population growth in South Asia meant the number of extremely poor fell by only about 45 million," the ADB said.

New Asian Currency Swap Arrangements Set

Japan, South Korea, and China have agreed to double their currency-swap arrangement with Indonesia. Originally set up under the ASEAN+3 agreements, the swaps are intended to share currency reserves to deal with speculative assaults, precisely like that now hitting Indonesia. The new agreement will double Japan's \$3 billion, China's \$1 billion, and South Korea's \$1 billion, making \$10 billion total now accessible to Jakarta to defend the rupiah.

Monetary solutions, however, will have little effect in the current hyperinflationary environment.

United States News Digest

Senator Specter To Hold Hearings on 'Able Danger'

Senator Arlen Specter (R-Pa) announced Sept. 1 that the Senate Judiciary Committee, which he chairs, will hold a hearing on the Pentagon Special Operations Command's "Able Danger" intelligence-gathering program, according to the *New York Times* Sept. 1. Able Danger reportedly had identified the alleged ringleader and three others of the 9/11 hijackers more

than a year before the September 2001 attacks, which information was then suppressed, and never passed on to the FBI.

In announcing the hearing, to be held on Sept. 14, Specter said that the two military officers who have come forward "appear to have credibility," and he said that his staff has confirmed their reports that Able Danger personnel had tried to contact the FBI in 2000 to discuss the program's work. Specter also said that if Mohammed Atta and other hijackers had been identified before the 9/11 attacks, "it would be a very serious breach not to have passed that along."

"We ought to get to the bottom of it," he declared.

Last week, Specter wrote to FBI Director Robert Mueller, asking him for all the information the Bureau has on the Able Danger program.

Tenet Threatens To Defend Himself Against White House

Former CIA Director George Tenet will not allow himself to be scapegoated for the 9/11 intelligence failures, writes former Reagan Administration staffer John B. Roberts, the *Washington Times* said Sept. 1. Tenet and a lawyer have drafted a tightly written rebuttal to the report just delivered to Congress from the CIA Inspector General, which recommended punitive sanctions against Tenet, as well as former Deputy Director for Operations James Pavitt, and former CIA counter-terrorism center head Cofer Black.

Tenet's decision to defend himself poses a potential crisis for the White House, says Roberts, pointing out that Tenet had turned down a \$4.5-million book offer so as not to embarrass the White House, and he had been assured in return that he wouldn't be scapegoated for 9/11. But this deal may now be off the table.

Tenet's defense is very similar to the critique laid out by former National Security Council counter-terrorism advisor Richard Clarke, says Roberts. (Clarke charged that Bush and Cheney ignored his and Tenet's insistence that the U.S. adopt an aggressive strategy against al-Qaeda, and he accused the White House of inexcusable delay in taking up the issue of terrorism before September 2001.)

Roberts adds that, normally, Karl Rove would already be taking preemptive action against Tenet, but the White House adviser has been neutralized by the Valerie Plame investigation. If current CIA Director Porter Goss follows up the Inspector General's report with formal CIA hearings on sanctions, Tenet is likely to go public in order to defend his reputation.

Think-Tanker Was AIPAC's Contact Man at Clinton NSC

Think-tanker Kenneth Pollack revealed that he was the AIPAC (American Israel Political Action Committee) contact man at the Clinton National Security Council, telling the Jewish Telegraph Agency (JTA) on Aug. 30, "I believe I am USGO-1," using the term mentioned in the indictment of two AIPAC officials, Steve Rosen and Keith Weissman. The term means "U.S. Government Official #1," and refers to an incident where the AIPAC spies met USGO-1 for lunch in December 2000, to discuss U.S. policy in Iraq. The indictment says that after Rosen met USGO-1 for lunch, Rosen then met a reporter, and gave the reporter classified information about that policy. The indictment notes that USGO-1 had access to the classified information which Rosen passed along, but does not say that USGO-1 actually gave Rosen the info.

Pollack, Senior Fellow in Foreign Policy Studies at the Brookings Institution and Director of Research for the Saban Center for Middle East Policy, had been opposed to war against Iraq, when he co-wrote an article for *Foreign Affairs* in January 2000, comparing Ahmed Chalabi's plan to overthrow Saddam Hussein to the Bay of Pigs disaster. However, when

George W. Bush became President (around the time that Pollack was meeting secretly with AIPAC), Pollack began to support an Iraq war. Then, when the war bogged down, Pollack turned back into a critic of the war.

He claims that he never gave classified information to AIPAC.

The second government official, USGO-2, who the AIPAC indictment specifies *did* give classified goods to AIPAC, is David Satterfield, who is now the #2 at the U.S. embassy in Iraq. Earlier this year, Satterfield was sent to Lebanon to run the neo-con plan to overthrow the Lahoud government and use Lebanon as a springboard for a U.S. war against Syria, along the lines of the "Clean Break" plan for regime change in Syria and Iran.

Gonzales Attacks Senate Version of Patriot Act Renewal

Attorney General Alberto Gonzales told the *Washington Post* Aug. 30 that the Senate version of the bill to renew the Patriot Act would hamper the government's ability to prevent terrorist attacks, and he expressed his preference for the version passed by the House. The Senate bill was co-sponsored by Sen. Arlen Specter (R-Pa), and was adopted by the GOP-controlled Judiciary Committee and then by the GOP-controlled Senate as a whole.

The Senate version places additional restrictions on the Justice Department's ability to secretly obtain a person's business or financial records, including library records, and it also places more limits on "administrative subpoenas" (obtaining financial records without a court order), and on secret "sneak and peak" search warrants.

Democratic Senators Defend Halliburton Whistle-Blower

Bunnatine H. Greenhouse, who had been the top contracting official at the U.S. Army Corps of Engineers since 1997, was removed from her post over the Aug. 27-28 weekend. Greenhouse had testified before Congress about a multibillion-dollar no-bid contract with Halliburton subsidiary Kellogg Brown & Root for work in Iraq, before the war began in 2003. After she was fired, three Congressional Democrats put Defense Secretary Donald Rumsfeld on the spot, by sending him a letter saying her demotion "appeared to be retribution" which, they reminded him, is "illegal and totally unacceptable." The three are Senators Byron Dorgan (N.Dak.) and Frank Lautenberg (NJ), and Rep. Henry Waxman (Calif). Dorgan is chairman of the Senate Democratic Policy Committee, which heard Greenhouse's testimony in June.

GOP Plans Bills To Impose Big Budget Cuts

Congressional Republicans are planning, in the coming weeks, to pass a series of budget cuts which stem from the Congressional budget resolution passed earlier this year, the *Washington Post* reported Aug. 28. The cuts, which will be contained in a "filibuster-proof" reconciliation bill, are up against the reality of the increasingly apparent economic crisis. The cuts include: \$10 billion from Medicaid, Medicare, or welfare (even while states like Tennessee and Missouri are shutting down state aid programs); \$500 million in food stamps over five years; \$2.4 billion in farm subsidies (in the midst of a severe drought); \$7 billion in student loans. Also, they plan to raise Pension Benefit Guaranty Corp. premiums from \$16 to \$31 per worker, which will devastate many businesses.

Abramoff/Norquist Ring Probed at Interior Department

A Federal task force is investigating initiatives by indicted lobbyist Jack Abramoff to corruptly influence Interior Department officials in favor of Abramoff's Indian tribe client's gambling casinos. On Aug. 28, the *Washington Post* reported on e-mails it said it had obtained, showing Abramoff was seeking to outright hire Deputy Interior Secretary J. Steven Griles, and investigators are looking into possible conflict-of-interest crimes.

Abramoff represented the Saginaw Chippewa tribe, and lobbied an Interior Department ring to try to prevent government approval for the opening of a casino at Gun Lake, Mich. that would rival the Chippewas' casino.

Some of those involved with the business under study:

*Republican rightist leader Grover Norquist and former Colorado lawyer/corporate lobbyist Gale Norton (now Secretary of the Interior) created the "Council of Republicans for Environmental Advocacy" (CREA) in 1998. Norton was being paid as a fellow of the Independence Institute in Colorado, the Coors-sponsored thinktank whose president was Tom Tancredo, later head of the anti-immigrant caucus in Congress.

*Norton became Secretary of the Interior in 2001. Abramoff then directed his tribal clients to contribute some \$225,000 to CREA.

*Abramoff also directed his tribal clients to contribute to Norquist's "Americans for Tax Reform" and Norquist's ATR laundered lobbying money from tribes into Christian Right circles controlled by Bush religious-political strategist Ralph Reed. Norquist then got Abramoff's clients access to the White House.

*Gale Norton's deputy secretary, J. Stephen Griles, had been Norton's campaign manager for her electoral races in Colorado. Italia Federici, head of the Abramoff-funded group CREA, interceded with Griles to block the Gun Lake casino on environmental grounds.

*Thomas L. Sansonetti, U.S. Associate Attorney General in charge of Indian law, who has "attended events sponsored by Federici's group," acted to block the Gun Lake casino. (The Gun Lake casino was later approved, as the spotlight hit Abramoff.)

Department of the Interior Solicitor William G. Myers III, a lobbying and law partner of Sansonetti's, at Holland & Hart, the Denver-based law firm that opened its Washington, D.C. office in 2001 under the wing of Vice President Dick Cheney and his management of the Administration's policy for oil, mining, and related speculators.

Ibero-American News Digest

Miami Cuban Exiles Ga-Ga Over Pat Robertson

Hurricane Katrina was not the only thing blowing hard over Miami in recent days. Much of the anti-Castro Cuban exile community in the city also huffed and puffed, on the many Spanish-language radio talk shows, in support for "Diamond Pat" Robertson's call to assassinate Venezuelan President Hugo Chavez.

Caller after caller said Robertson should be elected the next President of the United States, as they were whipped into a frenzy as the stations played Reverend Pat's incitement to murder over and over again, some as many as five to six times in the span of 15 minutes. On one show, the announcers held a contest, in which callers had 30 seconds to list five different ways to kill Chavez (and Castro). "If the U.S. can commit a whole army to get rid of Saddam, why can't it send a brigade to oust Chavez and Fidel?" several asked, apparently forgetting the Bay of Pigs. "Why is it so difficult for the U.S. to have someone just kill Chavez before he becomes a threat as big as Fidel?"

In our four-article package on "Moon Over Parana: Dick Cheney's 'Spoon-Benders' Rampage Through South America," in

InDepth this week, the reader will find more on the strategic context and implications of Robertson's provocation.

Will Chile and Argentina Adopt Rumsfeld Military Plan?

Adding yet another provocation to the tense Southern Cone situation is the announcement that a standing joint Argentine-Chilean military command is to be created. Although it is to operate under the cover of a UN peacekeeping force, if carried out, this would constitute the first step within South America towards the supranational regional military force which U.S. Secretary of Defense Donald Rumsfeld has sought since 2002.

The announcement was made Aug. 28 by Chilean Defense Minister Jaime Ravinet on the occasion of a visit by his Argentine counterpart, Jose Pampuro. The latter, who has acted against Argentine President Nestor Kirchner on more than one occasion, supports it.

It's improbable that Kirchner would endorse any joint military force that might be used against other Ibero-American nations, but this is what Rumsfeld has in mind. In his remarks at the port city of Valparaiso, where he met with Pampuro, Ravinet noted that such an Argentine-Chilean force would be permanent in nature, and would require "modifying doctrine" as well as equipping the militaries of both nations. The actions of this force, Ravinet said, shouldn't be limited to just "confidence building." Pampuro, who was also slated to meet with President Ricardo Lagos, gushed that by 2010, Argentina and Chile could be "strategically associated."

One particularly provocative aspect of the ceremony attended by Ravinet and Pampuro in Valparaiso was that Argentine and Chilean soldiers who had trained together for six months arrived on the *Esmeralda*, the ship that had served as a temporary prison and torture center following the bloody Sept. 11, 1973 military coup that overthrew President Salvador Allende.

Financiers Push Brazil To Open the Derivatives Spigot

Following discussions at the Second International Derivatives and Financial Market Congress held in Brazil during the last week of August, the Brazilian Central Bank —headed by former BankBoston International President Henrique Meirelles —announced that it is evaluating changing the regulations governing the issuing of credit derivatives, along lines proposed at that Congress. Currently, only banks are permitted to sell hedges for credit risk, and proponents argue that if the door is opened for anyone —hedge funds, pension and mutual funds, and insurance —to sell them, then Brazil too can vastly expand its derivatives market.

During the Congress, the head of Brazil's Commodities and Futures Market (BM&F), Manoel Cintra Neto, cited the fact that in Brazil, only 10% of companies use derivatives, as opposed to 90% in the U.S.; this he mentioned as evidence of how vast an expansion awaits, should the regulation change be adopted. The BM&F is already the fifth-largest exchange in the world; imagine what it can be if it opens up fully to the "fantastic" flows of the international derivatives markets, Cintra Neto told *O Globo* on Aug. 18.

Nothing But a Service Economy in Chile

Even as Paraguayan President Duarte gushed that "Chile is the photograph which many nations of Latin America would like to hold up as an example for history," during his Aug. 28-30 visit to Chile, the Chilean daily *El Mercurio* reported on Aug. 30 that two-thirds (66%) of all new jobs created in that "prestigious and serious" Chile over the past 12 months are in the category of "self-employed." That includes anything from street-vendors to unemployed professionals who try to get any kind of work, driving taxis, repairmen, etc. Chile's Labor Minister says this shows Chile is "normalizing."

El Mercurio also documented the disastrous state of the private pension system in which employers have appropriated workers' funds, and kept them rather than depositing them in private accounts. Employers have thus stiffed at least 150,000 workers registered with the private AFP (pension) system. The biggest culprits are large municipal companies, or companies on the verge of bankruptcy.

OAS Secretary General Calls for Extradition of Posada

Jose Miguel Insulza, Secretary General of the Organization of American States (OAS), on Aug. 29 called upon the U.S. to extradite Cuban-American terrorist Luis Posada Carriles to Venezuela. "In the world context of the combat against terrorism, terrorists have to face justice. It would not be explicable that this process could not go on," Insulza noted.

That same day, Posada Carriles, the CIA-trained anti-Castro terrorist who was the deputy to Felix Rodriguez in El Salvador during the illegal Contra resupply operation in the 1980s, refiled his request for political asylum in an El Paso, Texas court proceeding. Before joining Rodriguez in El Salvador, Posada escaped from a Venezuela prison where he was being held in connection to the October 1976 bombing of Cubana Airlines Flight 455. In his court appearance today, Posada's attorney asked that he be transferred to Miami, Fla.

Venezuela has demanded that he be extradited.

Western European News Digest

Europe Offers Aid to Katrina Victims and Rescue Workers

With hour-by-hour coverage in the European news media on the Katrina hurricane disaster in the U.S. Gulf Coast region, and the unfolding tragedy, several European governments have expressed their condolences to the U.S. government and offered immediate help in the ongoing rescue efforts.

German Chancellor Gerhard Schroeder in an official statement declared that even though he knows that the U.S. has many resources itself, he nonetheless would want to offer all possible help and coordinate with his ministries, if help is needed. "The U.S. should know that Germany stands at the side of the U.S."

From Russia, Emergency Situation Ministry head Yuri Brazhnikov offered help to the head of the U.S. Federal Emergency Management Agency, stating that Russia would be ready to send equipment to conduct relief work, including Situation Ministry planes with rescuers and a helicopter on board.

The spokesman of the French Foreign Ministry, Denis Simoneau, stated that France would be ready to send soldiers and rescuers from the French Caribbean base.

Statements of condolence and support also came from Pope Benedict XVI and Vatican the State Secretary Sodano.

Villepin Announces 'Social Growth' Program To Counter Sarkozy

In a surprise move, French Prime Minister Dominique de Villepin, at a press conference Sept. 2, announced a series of measures aimed at winning the 2007 Presidential elections. Among them:

- 1) Cutting income taxes, especially those of the middle classes, by 3.5 billion euros;
- 2) Incentives for unemployed or socially assisted persons to go back to work, via special cash contributions offered by the state to those who decide to take jobs;
- 3) A series of measures aimed at increasing state construction of low-cost housing and improving conditions under which people can buy their own homes; and,
- 4) Ten billion euros to come from the privatization of the national highway company, to be oriented towards public investment: including the Rhine-Rhone and Bordeaux high-speed trains, a railway to the Charles de Gaulle airport, etc.

The new, more flexible contract created by de Villepin three months ago apparently is a big success, with 30,000 new jobs created last month alone. Basically, a lot of small, well-distributed measures aimed at countering Finance Minister Nicolas Sarkozy's far-right neo-con ideology, without, however, challenging the present system.

Briton Warns of 'Mini-Hiroshima' If U.S. Attacks Iran

Former British Labour Party Cabinet Minister Tony Benn warned in a column in the Aug. 31 *Guardian* that "Now that the U.S. President has announced that he has not ruled out an attack on Iran, if it does not abandon its nuclear program, the Middle East faces a crisis that could dwarf even the dangers arising from the war in Iraq. Even a conventional weapon fired at a nuclear research center —whether or not a bomb was being made there —would almost certainly release radioactivity into the atmosphere, with consequences seen worldwide as a mini-Hiroshima."

While the attack would be carried out allegedly to uphold the Nuclear Non-Proliferation Treaty, in reality, it is "the Americans" who have "launched a program that would allow them to use nuclear weapons in space, nuclear bunker-busting bombs are being developed, and depleted uranium has been used in Iraq —all of which are clear breaches of the NPT. Israel, which has a massive nuclear weapons programme, is accepted as a close ally of the U.S., which still arms and funds it."

Even those who oppose allowing all nations to develop nuclear weapons, should "accept that nuclear power for electricity generation need not necessarily lead to the acquisition of the bomb." Benn himself had been pressured, as Secretary of State for Energy, to agree to sell nuclear power stations to the Shah of Iran, by the International Atomic Energy Agency and Westinghouse.

President Bush could well see bombing Iran as a "way to regain some of the political credibility he has lost" due to the Iraq disaster. But the U.S. cannot invade Iran: "what must be intended is a U.S. airstrike, or airstrikes, on Iranian nuclear installations, comparable to Israel's bombing of Iraq in 1981," with possible Israeli cooperation.

"Some influential Americans appear to be convinced that the U.S. will attack Iran," Benn wrote. Right or not, "the buildup to a new war is taking exactly the same form as it did in 2002" against Iraq. While the U.S. and UK talked of diplomatic measures, leaked UK memos show that the decision to go to war had already been taken long before. "That may be the position now, and I fear that if a U.S. attack does take place, the Prime Minister will give it his full support," Benn wrote. The main reason is Britain's total dependence on the U.S. for its own nuclear military capability. "Therefore Britain could be assisting America to commit an act of aggression under the UN Charter, which could risk a major nuclear disaster, and doing so supposedly to prevent nuclear proliferation, with the real motive of making it possible for us to continue to break the NPT in alliance with America."

Former French Prime Minister Calls for New Bretton Woods

Michel Rocard, former French Prime Minister, called for a "New Bretton Woods" and "reconstruction of the world financial system," in a statement warning that the U.S. economy is a "catastrophe waiting to happen." The statement was published in Germany's *Sueddeutsche Zeitung* Aug. 17. It is distributed by Project Syndicate, an operation including Joseph Nye, Joseph Stiglitz, Jeffrey Sachs, and others. However, Rocard is known to be familiar with proposals by Lyndon LaRouche.

Rocard, who is a leader of the French Socialist Party and a member of the European Parliament, wrote that the French and Dutch rejection of the EU Constitutional Treaty was in reality "a rejection of unregulated globalization." Deregulation has made the social order unstable, and unemployment, especially, is becoming an "intolerable" problem. Capitalism could be reconstructed after World War II due to the stabilizing factors of social security, Keynesian operations, and "a universal high-wage policy." But this was ended after 1970, when the monetarist policies of the likes of Milton Friedman took over, and the dollar was taken off gold. "Ever since, the international financial system has endured almost constant instability."

The "greatest danger facing the world nowadays is the inherent instability" of the current global economic system, Rocard wrote. He described the massive indebtedness of the U.S. economy, and warned that the required inflows of US\$1.9 billion every day, will be endangered if the dollar collapses, oil gets too high, or, "if the US economy backfires. The "US economy has become increasingly detached from reality," with manufacturing a mere 11%.

The real-estate and mortgage bubbles "have become grafted upon each other and now dominate economic activity in the U.S.A. A crash, or at least a sharp spasm, is quite likely in the near future, and the consequences—for the US and the world—may be catastrophic."

With this instability, trying to deal with other bad problems, such as sovereign debt, "suffers profoundly from erratic interest-rate and exchange-rate movements. The absence of a lender of last resort in today's world only magnifies the threat involved in each crisis." And, "the immense investments needed to overcome underdevelopment and the disabilities that it entails are increasingly forgotten by the world of international finance.

"With rich countries threatened by instability and poor countries largely left to their own devices, the reconstruction of the world financial system should be at the top of the international agenda. A new Bretton Woods could not be more urgent," Rocard concluded.

Senior Economist Warns of Dangers of Hyper-Liquidity

In an interview with the *Frankfurter Allgemeine Zeitung* on Aug. 25, William White, chief economist for the bankers central bank, the Bank for International Settlements, noted that central bankers usually are focussed on inflation, thinking "once inflation is under control, everything is just fine." But today, we are dealing with a "very expansionary monetary policy as a global phenomenon [central bankers' language for flooding the financial system with liquidity—ed.].... We have never seen something like this before.... The abundant liquidity can generate excesses and imbalances."

Asked what markets he was referring to, White replied, "The prices of long-term bonds, the risk premiums for corporate bonds, and emerging-market bonds. As well as the stock markets in several countries. But, more than everything else, to real estate prices. Almost everywhere in the world—besides Germany and Japan—there is a strong rise of housing prices."

On a macro-economic level, housing prices do not represent "wealth," contrary to popular belief, White emphasized. Either

they are just being pushed up temporarily and then come down, or, if high prices are maintained over a longer period, they increase the cost for everybody to buy or rent a home. And when the housing prices fall, the high mortgages remain. To see such a dynamic "almost everywhere in the world" at the same time, is "really worrisome," White concluded.

Russia and the CIS News Digest

Putin To Visit Germany, United Nations, Bush

Russian President Vladimir Putin will be in Washington on Sept. 16 for talks with President George Bush, the Kremlin announced Sept. 2. The Russian President will also attend the United Nations General Assembly in New York. Before his trip to the Western Hemisphere, Putin will visit Germany for talks with German Chancellor Gerhard Schroeder on Sept. 8. On Aug. 29, he met at his summer residence in Sochi with another European leader, Prime Minister Silvio Berlusconi of Italy.

After talks with Berlusconi, Putin noted that Russian-Italian trade had increased by 55% in the first half of 2005. At the same press conference, he said that Russia supported the bid by Germany to become a permanent member of the UN Security Council, though "Italy itself wants this place."

Putin's diplomatic schedule for this autumn also includes a visit to London in early October for an EU-Russia summit, a trip to South Korea for the Asian Pacific Economic Forum meeting in November, a state visit to Japan and, possibly, one to Ukraine.

Putin Speaks on Russia as Eurasian Power

Leaders of the Commonwealth of Independent States countries, as well as most of Russia's regions, joined President Putin and Tatarstan President Mintimer Shaimiyev Aug. 27 for celebrations of the 1,000th anniversary of the middle Volga city of Kazan. (Putin also took the occasion for a meeting of his State Council, which is composed of a rotating roster of Russian regional governors, and whose authority the Kremlin has been trying to boost.) Tatarstan is part of the Russian Federation. Shaimiyev showed off a newly built subway line, recently restored mosques and Kazan's Orthodox cathedral, as well as the Millennium Bridge across the Volga River.

Putin addressed the millennium anniversary ceremony with a speech on the identity of Russia as a Eurasian nation, as embodied in the history of Kazan, which was the seat of the Tatar khans during the Tatar-Mongol occupation of Russia over 700 years ago. He also spoke about Russia as a "melting pot" nation. Putin said of Kazan, "This is the anniversary of one of the most ancient centers of Eurasian civilization. This city contains unique historical monuments, and is famous for its university's tradition, its contemporary science, and its advanced products. Many generations of great educators, poets, academics, experts, heroes, and military leaders have grown up here.... Kazan played a unique historical role in the creation of a united Russian nation, and in binding the Russian people together. It is symbolic that one meaning of the city's name—the Turkic word *kazan*—is 'pot.' I will not go into the details of the semantic dispute, but suffice it to say that in Kazan's melting-pot, a unique fusion of languages, traditions, customs, and cultures of the peoples of Russia has taken place."

Talking about the position of Kazan on "the great trade route" of the Volga River, Putin invoked the work of historian Lev Gumilyov (the poet Anna Akhmatova's son, honored by a monument in Kazan), who developed the idea that "the great culture of the steppe" was an element of Russia's uniqueness.

"Russian rulers realized that in order to build strong and lasting relations with the Khanate of Kazan," Putin said, "Russia had to become a Eurasian power. Let me emphasize that Russia's role as a bridge between two civilizations is more visible

here in the Volga region than anywhere else. It is here that all the complexities, and all the results of a centuries-old dialogue and the synthesis of two very rich cultures are particularly visible.... The peoples of the middle and lower Volga regions became part of Muscovy in the middle of the 16th Century, and this allowed it to become one of the largest and most influential states in the world.... Regiments left Kazan for the Livonian war and, later on, for the fronts of 1812 and of the Great Patriotic War [World War II]. ...

"Historically, Kazan has played a huge role in the development of Russia's business life, and in the expansion of its economic and political influence. Suffice it to say that Kazan's merchants, above all ethnic Tatars, were involved in original and progressive ways of promoting the Russian empire's domestic capital and political influence, first in Siberia and then to Central Asia and the Transcaucasus.... If measured according to today's industrial production, Tatarstan is among the five most developed constituent territories of the [Russian] Federation. It has one of Russia's highest levels of investment and rates of housing construction."

Intense Diplomacy Around CIS Summit

The Community of Independent States has not collapsed, contrary to a large number of pessimistic forecasts and so-called analytical assessments in the mass media on the eve of the late-August CIS summit in the central Russian city of Kazan. A projected split of the alliance of the post-Soviet countries into "pro-Moscow dictatorships" vs. "anti-Moscow democracies," hyped by the media especially after a summer summit of Ukrainian and Georgian Presidents Victor Yushchenko and Michael Saakashvili with the leaders of Lithuania and Poland (at a moment of high tension between Moscow and Warsaw, as well as Minsk [Belarus] and Warsaw, over various diplomatic harassment incidents), did not transpire.

The emphasis by various Moscow media on the Turkmenistan delegation's statement of that country's desire to be only an associate member of the CIS, also appeared to be irrelevant. Utro.ru reported, citing official sources in Ashgabat (Turkmenistan) that Turkmenistan is not going to change its relations with Russia —namely, its having effectively been an associate member since 1992, not joining the CIS Interparliamentary Assembly, or its economic, customs and military alliances.

Practically all the other CIS leaders demonstrated their commitment to continue close cooperation with Russia. Kazakhstan's Nursultan Nazarbayev, in a public speech, declared that recent agreements with Moscow on cargo and passenger transport were a great achievement.

There were several important bilateral diplomatic meetings in Kazan between post-Soviet countries that have experienced serious contradictions, such as Armenia and Azerbaijan, Uzbekistan and Kazakhstan, Ukraine and Belarus, and Russia and Georgia.

Russian Government Passes 2006 'Development Budget'

On Aug. 25, the Russian Cabinet adopted the government's Federal budget proposal for 2006, including large spending increases for social services, infrastructure, and the military, opposed by die-hard neo-liberal monetarists inside and outside the government. Overall, spending for the year is to increase by nearly 30%, though GDP is not expected to rise by more than 5.8%. Russia is awash in revenue from the taxation of oil exports, but officials like Finance Minister Alexei Kudrin have insisted that the surplus, which is accumulated in a so-called "stabilization fund," be spent only on foreign debt-reduction, i.e., payments to the desperate international banks.

The government also discussed the need to regulate domestic fuel prices, despite pressure not to do so, from the WTO and other international authorities.

Liberal media expressed great distress over the spending plans. Commentators in the business daily *Kommersant* interpreted the new budget policy as a "shift from liberalism to paternalism," and objected to the Cabinet's dubbing the draft "a development budget," because that term "is regularly used by Sergei Glazyev," the opposition Rodina (Homeland) political leader and Academy of Sciences economist.

Russian state television on Aug. 25 featured members of the pro-government party United Russia, who were happy at having succeeding at getting funds for Far East development, roads, and rail into the budget, along with a 30% increase on spending on education and 600 billion rubles (\$20 billion) for investment projects. But opposition leader Gennadi Zyuganov (Communist Party) was shown saying it was insufficient for the government to be investing in not one single industrial plant, while Glazyev said in an RTR Vesti program interview that social services spending would meet only 50% of the need.

Asia News Digest

Showdown in Philippines Over Impeachment of President

The Philippines Administration of President Gloria Macapagal Arroyo has decided to use a technicality to essentially dismiss an impeachment effort in the House of Representatives. The Constitution only allows one impeachment petition per year, so, as the pressure grew against the President earlier this year, one of her associates filed a weak and flawed petition which was sure to fail. The opposition has filed a competent petition, but as of Aug. 31, the Administration is moving to dismiss the competent filing, and accepting only the incompetent one, to effectively kill the whole thing.

The situation is unclear as of now, but there is mounting anger and instability across the country, on top of the general economic breakdown. A special IMF team has announced that it will visit Manila on Sept. 7, threatening Arroyo not to hold back on austerity measures (especially a new VAT—value-added tax), despite the fact that these measures could well cause a social explosion.

North Korea Protests Bush's 'Human Rights' Envoy

Thailand's Foreign Minister Kantathi Suphamongkhon, who has been cooperating with China in relations with Pyongyang, visited his North Korean counterpart on Aug. 27, and reported afterwards that "The North Koreans said that they are willing to dismantle their nuclear weapons and go back to the NPT [Non-Proliferation Treaty], allowing the IAEA [International Atomic Energy Agency] to step in, as long as there is trust among the parties concerned." He said that they would not join the talks, scheduled to resume Aug. 30.

At issue is the recent White House appointment of Jay Lefkowitz as "special envoy to North Korea for Human Rights." Lefkowitz, a Washington lawyer who served Bush on his Domestic Policy Council, has more recently been writing for the neo-con *National Review* and *Wall Street Journal* covering such things as his support for Natan Sharansky's ravings that any criticism of Israel is anti-Semitic. The appointment, which appears to be Cheney's effort to undermine the six-party talks (and the efforts of some in the State Department to push them forward), has done its job, as North Korea has demanded that the envoy be "removed immediately," calling it an "act of bad omen that hurts our generous and flexible efforts to resolve the nuclear problem," and postponed the talks.

Thai Gov't Holds Secret Talks with Southern Separatists

The government of Prime Minister Thaksin Shinawatra has undertaken secret talks with the Southern separatist Pattani United Liberation Organization (PULO), in Switzerland last week, a spokesman for PULO made public Aug. 28. In an apparent about-face by the Thaksin Administration, which has largely taken a hard line over reconciliation, the Thai government last week held four days of talks with PULO in Lausanne, a senior PULO figure claimed. Rather, he said, "The Thais do not want people to know about this." Wan Kadir, a former top separatist leader of PULO, dating back to the 1970s and 1980s, now lives in exile in Sweden, and is said also not to have been a party to the talks. Colonel Somkuan Sangpattaranate, spokesman of the Southern Border Provinces Peace-Building Command, declined to comment on the talks.

Polio Spreads in Indonesia

An outbreak of polio in Indonesia has affected 226 people, mostly children, and it could spread to neighboring countries, the United Nations health agency has warned.

Indonesia has mobilized 750,000 workers and volunteers to immunize 24 million children across the vast archipelago of more than 6,000 islands, which make up Indonesia.

The World Health Organization expressed confidence that its nationwide vaccination campaign to vaccinate all children under age 5, starting next week, would halt the spread of the disease. "Polio is not only an issue in Indonesia because it paralyzes children, but is an international issue," said Dr. David Heymann, head of WHO's polio eradication campaign.

A 20-month-old toddler diagnosed with polio in March was the country's first case since 1995. Authorities believe the child came in contact with a migrant worker or tourist who was infected in the Middle East or Africa. Since then, Indonesia has seen a steady increase of cases, mostly on the country's main island of Java, but also spreading to Sumatra Island which was devastated by last year's Christmas tsunami. Ten polio cases have been identified in Lampung Province, Sumatra.

Dr. Heymann said that Indonesia is the only country with an expanding epidemic, but alarmist rumors aimed at frightening people away from taking the vaccine have heightened Indonesia's vulnerability. Efforts to convince the population it is safe, including both the government and the Ulama, are considered to have been successful in the run-up to the mass campaign this week. (See InDepth this week for report on Indonesia's battle against the speculators.)

Will India Be Invited To Join Russia-China War Games?

India may be invited to join Russia and China in future trilateral war games, like the recent Chinese-Russian maneuvers, Russian Defense Minister Sergei Ivanov said Aug. 28. "I think more Russian-Chinese military exercises will be held, and other members of the Shanghai Cooperation Organization (SCO) will probably take part in them, including countries with observer status, like India," Ivanov said.

In October, India and Russia will hold their first-ever joint army drill, in which elite paratroopers will be dropped into Rajasthan's Aravali hills to destroy a "terrorist" base, *Press Trust of India* reported Aug. 20.

On Aug. 29, Moscow's *Nezavisimaya Gazeta* also reported that Russia, China, and India plan to conduct a new joint military exercise. *NezGaz* reported that Andrei Kokoshin, a former Secretary of the Russian Security Council and a member of Parliament, had said the forthcoming exercise could be part of a Russia-China-India triangle and the increased activity of the SCO.

Chinese Economists Call for Revival of 'New Deal' Policy

Some Chinese economists are calling for a revival of the "New Deal" national investment policy of former Prime Minister Zhu Rongji, to avoid a serious slowdown of the economy Xinhua reported Aug. 30. In the past two years, the new government has carried out a policy of "prudent" investment control in order to try to rein in lopsided economic growth in some sectors which was putting an intolerable strain on the "bottlenecks" in China's energy, transport, water, and other infrastructure.

The economists are calling for reviving Zhu Rongji's policies, and for Beijing to start issuing a greater number of treasury bonds to finance public works. Among the problems China is now facing are slowing import growth, inclusively due to the excessive prices of oil and other raw materials imports; too-low inflation (the risk of deflation); and lower industrial profits.

Economist He Fan of the Chinese Academy of Social Sciences (CASS) and adviser to the government, said that: "If there was only one of these three signals, we should hesitate to say the economy is slowing down, but all three are happening together, so we are quite confident in saying that there is a danger of a slowdown....

"It may be that a lot of government officials have been brainwashed by the Washington consensus and care too much about fiscal discipline and budget balancing," he said. "We need a more proactive fiscal policy."

He said that the economy, which grew at 9.5% last year, must expand by at least 8.5% so that the government can create 8 million new jobs. If it drops below 8.0%, he said, "there will be a problem."

This Week in History

September 6-12, 1773

Benj. Franklin 'Holds Up a Looking Glass' to the British Empire

The summer and fall of 1773 were busy months for Benjamin Franklin, who had been representing several of the American colonies in London since the close of the French and Indian War. The East India Company, whose looting policies within the British Empire had driven it not to anticipated wealth, but to bankruptcy, succeeded in forcing Parliament to pass a Tea Act on April 27. The legislation remitted all British duties on tea, but retained the tax on tea exported to America, thus allowing the Company to undersell everyone else. This gave the Company a virtual monopoly, and this monopoly was to be backed by the full legal and military machinery of the Empire.

Meanwhile, the Massachusetts Assembly had requested that Franklin present a number of petitions to Lord Dartmouth, to be given to George III, in which the colony protested Britain's new policy of paying the salary of Royal Governors and judges from Crown funds. Formerly, the salaries had been paid by the Assembly, thus giving the citizens some control over the government. Town meetings were held throughout Massachusetts to protest, but Royal Governor Thomas Hutchinson denounced them as illegal and inspired by that "great director" in London, Benjamin Franklin.

There was no attempt by the British Empire to answer or ameliorate these grievances, and the Virginia House of Burgesses proposed establishing committees of correspondence between the various colonies. In this ferment, Franklin suggested a Continental Congress in a July 7 letter to Thomas Cushing, the Speaker of the Massachusetts Assembly.

In an official letter to the Massachusetts Assembly on the same day, Franklin wrote that the discussion of rights "may seem

unseasonable in the commencement of actual war," and that therefore "perhaps it would be best and fairest for the colonies, in a general congress now in peace to be assembled, or by means of the correspondence lately proposed, after a full and solemn assertion and declaration of their rights, to engage firmly with each other, that they will never grant aids to the crown in any general war, till those rights are recognized by the King and both Houses of Parliament; communicating at the same time to the crown this their resolution. Such a step I imagine will bring the dispute to a crisis."

It was up to Franklin to present American grievances not only to the rapacious government, but to the British people. He often wrote anonymously for the London papers, and on Sept. 11 he wrote a letter to "The Public Advertiser," signing himself "Q.E.D." The title of his piece was "Rules by Which a Great Empire May Be Reduced to a Small One." In it, all the repressive measures which Britain had aimed against America were laid out as 20 helpful rules for those who would like to reduce the size of the Empire. It was a Swiftian satire of great good humor and very sharp darts, and it was very widely read.

Not long after its publication, Franklin wrote to his sister Jane, saying that his strategy for seeking harmony between Britain and America had changed: "I had used all the smooth words I could muster, and I grew tired of meekness when I saw it without effect. Of late therefore I have been saucy."

He explained that in his articles "I have held up a looking-glass in which some ministers may see their ugly faces, and the nation its injustice. Those papers have been much taken notice of. Many are pleased with them, and a few very angry, who I am told will make me feel their resentment, which I must bear as well as I can, and shall bear the better if any public good is done, whatever the consequences to myself.

"In my own private concerns with mankind, I have observed that to kick a little when under imposition has a good effect. A little sturdiness when superiors are much in the wrong sometimes occasions consideration. And there is truth in the old saying, that 'if you make yourself a sheep, the wolves will eat you.'"

Franklin's "Rules" began by pretending to be a paper which was "presented privately to a late Minister, when he entered upon his Administration; and now first published." Franklin then stated that, "An ancient Sage valued himself upon this, that tho' he could not fiddle, he knew how to make a great City of a little one. The Science that I, a modern Simpleton, am about to communicate is the very reverse.

"I address myself to all Ministers who have the Management of extensive Dominions, which from their very Greatness are become troublesome to govern, because the Multiplicity of their Affairs leaves no Time for fiddling.

"I. In the first Place, Gentlemen, you are to consider, that a great Empire, like a great Cake, is most easily diminished at the Edges. Turn your Attention therefore first to your remotest Provinces; that as you get rid of them, the next may follow in Order.

"II. That the Possibility of this Separation may always exist, take special Care the Provinces are never incorporated with the Mother Country, that they do not enjoy the same common Rights, the same Privileges in Commerce, and that they are governed by severer Laws, all of your enacting, without allowing them any Share in the Choice of the Legislators. By carefully making and preserving such Distinctions, you will (to keep to my Simile of the Cake) act like a wise Gingerbread Baker, who, to facilitate a Division, cuts his Dough half through in those Places, where, when bak'd, he would have it broken to Pieces.

"III. These remote Provinces have perhaps been acquired, purchas'd, or conquer'd at the sole Expence of the Settlers or their Ancestors, without the Aid of the Mother Country. If this should happen to increase her Strength by their growing Numbers ready to join in her Wars, her Commerce by their growing Demand for her Manufactures, or her Naval Power by

greater Employment for her Ships and Seamen, they may probably suppose some Merit in this, and that it entitles them to some Favour; you are therefore to forget it all, or resent it as if they had done you Injury.

"IV. However peaceably your Colonies have submitted to your Government, shewn their Affection to your Interest, and patient borne their Grievances, you are to suppose them always inclined to revolt, and treat them accordingly. Quarter Troops among them, who by their Insolence may provoke the rising of Mobs, and by their Bullets and Bayonets suppress them. By this Means, like the Husband who uses his Wife ill from suspicion, you may in Time convert your Suspicions into Realities.

"V. Remote provinces must have Governors, and Judges, to represent the Royal Person, and execute every where the delegated Parts of his Office and Authority. If you send them wise and good Men for Governors, who study the Interest of the Colonists, and advance their Prosperity, they will think their King wise and good, and that he wishes the welfare of his Subjects. This may attach your Provinces more to his Government. You are therefore to be careful who you recommend for those Offices. —If you can find Prodigals who have ruined their Fortunes, broken Gamesters or Stock-Jobbers, these may do well as Governors; for they will probably be rapacious, and provoke the People by their Extortions.

"VI. To confirm these Impressions, and strike them deeper, whenever the Injured come to the Capital with Complaints of Mal-administration, Oppression, or Injustice, punish such Suitors with long Delay, enormous Expence, and a final Judgment in Favour of the Oppressor. This will have an admirable Effect every Way. The Trouble of future Complaints will be prevented, and Governors and Judges will be encouraged to farther Acts of Oppression and Injustice; and thence the People may become more disaffected, and at length desperate.

"XVI. If you are told of Discontents in your Colonies, never believe that they are general, or that you have given Occasion for them; therefore do not think of applying any Remedy, or of changing any offensive Measure. Redress no Grievance, lest they should be encouraged to demand the Redress of some other Grievance. Suppose all their Complaints to be invented and promoted by a few factious Demagogues, whom if you could catch and hang, all would be quiet. Catch and hang a few of them accordingly; and the Blood of the Martyrs shall work Miracles in favour of your Purpose.

"XVII. If you see rival Nations rejoicing at the Prospect of your Disunion with your Provinces, and endeavouring to promote it: If they translate, publish and applaud all the Complaints of your discontented Colonists, at the same Time privately stimulating you to severer Measures; let not that alarm or offend you. Why should it— Since you all mean the same Thing.

"XIX. Send Armies into their Country under Pretence of protecting the Inhabitants; but instead of garrisoning the Forts on their Frontiers with those Troops, to prevent Incursions, demolish those Forts, and order the Troops into the Heart of the country, that the Savages may be encouraged to attack the Frontiers, and that the Troops may be protected by the inhabitants: This will seem to proceed from your Ill will or your Ignorance, and contribute farther to produce and strengthen an Opinion among them, that you are no longer fit to govern them.

"XX. Lastly, Invest the General of your Army in the Provinces with great and unconstitutional Powers, and free him from the Controul of even your own Civil Governors. Let him have Troops enow under his Command, with all the Fortresses in his Possession; and who knows but (like some provincial Generals in the Roman Empire, and encouraged by the universal Discontent you have produced) he may take it into his Head to set up for himself. If he should, and you have carefully practiced these few excellent Rules of mine, take my Word for it, all the Provinces will immediately join him, and you will that Day (if you have not done it sooner) get rid of the Trouble of governing them, and all the Plagues attending their Commerce and Connection from thenceforth and for ever."

[top of page](#)

[home page](#)