

Steel Tariff Paradox Blooms Iran's Leaders Point To LaRouche Sept. 11 Analysis Freedom vs. 'Democracy' In America

### Can Repeat of Warsaw 1943 Be Stopped in Palestine?



### A LaRouche in 2004 Special Report

# Zbigniew Brzezinski and September 11<sup>th</sup>

A Special Report featuring Lyndon LaRouche's analysis of September 11th as an attempted coup d'état against the government of the United States, intended to bring about the 'Clash of Civilizations' central to the world-imperialist thrust of the circles of Zbignew Brzezinski and Samuel P. Huntington.

#### INCLUDES:

- By LaRouche: Jan. 24, 2002 webcast, "And Now, A Year Later"; "Continue the American Revolution!"; "Zbigniew Brzezinski and September 11th";
- Dossiers on the theoreticians of the Clash of Civilizations; the principal think-tanks and foundations gunning for global war; the "Mega" apparatus of Israeli spies and agents of influence;
- Appendices: H.G. Wells' The Open Conspiracy; Henry Kissinger's 1982 Chatham House speech; "The Enigma of the Fulbright Memorandum"; and a speech by Egyptian Maj. Gen. (ret.) Dr. Mahmoud Khalaf, on the events of Sept. 11.



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### From the Associate Editor

Who will stop the carnage in Israel and Palestine, the seemingly endless spiral of revenge and counter-revenge? Certainly not President Bush, who is acting as a tool of the ideologues of the "Clash of Civilizations." Not the Europeans, who are grumbling against U.S. policies in the Mideast and Afghanistan, who don't want to go to war against Iraq, but who will do nothing effective to stop such a war. And not the United Nations.

In order to achieve what the martyred Israeli Prime Minister Yitzhak Rabin called "the peace of the brave," a new quality of leadership is required: leadership that can devise creative flanking moves against the enemies of a just peace. As Mahatma Gandhi did against the British occupation of India; as Rev. Martin Luther King, Jr. did in the U.S. civil rights movement. In the world today, the only person providing that kind of leadership is Lyndon LaRouche.

The need for LaRouche's role is shown in our coverage of the crises raging from Israel and Palestine, to Iraq, Iran, Africa, Afghanistan, and Thailand. Most encouraging, is the breakthrough in Iran (see *International*), where former President Hashemi Rafsanjani and others have endorsed LaRouche's analysis of the coup plot behind the Sept. 11 terror attacks—to the fury of the Wall Street Journal, which broke the U.S. media's policy-blackout of LaRouche, in order to denounce them for it.

In our *Feature*, Helga Zepp-LaRouche lays out the alternative to the Clash of Civilizations. Her brilliant speech shows how it is possible to find, from the vantage-point of universal history, a commonality within diverse religious traditions, based on fundamental truths about the nature of man and God: the basis for an ecumenical dialogue, and joint efforts for peace and development.

Lyndon LaRouche's article, "Freedom vs. 'Democracy': How 'Democracy' Became Diseased," calls for a reform of the politicalparty system of the United States, in order to defeat the imperial utopian faction that is driving toward world rule, under a regime of "universal fascism." The urgency of such a reform is underlined by the deepening economic crisis; and the political developments around the steel tariff (see *Economics*), show that the potential for such a reform exists—given LaRouche's leadership.

Susan Welsh

### **EXECONTENTS**

Cover This Week

Nazi Maj. Gen. Jürgen Stroop (third from left) ran the extermination of the Jewish resistance in the Warsaw Ghetto in 1943. Today, Israeli Prime Minister Sharon and the command of the Israeli Defense Forces are repeating Stroop's methods against Palestinians.



### Minister Sharon and the command of the Palestine?

The Israeli Defense Forces have drawn international outrage, with their assault on the Palestinian Authority refugee camps, on Palestinian hospitals, ambulances, and schools, and such Nazi practices as branding prisoners with numbers and forcing them to wear color-coded caps.

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### **Economics**

4 BIS Warns, Bankers and Economy Are Just Blowing Bubbles

The director of the Bank for International Settlements rejected the claim of U.S. Fed Chairman Alan Greenspan, that the economy is really undergoing "an expansion."

6 Steel Tariff Paradox Blooms

By Lyndon H. LaRouche, Jr.

- 7 Next Steel Myth To Debunk: Overproduction
- 8 Britain and HMD: One Year Later: Many Questions, No Answers
- 10 Nigeria Sends IMF Team Home, Empty-Handed
- 12 'New Deal' in Zambia Points the Way
- 14 Evidence Mounts for Water on Mars
- 15 The Blame for 'Enron' Debacle: Congress Tore Down FDR's Legacy of Regulation

### **Feature**

### **26** The Dialogue of Cultures

Helga Zepp-LaRouche's speech to the ICLC/Schiller Institute's annual Presidents' Day weekend conference. She demolishes the claims of the ideologues of a "Clash of Civilizations," by discussing the art, philosophy, and theology of diverse national cultures—including Hinduism, Nicolaus of Cusa, the ancient Egyptian wisdom of Hermes Trismegistus, the Greek Classical period—to find the common truths that unite them, since people of all cultures are equally the children of God.

### 38 The Birth of the Individual as an Artistic Conception

A review of "Egypt 2000 B.C.," an exhibit of Egyptian art of the Middle Kingdom (2150-1650 B.C.).

### **Book Reviews**

20 Why Patriots Today Must Master The Works of Alexander Hamilton

Alexander Hamilton, Writings, edited by Joanne B. Freeman

### **Departments**

#### 72 Editorial

Zimbabwe's Mugabe Wins Re-Election—Over Blair.

### International

### 42 Iran's Leaders Point to LaRouche Sept. 11 Analysis

When Bush pronounced the "axis of evil" doctrine, political figures in Tehran concluded that the previous softer tones from the United States were as fraudulent as the "war on terrorism." In early March, some Iranian leaders attacked the fraud of the official line on Sept. 11, and pointed to the truth, citing U.S. 2004 Presidential pre-candidate Lyndon LaRouche.

### 45 Countdown Has Begun to Iraq War Folly

- 47 War in Afghanistan: Worst Is Yet To Come
- 52 Thailand Takes On Neo-Colonial Press
- 53 The Financial Oligarchy's Foothold in Malaysia
- 55 Catholic Journal Hits Novak's Free Trade

### **National**

#### 56 Freedom vs. 'Democracy': How 'Democracy' Became Diseased

By Lyndon H. LaRouche, Jr. "The notion of 'democracy,' as the term had come to be defined in practice during the preceding two decades and more, does not permit effective responses to the most crucial among the kinds of life-or-death challenges which reality is now shoving onto the government's agenda. For this reason, a critical reexamination of the institutions of political-party-led government, is now mandatory."

### 65 National Rail Defense Bill Points a New Direction

**Documentation:** *EIR*'s testimony before the Senate Commerce, Science, and Transportation Committee.

- 67 U.S. Nuclear Doctrine Is Madder Than MAD
- 69 Military Chiefs Show Sanity at Hearings
- 70 Congressional Closeup

### **E**REconomics

## BIS Warns, Bankers and Economy Are Just Blowing Bubbles

by Paul Gallagher

While "economic recovery" propaganda in the United States and Europe reached truly hysterical levels in early March, the next phase of economic and financial collapse was becoming clearly visible. Those who knew enough to watch the unfolding fate of J.P. Morgan Chase Bank, for example—the United States' second-largest, with assets over \$800 billion but falling—could see the next shoe of the Enron collapse preparing to drop. On March 14 the Wall Street Journal ruefully admitted "the possibility that the bank will be forced to seek a merger with another big Wall Street firm"—the acknowledgment that the huge bank's foundations are shaking as masses of debt and derivatives continue to implode throughout the rotten financial system.

The disaster stalking J.P. Morgan Chase and Wall Street in general, is the "great derivatives cluster-bust," which Lyndon LaRouche in early February saw rumbling out of the Enron collapse.

No amount of American households playing the mortgage-refinancing game to keep buying houses and consumer goods, can touch the basic driver of the collapse—the hopeless level of indebtedness and speculative funny-money on (and hidden off) the books of firms throughout the economy, and on the household books of those consumers themselves. That debt bubble is continuing to implode. The U.S. economy has been through five consecutive quarters of declining profits as a result. As of March, the collapse of the biggest firms in the telecom sector was continuing: Lucent Technologies announced a further shrinkage of investment occurring throughout the sector; fiber-optic giant Nortel's debt was cut to junk-bond rating by the agencies; a near-term bankruptcy of the big communications firm Worldcom is rumored; the biggest mobile phone maker, Nokia, announced a huge fall in sales. "The industry can't survive this way," as the CEO of Verizon put it.

On March 11, a realistic warning came from an unexpected source: the Bank for International Settlements, after its meeting of the world's central bankers in Basle, Switzerland. BIS general director Andrew Crockett said that the Japanese financial crisis today is much worse than most people think; and that what now threatens, from the U.S. Federal Reserve's attempt to overcome the collapse by money-printing, is a new Japanese-style bubble, this time on a worldwide scale. (At the end of 2001, the broad U.S. money supply was already increasing at a 22% annual rate.) In its March 2002 Quarterly Review, the BIS warned against the latest increases in the U.S. stock market, achieved through such money-printing. U.S. corporate profits have declined by 47% in the past year, says the bank, much worse than during the 1990-91 recession; consequently, "the price/earnings multiple for the S&P 500 briefly exceeded the levels it had reached at the peak of the equity price boom in April 2000."

### Look at the Real Economy

Not just telecommunications, but the whole real, physical economy is continuing to shrink in the world's two largest economies. The European economies are following them down.

In Japan, the government announced on March 7 that capital investment fell 12% in the last quarter of 2001; new machinery orders by 22%; construction orders received by the nation's top 50 contractors, by 14%. The government also increased yet again, the official estimate of the rate at which the Japanese Gross Domestic Product is now shrinking.

In the United States, despite the Department of Commerce's announcement of increased new orders for manufactured goods in January, Commerce's own report simultane-

ously showed the underlying reality. In comparison to one year ago, there is only one category of manufactured goods, where new orders are rising strongly, and that is—not surprisingly—"defense aircraft and parts," up 53.9% year-on-year. Automobile orders are up 6.6%. In almost all other categories, new orders are still sharply down compared to the year before. Iron and steel orders are down 5.9%; aluminum and nonferrous metals orders, 14.5%; industrial machinery orders, 15.4%; metalworking machinery 10.2%; turbines, generators, power transmission equipment, 33.9%; material-handling equipment 29.8%. Then in the fields of electronics and communications equipment, the picture gets even worse: orders for electronic computers, down 25.5%; for non-defense communications equipment, down 39.1%; and for electronic components, down 33.8%.

Just a couple of weeks earlier, on Feb. 21, the U.S. Department of Agriculture had released its World Outlook Forum publication, and had forecast that all American farmers combined will lose money on farming in 2002, which would be the first time this had ever been statistically recorded. The USDA forecasts the losses will average about \$200 per farm, whereas the average farm gained \$7,500 only four years ago. This means that U.S. farmers, as a whole, are supporting their agricultural "hobby" by other jobs—what will happen to the nation's food supply as they lose them?

Unemployment in the United States is obviously continuing to increase, even as the unemployed are, statistically, kicked out of the labor force, to back up the "recovery" delusions. The U.S. Labor Department records approximately 1 million workers as having "left the labor force," stopped looking for work, over the course of the past year. A report from the Labor Department on March 13, concerning the Washington, D.C. area, showed the amount of statistical massaging going on. The Department, which had been reporting throughout 2001 that the capital area was gaining jobs, in defiance of the national "recession," suddenly acknowledged that in fact, the area had *lost* 20,900 jobs during 2001.

Add to this, the fact that the United States' national railroad corporation, Amtrak, has announced that it will likely have to close down most of its long-distance rail service this year; and that large-scale layoff announcements are still coming from the retail, telecommunications, and auto and other industrial sectors. And at the same time, virtually all of the 50 states of the Union have been plunged into fiscal crisis by collapse of their tax revenues, and are savagely cutting away at public school funds, medical-care support for the indigent and elderly, transportation and construction spending, etc.

Thus Federal Reserve Chairman Alan Greenspan's pronouncement of "an expansion," as even his fellow central bankers of the Bank for International Settlements realize, is nothing but a bubble-blowing delusion. LaRouche has identified this delusion, widely accepted by "public opinion," as the greatest danger to an actual recovery policy.

### Slow recovery to feel like recession

barely a recession. It didn't meet the definition of two quarters of declines in gross domestic prud-uct. GDP dipped at a Li percent annual rate last summer. But the economy grew again in the fourth quarter at a weak 1.4 percent an-

nual rate.

Now, production is picking up again. A survey of purchasing managers showed factory production rising in February for the first time in 18 months. Consumer spending and income rose solidly in January.

in January.

Layoffs are stall a problem, but
they're starting to fade away. The
nation lost 89,000 jobs in January,
compared with 130,000 in Decem-

Economic guru Alan Greenspan Economic guru Alan Greensquis sees the footprints of a recovery. Last week, he noted "increasing signs" that economic road/blocks are starting to shrink and said ac-tivity is beginning to firm. Still, the Federal Reserve chair-

Still, the Ecderal Reserve chair-men gave us no reason to sing praises. "An array of influences unique to this business cycle, how-ever, seems likely to moderate the speed of the anticipated recovery,"

be said. In other words, expect things to get better showly.

In part, that's because the recession was so mild. Unlike most recessions, consumers kept buying bouses and cars. So, no pent-up demand exists to kick-start the recessor.

covery.

Capital-goods industries — computer and felecommunications manufacturers, as well as industrial-machinery firms—took the hrunt of the slump. Computers are heginning a recovery, but other capital industries might take awhile longer.

### Aimless market likely first stage

Gary Thayer, chief economist at A.G. Edwards Inc., believes a slowstarting comeback can be an ad-vantage because it's likely to last

wantage because it ilkely to ast longer. Wincess the jobless recovery of the early 1996s, which led to the grandest boom on record. Mr. Greenspan sees unremployment rising to 6 percent to 6,25 percent. Layoffs are declining, but complemes want start hiring again until they're sure the recovery is for real. And they'll substitute and exchange for people when they can. Meanwhile, name people are entering the work force, and that means a slight increase in the juliess rate for the next few months. Becoveries are usually far along before unequiphyment falls by much.

nuch. Stock investors had a blowout Stock investors had a blowout party late last year. Now, they're feeling a little hung over. Stocks rose 19 percent between their low in September and December. Since, they're retreated 3 percent, as measured by the Standard & Poor's 50i index. "Cyclicals did spectacularly well on the premise that the economy was going to come out roaring," said hoh Anthony, chief investment officer at Massouri Valley Partners in Clayton.

Partners in Clayton.
"In the first two months of this year, we got a serious dose of real-

ity."
Stocks should wander aimlessly antil profits begun to improve, he says, Mr. Anthony believes profits will start cising again in the

spring. His "close-the-eyes, blind guess" is that stocks could finish the year flat to 5 percent bigher. Corporate profits might rive 10 percent to 15 percent this year, but were that shouldn't leanch a major stock rally, says Robert Dederich a conomist at Northern Trust in Chings of the 10 percent to 15 percent this year, but have conomist at Northern Trust in Chings or 15 percent to 15 percent the stock bown of the 1906; investors might have to settle for a diet of single-digit returns for several years, he says. With inflation a no-show this year, Mr. Greenspan will be under no pressure to raise short-teny interest rates for worths. That's bad news for people with bank savings and noney-market funds. "If you ye sitting on a for of east, you want get much interest off tent for a while," Mr. Thayer says, which is the same profit or and should be rate more guess. Mr. Thayer betteves the red will stort to hit short-term rates late this year.

Long term interest rates - up fixed-rate mortgages, for example -- are set in the bond market,

are set in the bond market, where the Feds influence is more muted. Those rates probably will have this year as the economy improves, but not by much. Macroeconomic Advisors, a forecasting firm, sees the yield on the 10-year Treasury bond rising to \$2.55 percent next year from 10day \$4.85 percent the 10-year. Teasury is prought influences murt searcrafts.

gage rates. E-mail Jim Gallagher at jimgal E-mail Jim Caldigher at jungal leghero post-dispatch com or write him at the Post-Dispatch, 900 N. Tucker Blvd - St. Louis, Mo 63101 SCPIPPS I OWARD NEWS SERVICE

A schizophrenic headline in one of the dailies of the capital, the Washington Times, shows the lunatic quality of wishful thinking which has produced the U.S. economic "recovery."

### 'Free Trade' Myth Cracking

There were signs that President George W. Bush himself was dubious about Greenspan's announcement to Congress of "an expansion." Bush told the press that "number crunchers" didn't convince him that the economy was now fine; he added that there was still plenty of unemployment and suffering in the country.

Bush's move to announce tariff protection for the U.S. steel industry, which has almost completely collapsed into bankruptcy since 1998, was the first sign of a critical shift highlighted by LaRouche in statements on the decision from the "free trade" axiom of ingrained American public opinion of the last decades, toward "fair trade" and regulation. Other such signs are appearing. On March 5, the Senate began debating restoring the power of the Commodity Futures Trading Commission (CFTC) to regulate the trading of energy derivatives. The deliberate removal of that power in 1998, involving the sacking of the CFTC's chairman, opened the door to Enron's looting of the economy and then its ruin. Greenspan publicly opposes regulation of derivatives mar-

At the same time, the Senate began debate on legislation to save and upgrade the Amtrak rail infrastructure with largescale Federal funding.

Such shifts, confronting the dominant insanity of the "recovery" mantra, depend on the LaRouche forces in the United States, to bear fruit.

EIR March 22, 2002 **Economics** 

### Steel Tariff Paradox Blooms

by Lyndon H. LaRouche, Jr.

This statement was released by LaRouche's Presidential campaign committee, LaRouche in 2004, on March 9:

Around the world, many victims of the so-called "Baby Boomer" generation are threatening to go stark raving mad, in reaction to the recent announcement of a U.S. return to "fair trade" in the matter of steel prices.

The news is, that the cause for their acute anxieties over this matter, is not the matter of the price of steel as such. The psychiatric problem we are witnessing in the case of some nationally known columnists and others, is explained as the fact that most "Baby Boomers," and many among their present-day, college-age children, refuse to cope with any paradox, simply for the reason that it is a paradox.

The new steel tariff posed a classical, textbook form of ontological paradox. It can be summarized as follows.

A fellow says, in the usual mantra: "'Free trade' is good for the economy, and we must continue to adhere to that policy." However, the same fellow says: "Steel is also necessary for the economy, and steel will not survive without 'fair trade.' "Hearing this paradox, some people in the U.S.A. and abroad, are suddenly transformed from apparently sober citizens, into something like a creature performing a "geek act" in a cheap carnival.

Why the psychopathological reaction? It is like the case of the man who smashed the headlights of his automobile, because "it refused to start!"

The majority in the Congress, and the President, have reacted to the fact that the continued existence of the U.S. steel industry is a prime national-security issue, both for the economy as such, and for national-defense requirements as well. However, typical "Baby Boomers" and certain newspaper columnists, hate to be reminded that reality exists. Like the wild-eyed mechanic who reacts with rage, smashing the headlights because the automobile he "just fixed, refuses to start," they lash out with fury against a world which insists that they behave reasonably.

The objectors hate real paradoxes. Therefore, many in the U.S.A. and Europe have reacted as extremely upset to the news on the steel tariff. One might fear, that live chickens who fall within their reach might come suddenly to a horrible end.

As in the case of any true ontological paradox, the paradox forces the mind to meet the challenge of discovering some universal physical, or similar quality of principle, such as Johannes Kepler's original discovery of universal gravitation,

which solves the paradox, and thus causes it, in effect, to disappear.

### Why Joe's Wife Drowned Her Baby in the Bath Tub

For more than 35 years, two generations of Americans, those then in adolescence and their children of today, have been conditioned to welcome what was called, back then, a "post-industrial society." Beginning then, educational institutions, mass media, and employment policies have combined forces to brainwash the majority of those generations into belief in an anti-scientific world, in which the "consumers" are triumphing, like contemporary Luddites, over the hated "producers."

Among the psychological weapons typically used to accomplish that mass brainwashing of two generations of our people, have been a combination of measures, headed by the drummed-in mantra "we must fight for and defend free trade." "Protectionism," "production technology," "physical science," "industry" and "farmers," became "downers," ideas fit only for the lower classes who should be, preferably, cheap labor used as "out-sources" from other nations. It was said, over, and over, and over again, "Prices must be driven to the lowest level, even if that means shutting down our farms and industries."

Added to this roster of mantras was the campaign to eliminate the nation-state, through the introduction of such forms of economic lunacy as NAFTA, "globalization," and establishing the "world rule of law" as a weapon for destroying all sovereign nation-states, including the U.S.A. itself.

Such was the list of mantras headed by the name of "free trade."

Meanwhile, approximately 1995, lunacies such as NAFTA were aggravated by the addition of a psychotic dream called "the new economy," which just recently went bankrupt, around the world. The "new economy" was heralded as the alternative to farming and industry, which would, aided by out-sourcing, free us all from everything good the U.S. economy used to be. Now, the "new economy" has gone kerplunk, as all sane and intelligent people always knew it would; we, like the spectators at the parading of the Emperor's New Suit of Clothes, suddenly realize that we, like that Emperor, have next to nothing on!

Like the innocent boy-hero of that story, Senator Daschle said, in effect, "I dearly love 'free trade,' but saving the steel industry means adopting 'fair trade.' "That paradoxical statement by Daschle, echoed by Republican Trent Lott, and by the U.S. President's acting as Lott promised he would, has suddenly changed the whole blessed world. The keystone of the economic insanity which has ruled the world increasing for about 35 years, just went kerplunk. For those among two generations who succumbed to brainwashing in "post-industrial" ideology, it seemed to them that their universe, the fantasy universe in which their minds had lived, suddenly came to an end, in the moment President Bush confirmed the CNN

discussion featuring Senators Daschle and Lott.

The paradox is a true one, from which all sane people and recovering lunatics will learn the appropriate conclusion. Contrary to the mantras of consumerism, the wealth which will exist is the wealth which we produce. The world, if it is to survive, is now on a short trip back to protectionism. It is about time!

Naturally, those who had been successfully brainwashed up to that point, went more than a little bit crazy. You better watch out. That guy with the funny look around his eyes, might be about to smash the headlights on your parked automobile.

### Next Steel Myth To Debunk: Overproduction

### by Anita Gallagher

President Bush's March 5 break with the insane "free trade" doctrine of recent decades, to impose tariffs of 8-30% on ten categories of steel imports, has shaken the world. The President's decision signals what Lyndon LaRouche on March 7 called the "immediate inevitability of a necessary, global change from the follies of a 'consumer society,' back to that of a 'producer society.' "

What are the next steps? President Bush and leading Democrats disagree on Federal assistance for the stranded health and pension costs of 600,000 steel worker retirees (so-called "legacy costs"); but agree that there must be a "consolidation" of the American steel industry.

Bush, the Democrats, the United Steel Workers, the corporations, and all "authorities" seem to agree on demands to restructure the global steel industry, to force cuts in capacity because of supposed "world steel overproduction." Only LaRouche, among leaders and economists, has debunked this. For now, other producing nations are opposing the U.S. tariff action, fearing their own steel production will have to be cut, and jobs lost. But the dynamic is such that any agreements made to cut steel production around the world will be abandoned as quickly as you can say "fair trade." After the shock wears off, other nations will come to their senses, bolt the globilization agreements, and move quickly toward tariff and other protection of steel.

There is no overproduction of steel in the world; world production has been slowly *falling* for decades (see **Figure 1**). The American steel industry has suffered because it has refused to attack the feeding of the financial bubble at the expense of the productive economy, and because its forces failed to back LaRouche's 2000 candidacy for the Democratic Presidential nomination. That protected financial bubble he warned of, is now bursting, as typified in the collapse of financial derivatives dealer Enron. The fact that steel is at its

lowest price in 20 years is a symptom of the rigged collapse of prices of all physical commodities, in favor of hyperinflating "the funny money" sector.

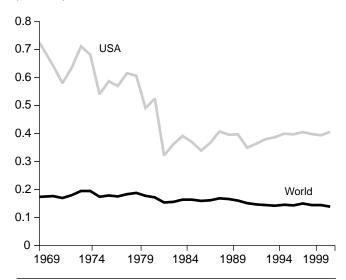
Russia, Brazil, and other nations have been under orders of the International Monetary Fund and World Trade Organization to produce steel and other goods and export them at below cost-of-production prices, to get the money to make debt payments, and pay investor-pirates. While imports increased, American steel companies downsized to "adjust" to free markets. American steel production per capita was almost cut in half from 1969-99; world steel production also fell over the same 30-year period.

A simple statistic cuts through all the globaloney. In 2001, steel consumption in the United States was 863 pounds per capita—far *lower* than 1965's 1,032 lbs. per capita, or the 1,154 lbs. per capita of 1973. In many nations, per-capita steel consumption is shockingly low: In 1999, it was 35 lbs. per capita in Bolivia, and 5 lbs. per capita in Cameroon (International Iron and Steel Institute, U.S. Census Bureau).

Rather than fighting over the dwindling remains of global economic "road kill," the United States, Europe and others must go back to producing desperately needed infrastructure. The American Society of Civil Engineers (ASCE) recently reported that America needs to spend \$1.3 trillion over the next five years to reach the grade of "standard." For example:

- Schools: Due to aging, 75% of America's school buildings are inadequate. The average cost of capital investment needed is \$3,800 per student. \$127 billion is needed for school buildings;
  - Drinking water: The nation's 54,000 drinking water

World And U.S. Steel Production Per Capita (Short Tons)



Sources: American Iron & Steel Institute, U.S. Census, EIR.

EIR March 22, 2002 Economics

facilities need \$11 billion annually to replace aged equipment and comply with Federal regulations;

- Wastewater: Some of America's 16,000 wastewater systems are 100 years old. There is a \$12 billion shortfall in annual funding for replacement.
- Bridges: In 1998, some 29% of the nation's bridges were listed deficient or obsolete. It will cost \$10.6 billion annually for 20 years to bring all bridges up to standard.

Rail transport creates entire corridors of development. For railroad upgrades worldwide (see Senate testimony, page XX), 3,170 miles of new double-tracked rail are needed in North America, which would require 2.8 million tons of steel. American steel produces only 500,000 tons of rail a year. This does not meet domestic requirements, let alone the worldwide additions which require 28.6 million tons of steel. The new technology, magnetically levitated trains for 200-300 mph travel, require 5,000 tons of steel *per mile*.

Sen. Jay Rockefeller (D-W.V.), Chairman of the Congressional Steel Caucus, called on President Bush in a March 6 Open Letter, to work with him to pass legislation for the government to take over the health and pension benefits of 600,000 steel worker retirees. But Senate Minority Leader Trent Lott (R-Miss.) stated that he will oppose any such legislation.

Since 1997, bankruptcy has claimed 32 steel companies, 17 of them liquidated. While the Pension Benefit Guaranty Corporation pays a portion of the pension, all health benefits are lost. The health benefits of 100,000 retirees and their surviving spouses have been lost already. On March 31, 85,000 retirees of bankrupt LTV, formerly the third-largest integrated steel producer in America, will lose theirs—despite LTV's takeover by WL Ross & Co. LLC. Rockefeller's legislation is expected to be introduced shortly.

Meanwhile, Bethlehem Steel, which declared bankruptcy in October, held an emergency meeting on March 13 to discuss finding a joint venture partner or selling itself piecemeal. CEO Steve Miller explained that Bethlehem had abandoned the idea of a U.S. Steel merger, because "They made it plain that they could not continue without legacy cost relief. Because we can't count on legacy cost relief, we are going to proceed with other alternatives."

The Free Trade Area of the Americas negotiations—cochaired by Brazil and the United States with an October deadline—may be doomed, according to Brazil's ambassador in Washington, Rubens Barbosa. The FTAA is a scheme for kind of North American Free Trade Agreement in Ibero-America. But such a sane shift away from "free trade" is feared many quarters. Nationally syndicated neo-conservative George Will snarled in a March 7 column, "This [tariff] policy reflects the triumph of the Bush political advisers who trumpet their admiration for President William McKinley, that paragon of Republican protectionism. . . . ."

After McKinley's 1901 assassination, those policies were next resurrected by Franklin Roosevelt.

### Britain and HMD

### One Year Later: Many Questions, No Answers

by Rosa Tennenbaum

Great Britain on Feb. 20 commemorated the first anniversary of the outbreak of hoof and mouth disease, the world's most devastating and longest HMD outbreak. It is by no means certain whether this nightmare is finally over, as new suspected cases became known right on the occasion of the anniversary. Nor were they the first to be discovered after Sept. 20, 2001—the day that the last new outbreaks were officially registered.

Until Sept. 20, HMD had been diagnosed on 2,030 British farms; 3,306,000 sheep, 594,000 cattle, 142,000 pigs, 2,000 goats, and 1,000 deer had been slaughtered; 12,400 farmers and farm workers had lost their jobs; 3,000 farmers had been forced to get other jobs to make ends meet; it had cost the taxpayer £7 billion; the tourist trade had lost £4.25 billion (\$6 billion). These are the official figures.

Unofficial estimates by private organizations speak of 11 million culled animals and total economic damage of £20 billion.

The plague cost one minister his job; the Prime Minister postponed the national elections.

The country was cut off from all trade in milk, meat, and live animals worldwide; many regions were totally isolated for several months; rural areas were put under quarantine for weeks; personal liberty to travel was reduced, and movements of animals and equipment were suppressed; public and economic life came to a standstill. Great Britain experienced militarization of public life as if in wartime. The Prime Minister convened a top-secret body called COBRA, which is only supposed to become active in wartime or civil upheaval, and about which the public never learned anything.

One year later, the British public is still asking what the government wanted to achieve. Why the police-state measures? Why was no effective action taken against the disease over weeks? Why did the government rely exclusively on mass killings? Why could not even the Prime Minister carry out a policy of vaccination against HMD—who prevented him? Why did the government pursue a policy of maximum damage to the country and to agriculture? And finally: Why does Blair's government refuse to hold any public hearing on these occurrences?

These are only some of the questions being posed in British papers; there are no answers. Prime Minister Blair, who declared the fight against HMD his foremost personal responsibility last March, remained in office. All demands for a public inquiry about the government's handling of the crisis were shut down. The High Court in London will rule on whether this will be the last word, since a number of organizations and media filed a lawsuit against the government.

### **Incompetence or Intention?**

Newspaper reports reveal an unbelievable level of incompetence: chaos, confusion, and lack of leadership from top to bottom. In dealing with a highly contagious disease like HMD, every minute counts, and on the continent, all relevant authorities are trained to act fast, in a coordinated and sensible way, in such a crisis. The cooperation of the higher offices with the local institutions is decisive. The local veterinarians, the local police, the municipal administration are key positions, because they know the respective conditions and can intervene decisively, if they have the necessary instructions.

British farmers and veterinarians complain that the lower-level authorities could not act because they did not get any instructions, and the higher bodies did not want to decide. But Great Britain had experience from the big hoof and mouth disease outbreak in 1967, and people should have known better. One farmer, whose farm was among the first infected with HMD, reports that his veterinarian "remained screaming on the phone to London for three hours" to convince them that HMD had broken out on this farm. The only answer he got, was to take samples and to wait for the blood test results.

The Sunday Telegraph on Feb. 17 reported the views of Brig. Alex Birtwhistle, who oversaw the massive culling of livestock. Around the end of March 2001, he said, when the plague was spreading rapidly, Blair wanted to hold on to the date for the national elections by any means, and therefore the horrifying pictures of burning pyres of animal carcasses had to disappear from the media. The Prime Minister personally appointed the brigadier to coordinate the mass killings and disposal of hundreds of thousands of carcasses, which often had been left lying on the farms, decomposing for weeks, before they were finally removed, and to cut the time between the discovery of a new outbreak and the disposal of the killed animals to 24 hours. The brigadier was given authority to do whatever was required to do that.

Birtwhistle said there were "extraordinary tensions between the Prime Minister and his advisers and those at the front line of the battle to contain the disease," and an enormous "extent of desperation among ministers." The agriculture department issued the directives: mass killings; extending the contiguous areas in which culling could occur to a radius of two miles from the outbreak; and disposal of the culled animals within 24 hours. But how? Were the cadavers supposed to be burned or buried? Enormous environmental risks would be created in either case, and no one wanted to take the responsibility. Complete chaos and desperation were the result. "On March 22," Birtwhistle said, "Britain came close to serious civil unrest." Now, the mass cullings—a completely senseless and unnecessary undertaking—were enforced with military power and handled with military precision.

Blair, the brigadier stressed, wanted the photos of burning animals to disappear from the media by any means. To achieve this aim, there was a much easier and much more successful measure: vaccination. It would have cost several million pounds and the nightmare would have ended within weeks. Blair chose martial law, instead. Why was the government ready to spend billions on a policy of mass killings and to enforce it with the help of the army? Why did all employees of the agriculture department have to sign the Official Secrets Act, binding them to absolute secrecy, to protect the measures of the government? These are pressing questions, and they are not being answered.

### **Conspiracy Theories?**

When people get no sensible answers, they develop their own theories. One which you cannot dismiss as "pure fantasy," is that this disease helped the government to reduce the livestock herds. Rumors are coming up again and again, that in 1998, there was a debate at European Union headquarters in Brussels on this issue in general, and the British overstocking of sheep in particular. The European Commission wants economic activities to be distributed among the different member countries (similar to the former Soviet Union): The Netherlands will be the dairy producer; Germany will produce pigs and beef; northern France will raise sheep; and Great Britain should mainly grow grain, turnips, and potatoes, the rumor has it.

Pure conspiracy theory? The government did eradicate 11 million farm animals in Britain; and in the mountainous areas, where sheep have safely grazed for several thousand years, no animals are grazing any longer. In the Netherlands and Denmark, the governments intend to reduce the number of pigs drastically. In Germany, the outspoken aim of Agriculture Minister Renate Künast is to cut the number of farm animals by half. This plague might had been only a terrible misfortune, but the fact that it was not dealt with effectively was intentional, newspapers speculate. And the fact that the policy of non-vaccination is still in effect, re-enforces such ideas.

But there is another important aspect: The epidemic gave Great Britain the chance to test emergency plans on different levels, up to martial law, to train for and improve them over seven months. In these times of general economic and social breakdown, the government could indeed have a big interest in doing that. Or is this also only a strange coincidence?

EIR March 22, 2002 Economics 9

### Nigeria Sends IMF Team Home, Empty-Handed

by Uwe Friesecke

The Nigerian government at the beginning of March ended its informal consultations with the International Monetary Fund. An IMF staff mission which had been in the country since Feb. 25, to review Nigeria's recent economic development and the outlook for 2002, had to leave without achieving anything.

While the Chief Economic Adviser to President Olusegun Obasanjo, Dr. Magnus L. Kpakol, was quick to say that this did not constitute a formal break with the IMF, political observers in Nigeria regard this as an admission by the government that its present pro-IMF policy has been a failure. According to Dr. Kpakol: "There is no implication, because there is no formal break from any program. Nigeria did not withdraw from anything. We do not have a program with the IMF. We did have an informal monitoring relationship with them." And the government assured its international creditors that it did not intend to leave the IMF. As a sign of good will to the Obasanjo government, the IMF had given Nigeria a \$1 billion stand-by agreement in July 2000, which ran out in June 2001. Afterwards, the IMF and Nigeria agreed to an informal monitoring relationship. But obviously, the IMF expected Nigeria to follow the Fund's well-known recipes, adhering to strict economic austerity measures in exchange for questionable promises of future debt relief.

Whether the current move will actually lead to a substantial change in economic policy, is still an open question, but the mood in the country is one of eagerness for such a change. President Obasanjo, who was supported by the West in his campaign against Nigeria's former military government, has now been in office for three years, and the population is still waiting for the "democracy dividend" to appear. For all this time, President Obasanjo has played to the tune of the IMF and often rebuked his critics sharply.

One reason for the sudden change now, is his intention to run for a second term in office in 2003. Some advisers have probably impressed upon him, that a further deterioration of the economy would become a serious obstacle to his reelection.

But there are more fundamental reasons: For a long time, opposition has been growing in the Parliament and other institutions in Nigeria, against the pro-IMF policy of the government. More than 80 million Nigerians live in abject poverty; the economic hardship for them, as well as members of the former middle class, has become so untenable, and

social unrest has intensified so much in many parts of the country, that the government fears a revolt, including from the military.

Reliable sources report that the IMF staff mission demanded new macro-economic targets for 2002, which the Obasanjo Administration regarded as "undue pressure," and rejected. Apparently, Obasanjo and his advisers came to the conclusion, "Enough is enough." Nigeria's Finance Minister, Adamu Ciroma, declared that in the interest of "political stability, democratic consolidation, credibility, and accountability," the country "does not wish to continue with arrangements where only narrowly defined macro-economic considerations come into play." Others were even more outspoken. The governor of Ogun State in Nigeria's Southwest, Chief Segun Osoba, demanded that the IMF handle the debtor nations in a "godly" way, and stated to journalists in Lagos: "We have paid and paid. What we are paying now are interest and punishment for defaulting. The amount we have borrowed—we have paid double, triple that amount since we borrowed, and they keep telling us interest, punishment, penalty; and that is never-ending."

Opposition against the IMF is especially strong in Nigeria's National Assembly. There, Sen. Abdullahi Wali, chairman of the economic committee of the Senate, commended the government for its decision and said, "We had severally advised against the idea of subjecting our economy to the dictates of the IMF, in the National Assembly, and this action will restore people's confidence in the administration."

#### **The Country in Crisis**

Since the beginning of this year, President Obasanjo has come under increasing criticism for failing to improve the economy and for being insensitive to the increasing hardship Nigerians have to endure. As part of the government's plan to liberalize and deregulate the economy further, which is what the IMF demanded, gasoline prices went up 18% on Jan. 1, and kerosene rose 41%. This hit an economy which, throughout 2001, had suffered from the steadily declining value of the currency, the naira. In most parts of the country, food prices doubled in 2001. Drivers of private buses—the transportation means for the majority of people to go to work—increased their fares by 60 to 100%. The measure met harsh criticism from trade union leaders, who accused Obasanjo of "promoting poverty." His government was reminded of the scandal that Nigeria, as an oil-rich and oilexporting country, is still not able to supply the domestic market with refined products. For all its loud criticism of former governments, Obasanjo's administration, after three years in office, has made no progress in getting the nation's four oil refineries to break the dependency on imports of petroleum products.

In protest over the price hikes, the Nigerian Labor Congress organized a nation-wide general strike in mid-January. This action was broken by the heavy-handed tactics of the

government, which used the courts to declare the strike illegal and started throwing strike leaders, including president of the union, Adams Oshiomhole, in jail. According to Nigerian press reports, Obasanjo personally threatened some of his government functionaries with losing their jobs, if they could not crush the trade unions. The general strike collapsed, but at the price of Obasanjo losing more of his credibility.

While poverty increased and social services collapsed further during the past three years, political tensions and violence, often expressed as religious or ethnic conflicts, escalated. Some press in Nigeria have calculated that since the Obasanjo Administration came into office, more than 10,000 people have been killed. The worst tragedies were the clashes between Christians and Muslims in Kaduna in February 2000, with 3,000 victims, and similar clashes leaving more than 500 dead in September 2001, in the city of Jos in central Nigeria.

At the end of last year, the nation was shocked by the killing of Minister of Justice and Attorney General Chief Bola Ige in Ibadan. A team of assassins walked freely into the Minister's residence and shot him, leading many to question the government's competence to guarantee security for its officials. Also, the rise of violent crime, including spectacular killings of policemen, was seen to be the result of government incompetence and neglect for the public welfare. In reaction, policemen in the Rivers State called a strike, protesting missed wages and impossible working conditions. Finally, the biggest disaster occurred on Jan. 27, in Nigeria's former capital, Lagos. The armory at the Ikeja military cantonment suddenly caught fire on a Sunday night, and bombs and other ammunition began to explode. The mayhem lasted for more than three hours, and the Lagos skyline was lit by huge fireballs. Bombs flew into the neighborhoods of the densely populated area, and a general panic ensued. Many ran for their lives into a deep canal, and hundreds drowned. In the end, the tragedy left up to 2,000 people dead.

#### **President Clashes With Parliament**

Even though his own party, the People's Democratic Party (PDP), controls the majority in the House of Representatives, President Obasanjo had to face a debate on the State of the Nation, during which he was harshly criticized. Some members presented a motion in which Obasanjo was accused of "profound insensitivity to the welfare of the suffering masses of our people," of ignoring "the deepening unemployment, rising indices of poverty, diseases." The government's privatization program was specifically attacked, as selling off the "commanding heights of our economy." There were even rumors circulating in Abuja, Nigeria's capital, that members of the House were preparing the impeachment of the President. Elsewhere in the regions, the tone of criticism of the President became sharper.

The position of Obasanjo's Administration became more difficult by the day, because the only source of praise for its policies came from outside Nigeria—from the IMF, the World Bank, and the British and U.S. governments. Obasanjo had, from the beginning of his Presidency, through his international travels to meet world leaders, placed tremendous importance on gaining such praise. But during the crisis surrounding the future of Zimbabwe, he was confronted again with how empty those utterances by Western heads of governments are, when it comes to the well-being of Africans.

Then, the IMF team demanded strict ceilings on the release of appropriate funds to the economy, as a condition for approving Nigeria's 2002 budget, which is stalled in Parliament. Contractors were complaining about the lack of funds to implement projects. As usual, the IMF fanatics want to dry out the economy for the sake of macro-economic statistics, and in total disregard for the development of the real economy. If the Nigerian government had accepted this, it would have amounted to political suicide for Obasanjo; and therefore, presumably, he agreed to confront the IMF with the decision to withdraw from the informal monitoring relationship.

But with this decision, as commendable as it is, the fight over the future of economic policy for this country of more than 120 million people has just begun. Those in government and the private sector who were the promoters of the IMF policy, will now try to realize a Nigerian version of what the IMF demanded, without calling it IMF-directed. When Dr. Kpakol said that the government will go ahead with its privatization program because it was the government's own decision and not that of the IMF—where everybody knows this was the crucial IMF demand all along—it points in this direction.

As for the IMF itself, it is confident that it will be invited back to Abuja. It stated in a March 6 press release: "The [IMF] staff mission supports the government's resolve to devise a homegrown program, taking into account Nigerian realities. It also welcomes its invitation for the IMF's technical expertise in developing such a program after the budget 2002 is finalized. The IMF would urge that any such program be strong and designed to help achieve Nigeria's social and economic objectives that the IMF fully shares."

The serious opponents to IMF policy, of which there are many in both Houses of the National Assembly and in the governorships of the states, recognize that behind these sweet tones, the well-known poisonous snake called "structural adjustment program" (SAP) is waiting. As in the rest of the world, this policy has been thoroughly discredited also in Nigeria. The government's decision to give it up for the time being, just proves this again. Many Nigerian politicians know the alternative, a policy of real infrastructure, agricultural, and industrial development. Over the years, they have been introduced to U.S. economist Lyndon LaRouche's proposal for a new, just world economic order. Will they now seize the moment of opportunity to exert such pressure, that the needed policy shifts occur that could steer the Nigerian people out of their current misery?

EIR March 22, 2002 Economics 11

### 'New Deal' in Zambia Points the Way

by Lydia Cherry

Zambia's new President, Levy Mwanawasa—the man whom the British wanted to see defeated last December—has begun to unite the country around what he calls his "New Deal," to replace mining as the central focus of productive activity, with energy-intensive, mechanized agriculture. Zambia, next door to Zimbabwe in southern Africa, has depended on its mining sector since independence. The country withstood a British-orchestrated attempt to fix its Dec. 27 elections—an attempt with similarities to the current effort against Zimbabwe.

"We intend to start damming rivers so that irrigation becomes a Zambian culture," President Mwanawasa said in his first speech to Parliament on Feb. 22, to much applause from the opposition as well as the ruling party. "My government will place high premium on irrigation. We shall engage some farmers to produce a crop using irrigation and this should start by September." He said it was the New Deal's intent



Levy Mwanawasa

to transform Zambian peasants into commercial farmers, to provide food security for the country and food exports to its hungry neighbors. He said Zambia should become a livestock exporter to the region.

Japan's decision a few days after the speech to reschedule \$84 million of Zambian debt that will be overdue on April 1, has special value in the context of the New Deal; it is now to be repaid over 33 years.

Mwanawasa, a lawyer, farmer, and former Vice President of Zambia, won a close election that the European Union (EU) and other "monitors" insisted was flawed. This, following numerous irregularities by the EU itself, including encouraging its preferred candidate, Anderson Mazoka, to declare victory before all the votes were in.

President Mwanawasa used his inaugural speech on Jan. 2 to accuse the EU of sponsoring civil strife in the country. The following month in Harare, Zimbabwe, in his role as chairman of the Organization of African Unity, Mwanawasa talked about what had happened in the Zambian election, and suggested, "I think the time has come for Africa to think whether it is necessary to have foreign observers. They are

just confusing our nations. We are quite capable of holding democratic elections, and there is no need to call observers. You can imagine if Zambia were to send an observer team to Europe or even to the United States of America!"

### The Right Direction

Zambia, a former British colony, adopted the International Monetary Fund's "structural adjustment program" hook, line, and sinker; and predictably, hundreds of thousands of people were rendered destitute. As of 2001, an estimated 80% of the country's 1.3 million people were living on less than \$1 per day. Life expectancy stands at around 37 years. Malnutrition is responsible for 80% of child deaths, former Health Minister Enoch Kavindele said a year ago, and increases mortality from other causes. When former Zambian President Frederick Chiluba in early 2001 tried to back away from privatizing the country's remaining strategic companies, the "international donor community" ran a campaign against him, to keep him from remaining in office. Levy Mwanawasa ran as his chosen successor.

But how could his New Deal possibly succeed? Only with a worldwide shift to the geometry of LaRouche's New Bretton Woods economic proposals, can Mwanawasa's redirection of Zambia—which finds its meaning in that geometry—take hold, but the potential is then great. In discussing the potential of the African continent at a meeting of the Schiller Institute's Feb. 16-17 national conference in Reston, Virginia, LaRouche noted: "Africa has one of the greatest agricultural potentials in area, in actual farming area of any part of the planet. Without infrastructure, there is no point. . . . But with some technology, to fight things like pestilences and disease and food spoilages, Africa would become very quickly a very productive producer of food. You have a hungry market in Southeast Asia, in China, in India, a big market for food of the type that Africa can supply."

President Mwanawasa announced his agricultural plan on Feb. 22, and the country's 2002 budget, announced a week later, expressed his vision and his hope. The budget more than tripled its financing of agriculture, assigning it 231 billion kwacha (\$50 million), almost three times more than last year. Excise duty was immediately cut on diesel fuel and electricity. Subsidies for fertilizer were announced. The government has also bailed out the ailing Nitrogen Chemicals of Zambia to the tune of K20 billion in working capital, to resume production of fertilizer.

Mwanawasa's plan will provide cheap inputs to reduce costs and stop importation of subsidized maize. The President emphasized, "My government cannot allow default to continue unabated among farmers, agribusiness companies, and politicians." He told Parliament that importing food was unacceptable, because Zambia had all the resources required to feed itself. He said that to help small-scale farmers become producers on a larger scale, his government would encourage the creation of outgrower schemes (agricultural extension activities, including providing seed, fertilizer, and mechaniza-

tion, and guaranteeing purchase of the crop). A support system for breeding livestock will be created, including disease-free zones for breeding.

Mwanawasa announced that a Crop Marketing Authority will act as buyer of last resort and supporter of agricultural prices and will create a strategic food reserve. Rural bulking and marketing centers will be set up across the country. Farmers will be given special incentives for energy-related expenditures such as electricity and diesel fuel.

Zambia National Farmers Union President Ajay Vashee noted that the President "showed a comprehensive understanding" of agriculture, and that he seemed to understand that agriculture could only thrive if there were investment also in the processing of agricultural products and in infrastructure.

### Documentation

### Zambian Agriculture Has Collapsed Dramatically

Clayson Hamasaka, in an op ed in Lusaka's (Zambia's capital) The Post on March 1, gives a vivid picture of the collapse of agriculture and its infrastructure in Zambia during the last decade, and assesses the President's New Deal.

There is no doubt that President [Levy] Mwanawasa's speech during the opening of parliament was one of the most promising people have heard in the last ten years. That perhaps explains why there was more applause from the opposition MPs than even from the ruling party. . . . But if one fully digests the economic policies that Mwanawasa presented, you will know that the path is much more complex and difficult than the difficulties he had in presenting his speech. . . . This country has been severely plundered and ravaged to nothing in the past ten years. . . .

Take agriculture for example; it is generally agreed that it should replace the mines as an engine of economic growth. But does anyone know the exact level this sector has been reduced to, and what it will take to bring it to the profitable level it was in the 1970s and '80s, when it was merely supplementing the mining sector? I have to emphasize here that it was merely supplementing mining, and not an engine of growth as we want to make it now. . . .

Let me illustrate what I am talking about here. In Mbabala constituency, Choma district, where I come from, during the good years of agriculture there used to be well-built maize and other agricultural produce storage depots managed by NAMBOARD in almost every village. Food storage chemicals were provided for by the government, depot supervisors

were sent for agricultural seminars to agricultural colleges every year by government. Farmers took their surplus agricultural produce to these agricultural storage depots and were paid cash on delivery if they had a few bags, or paid a week later if they had more bags.

When the storage sheds got full in the village—and that was every week of the harvesting season—the government, through NAMBOARD, hired truckers to transport the agricultural produce from my village to Choma town, where there were bigger storage facilities. Remember, for truckers to accept to come to my village, roads and bridges were being maintained by the then-Mbabala Rural Council. And obviously, there were good incentives for truckers from government to do that business. At the moment, the Mbabala Rural Council cannot even maintain a ten-meter stretch of road, and if you went to my village now, you can never see any signs of the existence of crop storage depots.

The road . . . that led to a storage depot near my village was last graded in 1987; we are in 2002, so you can guess its state now—and that is where we want to develop agriculture, among other areas. I do not think any of the truckers of those days still have a single truck.

Further, I do not even want to imagine the state of the storage facilities in Choma, where our crops were being taken. . . . When storage facilities got full in Choma, the then-efficient Zambia Railways transported the produce to relatively permanent storage in Monze and other towns with silos, but we all now know the dilapidated state of our railways and these permanent storage facilities in many towns.

Coming to my village as an example again, three-quarters of our fields are overgrown with mainly 12-year-old trees and grass. So, as the President delivered his good speech on agriculture, I was imagining how long it will take people in my village to clear those vast pieces of land to respond to the President's call.

And even if they worked hard to clear the land within the next four months or so, I wonder how they would actually till the land, as all the animals for that purpose are now history. My village alone had a million-plus cattle that supported agricultural purposes, but you would be lucky if you counted 20 at the moment. The million-plus animals were well looked after by the then-UNIP government, through the provision of dip tanks, free drugs, and animal treatment every month in designated areas—which can no longer be traced. In fact, the government, using the once-equipped veterinary officers, used to carry out physical counts of the animal population on a regular basis.

Farming activities in those areas were further closely monitored and supervised by agricultural extension officers, who are no longer there, and the agriculture colleges that used to train them are in disrepair.

My conclusion to Mwanawasa's good vision is that if it is implemented consistently for the next five years, at best we can lay a sound economic foundation, especially in agriculture.

EIR March 22, 2002 Economics 13

### Evidence Mounts For Water on Mars

### by Marsha Freeman

The multi-year, multi-national effort that is under way to uncover the mysteries of the planet Mars made a great stride on March 1, when the initial results from NASA's Mars Odyssey spacecraft were released to the public during a briefing at NASA's Jet Propulsion Laboratory. After Odyssey had been collecting data for less than two weeks, the team of investigators responsible for the instruments on the spacecraft revealed that there is probably a substantial amount of water ice on Mars, in places that will be accessible for human use.

Scientists have known for decades that there is water ice on the surface of the poles of Mars, but much of that sublimes into the atmosphere during the Martian Summer. The new data indicates that there are concentrations of ice at 60° South latitude, which is far enough away from the frozen South Pole to be a resource for a landing party, and it is most likely permanently frozen into the soil, similar to permafrost on Earth.

There is no way that Odyssey can "see" ice on or near the surface of Mars from orbit, but it can measure the amount of hydrogen in the soil. There is no way to account for the presence of significant amounts of hydrogen, except that it is in the form of water ice.

Two of the methods being used now, to determine the elemental composition of the soil on Mars, were employed previously by the Lunar Prospector spacecraft. In 1998, investigators for that mission announced that its gamma-ray spectrometer and neutron spectrometer had found evidence of water ice at both the North and South Poles of the Moon. These results were dramatic and somewhat unexpected.

In the case of Mars, there is ample evidence that water was once plentiful, and even hints that at least small amounts came to the surface in the not-too-distant past. But the bodies of water that appear to have rested on the surface in millennia past, have disappeared. There is hope, and now some evidence, that a fair share resides in the soil, and perhaps even in underground aquifers.

### The Signature of Hydrogen

Aboard Odyssey is a suite of three instruments, collectively known as the Gamma-Ray Spectrometer (GRS). Included in the GRS is the Gamma Ray Sensor, the Neutron Spectrometer, and the High-Energy Neutron Detector. As

their names indicate, these instruments are detecting hydrogen (and other elements) indirectly, through its interaction with other particles.

When cosmic rays, which are very energetic and mostly protons, encounter an object such as Mars, they collide with the nuclei of the atoms that make up the surface of the planet. The collisions generate several other, secondary particles, in a process known as spallation.

These secondary particles are mainly neutrons and other protons, and, like the cosmic rays themselves, have very high velocities. They, in turn, undergo collisions, generating more particles, creating a cascade of protons and neutrons in the upper layers of the soil. When these secondary neutrons collide with the nuclei of other atoms, they lose energy, slow down, and eventually become thermalized, moving at speeds comparable to that of other atoms on the surface of Mars.

Once the neutrons are thermalized, other atoms, including hydrogen, can absorb them, and when they do, they immediately emit a gamma ray. The Gamma Ray Spectrometer on Odyssey measures these emitted gamma rays, and can discern those that are characteristic of an absorbing hydrogen atom.

The second method involves the Neutron Spectrometer and the High-Energy Neutron Detector. These two instruments detect neutrons and determine their energy levels. Hydrogen has an exceptional ability to moderate the velocity of neutrons, so where there is a high concentration of hydrogen present, the neutrons will be slowed to thermal velocities, and there will be relatively few fast (higher-energy) neutrons.

These instruments aboard Odyssey indicate that there is a significant amount of water ice—perhaps several percent—in the surface soil, and up to a meter underneath. Areas as far north as 60°S (90°S latitude being at the pole) showed this hydrogen concentration.

Stressing that Odyssey will be orbiting Mars for two years, Dr. Jim Gavin, lead NASA scientist for the multi-mission Mars Exploration Program, stated, "These preliminary Odyssey observations are the tip of the iceberg of the science results that are soon to come, so stay tuned."

Dr. Steve Saunders, Odyssey project scientist, stated, "Now we may actually see water rather than guessing where it is or was. And with the thermal images we are able to examine surface geology from a new perspective." He was referring to images taken by Odyssey's Thermal Emission Imaging System, which allows nighttime images to be taken in the infrared, measuring the amount of heat emitted by the soil, and by objects on the planet.

Because different materials on the surface cool at night at varying rates, Themis was able to image underground rocks, which retain their heat longer than the Martian soil. Themis will also be able to detect thermal anomolies coming from the Martian interior, such as possible dormant volcanoes that may still have hot springs, reworking our knowledge of the geology of Mars.

## The Blame for 'Enron' Debacle: Congress Tore Down FDR's Legacy of Regulation

by John Hoefle

In hearings on Enron's collapse, Congress has hauled various executives, Government officials, auditors, and bankers before the various committees to demand an explanation of how Enron's "abuses" could have happened. Who was asleep at the switch, and why?

The simple answer is that Congress itself deliberately removed the switch—sound economic regulations dating to FDR's New Deal—during the 1980s and 1990s. Congressional leaders will neither admit that, nor address the terrible damage Enron et al. have done to the U.S. economy as a result, and the financial crash still rumbling out of the Enron crater. The switch was systematically dismantled through a long series of policy decisions, Congressional acts, regulatory interpretations, and market shifts. These changes were intentionally designed to shift the United States from a production-based economy into a consumption-based economy dominated by speculation and the manipulation of money.

Let us review the steps by which these posturing political leaders, over 20 years, acted to dismantle the protective legacy of the Roosevelt New Deal, and thus to help Wall Street and London *turn the U.S. economy into an "Enron."* 

#### 'Controlled Disintegration'

The transformation of the U.S. banking system from a sector dominated by community banks which lent money to finance local production, into a handful of bankrupt giants which have overdosed on derivatives speculation, began in the 1970s. The New York Council on Foreign Relations set it out in its "Project 1980s" plan, published in 1976, for what the CFR itself termed the "controlled disintegration" of the economy. The main work, by economist Fred Hirsch, predicted a series of shocks to the economy—huge interest rate and energy price increases, credit cutoffs—which would "disintegrate" it. Hirsch's document was not a prediction, but a plan for the administration of Trilateral Commission member Jimmy Carter and his Trilateral Commission-dominated Cabinet.

Passed into law amid the energy hoaxes and credit shutdowns of Carter's four years, was the Steiger Act of 1978, which cut the capital gains tax rate to 28% from 49%. It was the first of many measures designed to promote speculative investment, against the real economy.

The following year, in October 1979, the new Federal Reserve Chairman and CFR leader, Paul Volcker—who is today, again, in the middle of the Enron-Arthur Andersen games being played by Congress—began hiking interest rates, reaching an incredible 21.5% prime interest rate in 1980. These rates were *intentionally* deadly to industries and productive project investments. While industry collapsed, Wall Street thrived.

This shift to favor speculation over productive activity was accelerated further with the Kemp-Roth Economic Recovery Tax Act of 1981, which handed out huge tax breaks for real estate speculators, thereby triggering a boom in metropolitan real estate markets. By running up the value of real estate, the speculators were able to "create wealth" for speculation. Further, Kemp-Roth again lowered the capital gains tax rate, this time to 20%, and implemented a range of other parasite-friendly measures.

The transformation of the economy into a giant casino took another step forward in 1982, with the passage of the Garn-St Germain Depository Institutions Act, which significantly deregulated commercial banking and the savings-and-loans. Among other provisions, it lifted the restrictions on the S&Ls' abilities to make commercial real estate loans, boosting the real estate bubble then, while famously bankrupting the S&Ls a few years later.

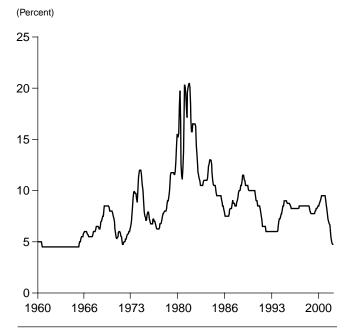
The next nail in the real economy's coffin came with the passage of the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985. This Act mandated dramatic Federal spending cuts, many of which fell on those infrastructure and social projects that had managed to survive Jimmy Carter's austerity measures. The implementation of the Gramm-Rudman-Hollings cuts was devastating to the Federal government and the economy, while—ironically—the budget deficit hit record highs, because capital gains and other business and financial tax revenues had been lost.

In 1987, Congress passed the Competitive Equality Banking Act, which expanded the power of the Federal Deposit Insurance Corp. to provide open-bank assistance to commercial banks (that is, to bail them out without having to close them). This Act also recapitalized the FDIC's S&L counterpart, the Federal Savings & Loan Insurance Co. (FSLIC),

EIR March 22, 2002 Economics 15

FIGURE 1

### Prime Interest Rate Average Monthly Rate, 1960-2002



Source: EIRNS.

which had run out of funds due to the record failures among S&Ls.

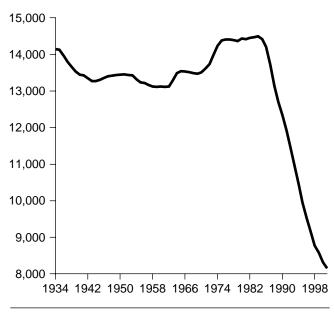
1987 also saw the 508-point crash of the Dow Jones Industrial Average on "Black Monday," Oct. 17, an event which showed that the "controlled disintegration" was becoming uncontrollable. The junk bond frenzy came to a crashing halt with the 98-count indictment against Drexel Burnham Lambert's Michael Milken in 1989, and Drexel's 1990 bankruptcy filing and subsequent liquidation.

### **Bailouts Begin**

With the collapse of the related junk bond and real estate bubbles at the end of the 1980s, the U.S. banking system—not just the S&Ls, but the commercial banks, too—was bankrupt. Rather than address the policies which were causing the destruction, policymakers adopted a strategy of financial bailouts. They also made a headlong rush into the insane world of financial derivatives—the trillions of timebombs going off since the Enron debacle, under the shaky foundations of such huge hulks as J.P. Morgan Chase Bank.

The rush into derivatives, accompanied by rapid Federal Reserve cuts in interest rates, began in August 1989, with yet another bank-bailout law, the Financial Institutions Reform, Recovery and Enforcement Act of 1989. FIRREA abolished the FSLIC, and set up the Resolution Trust Corp. to manage and dispose of the assets of failed S&Ls held by the government.

FIGURE 2 Number of U.S. Banks



Sources: FDIC Historical Banking Statistics.

Despite the bailout measures, the banks continued to sink. In November 1990, the New York Fed secretly seized control of giant Citicorp, while the Boston Fed was pumping billions into the brain-dead Bank of New England to give time for its \$36 billion derivatives portfolio to be "unwound." In December, Federal regulators held a secret emergency meeting on how to handle the banking crisis, in particular the basket cases: Citicorp, Chase Manhattan, Chemical, Manufacturers Hanover, Security Pacific, and the Bank of New England. On Jan. 6, 1991, Federal regulators closed the Bank of New England.

In June 1991, House Banking Committee Chairman Henry B. Gonzalez (D-Tex.), accused the Fed of running a systematic "backdoor bailout" of the big banks, "keeping brain-dead institutions open for extended periods."

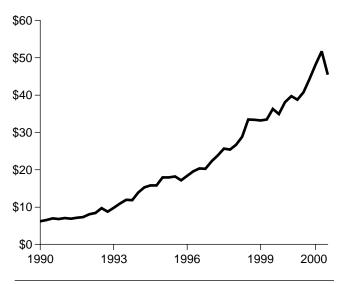
In July and August, the Feds orchestrated mergers involving six of the top 12 banks in the nation, with Chemical taking over Manufacturers Hanover, Bank of America taking over Security Pacific, and NCNB taking over C&S/Sovran, forming NationsBank. Also in August, Warren Buffett bailed out both Salomon Brothers and Wells Fargo banks.

In December, the George H.W. Bush Administration called all Federal bank examiners to a meeting in Baltimore, where they were told bluntly to give banks the benefit of the doubt on bad loans as a matter of policy. "If America's banks are the engines for growth in this country, then you are at once the throttle and the governor," Treasury Secretary Nicholas Brady informed the examiners. "On the one hand, your decisions can choke expansion. On the other, you can foster the

#### FIGURE 3

### U.S.Bank Derivatives Exposure Notional Principal Value, (Quarterly)





Source: FDIC.

injection of fuel that will lead to solid economic growth." "You are encouraged to give the benefit of the doubt, even if it might ultimately turn out to be a misjudgment," ordered Deputy Treasury Secretary John Robson. "Do not assume a doomsday scenario. Our economy will turn around, and so will troubled credit." This, of course, is the sin constantly preached against Japanese officials, by American bankers and officials, ever since.

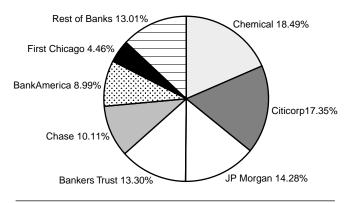
In January 1993, the Commodities Futures Trading Commission, under the direction of outgoing Chairman Wendy Gramm, wife of Conservative Revolutionary Sen. Phil Gramm (R-Tex.), took the next step to tear down 60-year-old sound protections and regulations. The CFTC decreed that it would abandon the regulation of certain over-the-counter futures contracts, despite the fact that by law, such transactions were valid only if conducted on regulated exchanges. Gramm's decision opened the door for a wave of illegal derivatives speculation. One of the companies which lobbied the CFTC to issue the exemption was Enron; a week later, when Bill Clinton was sworn in as President, Gramm resigned her post. A few weeks later, Gramm joined the board of Enron, where she sat on its now-infamous audit committee. Among the other companies lobbying the CFTC for the exemption were J.P. Morgan, Chase Manhattan, Exxon, Mobil, and British Petroleum.

In the Spring of 1993, Lyndon LaRouche warned that the use of these derivatives instruments would dramatically increase the magnitude of the financial crisis, and called for a tax on derivatives transactions, aimed at drying out that vola-

#### FIGURE 4

### Percentage of Total Bank Derivatives at Major Players, 1992

(Percent)



Source: Comptroller of the Currency, FDIC, EIR

tile market. *EIR* published several articles on the derivatives activities of the major banks, some of which were entered into the *Congressional Record* by Representative Gonzalez. In the Fall, Gonzalez held the first Congressional hearings on derivatives—at which this author was invited to testify—forcing the Comptroller of the Currency to publicly reveal the size of the derivatives portfolios at major U.S. banks.

Also in 1993, the Group of Thirty expressed concern over the legality of the booming derivatives market, admitting that in many countries derivatives could be considered gambling, and as such not enforceable by law. Naturally, rather than give up gambling, the G-30 demanded that nations change their laws to accommodate the derivatives markets. Such arrogant criminality, pervasive in the political and regulatory apparatus, allowed the derivatives crisis now exploding, to develop.

#### **Disaster Strikes**

In Febuary 1994, Federal Reserve increases in interest rates immediately caused big losses at the giant hedge funds and rumors that Bankers Trust was insolvent. In September, when a suit was filed by Gibson Greeting Cards alleging fraud by Bankers Trust, the Federal government used this pretext to assume de facto control of the bank. Its \$2 trillion derivatives portfolio was worked out, and the hulk sold to Deutsche Bank. 1994 also saw the bankruptcy of Orange County, California, due to a billion dollars of derivatives losses.

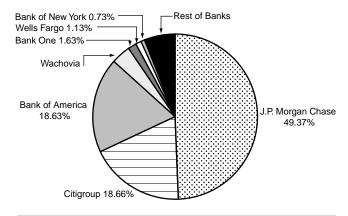
To aid further bailouts and consolidations among the banks, Congress then passed the Riegel-Neal Interstate Banking and Branching Efficiency Act of 1994, which allows banks considerably more freedom to branch across state lines—something they had been barred from since the 1930s. In August 1995, after big bankruptcies of Canadian real estate giant Cadillac Fairview and of Barings, the 300-year-old bank

EIR March 22, 2002 Economics 17

FIGURE 5

### Percentage of Total Bank Derivatives at Major Players, 2001

(Percent)



Source: Comptroller of the Currency, FDIC, EIR

of the British Empire, Chemical Bank announced it would take over Chase Manhattan, and adopt the more widely known Chase name.

1995 also saw the passage of the Private Securities Litigation Reform Act, which helped protect securities dealers and their accountants from suits, when they were caught abusing their customers.

At the end of 1995, Lyndon LaRouche introduced his now-famous "triple curve," or Typical Collapse Function concept, explaining both what had happened to the economy and showing what would happen were the prevailing policies to continue. Rather than heed the warning, Congress passed the Economic Growth and Regulatory Paperwork Reduction Act of 1996, further loosening restrictions on rolling over loans to troubled institutions and consumers, and streamlining the mortgage lending process, to help rebuild the real estate bubble which had fallen by 1994. 1996 also saw the beginnings of electricity deregulation in the United States, as several states either passed laws or issued regulatory decrees ordering the process to begin.

In March 1997, LaRouche pointed to the London *Sunday Telegraph* warning of the dangers posed by the "\$55 trillion horror" global derivatives market, as a signal that another derivatives crisis, like that of 1994-95, was breaking out.

#### **Above the Law**

1997's hedge-fund raids against all the Asian currencies triggered the so-called "Asia crisis," actually the start of the rolling financial collapse afflicting the global financial system since that time.

How far the big banks, by then, saw themselves above the law, became clear in April 1998, with the announcement that

Travelers Group, the giant insurance company which owned the Salomon Smith Barney investment bank, was buying Citicorp, the nation's largest bank holding company. Such a combination was *flatly illegal* under the Glass-Steagall Act of 1933 and the Bank Holding Company Act of 1956. In fact, the act by Travelers' Sandy Weill and Citicorp's John Reed in holding a press conference to announce the illegal merger, was itself a violation of Federal conspiracy statutes. Rather than enforce the law, however, regulators *immediately promised to rewrite the law to legalize the deal*. The merger, forming Citigroup, went through.

The deregulation of the electricity market began in California in April 1998, opening up a new venue for derivatives speculation and price manipulation in the energy markets. Enron expanded its trading operations and its fellow energy pirates began buying up power plants in California and other states.

In May 1998, the CFTC, now under Chairman Brooksley Born, issued a "concept release" which raised the prospect of reversing the disastrous exemption granted by Wendy Gramm in 1992. The response to this reasonable proposal was dramatic. On June 5, Federal Reserve Chairman Alan Greenspan, Securities and Exchange Commissioner Arthur Levitt, and Treasury Secretary Robert Rubin wrote jointly to the House and Senate, demanding legislation seeking "to protect this market from unnecessary, and potentially damaging, legal uncertainty." Attached to the letter was proposed legislation which recommended the CFTC's proposal be tabled, while the President's Working Group on Financial Markets (a.k.a. the "Plunge Protection Team") studied the matter. Born was run out of office and the threat—to enforce regulations—neutralized. By the time the Plunge Team released its study telling the CFTC to keep its nose out of the matter, the issue was already settled.

But the derivatives in question were still illegal. In a July 17, 1998, House Banking Committee hearing on the matter, Chase Manhattan Managing Director Dennis Oakley stated that "the Commodity Exchange Act requires that all commodity futures contracts be traded on a board of trade, and that since 1974, financial products have been considered commodity futures, unless they fall within the exception of the Treasury Amendment. If a product is deemed to be a future, and is not traded on a board of trade, it is null and void." The problem, he continued, "is that some of our fastest-growing products, such as equity and credit derivatives, are not covered by the exemption."

After much debate and large amounts of campaign contributions, Congress acted, putting a provision in the Commodity Futures Modernization Act of 2000 that exempted the derivatives from CFTC oversight.

#### **Derivatives Crisis**

The derivatives crisis of which LaRouche had warned nearly brought down the global financial system in late 1998,

when Russia defaulted on some of its debt and devalued the ruble. In the crunch that followed, investors fled speculative investments such as junk bonds and ran to the relative safety of U.S. Treasuries, sending the derivatives market into October gridlock. The most public casualty was the Long-Term Capital Management (LTCM) hedge fund, but many other banks and funds were similarly stricken. To stop a systemic collapse, the Fed orchestrated a bailout of LTCM by the big banks, and, in conjunction with the major European central banks, lowered interest rates and flooded the markets with a "wall of money." This policy, which has accelerated ever since, appeared to "work," but made the system even more unstable, and increased the level of market manipulation needed to keep it going.

Thus in 1999, the unholy grail of the destroyers of regulation was reached. The Gramm-Leach Bliley Act of 1999 repealed the last vestiges of FDR's Glass-Steagall Act. With it, went the last vestiges of the separation between commercial and investment banking, and the barriers between banking and insurance.

On the last day of 2000, the merger between Chase Manhattan and J.P. Morgan took effect, creating the world's largest derivatives bank. The bank, now known as J.P. Morgan Chase & Co., is actually the former Chemical Bank. Chemical, which took over Manufacturers Hanover in 1991, was a major derivatives player with a \$3.4 trillion notional derivatives portfolio at the end of 1995; in 1996, it bought Chase Manhattan, which had \$1.4 trillion in derivatives, making Chemical—renamed Chase—the top derivatives bank in the United States.

By the third quarter of 2000, Chase's derivatives portfolio had jumped to \$14.4 trillion, topping J.P. Morgan's \$8.9 trillion and Citigroup's \$7.9 trillion. The subsequent combination of Chase and Morgan yielded a bank with a whopping \$24.5 trillion in derivatives at the end of 2000, or 56% of the total reported derivatives held by U.S. banks. Citigroup held 18% and Bank of America (which was actually NationsBank, which acquired Bank of America in 1998 and kept the name) held 17%, giving just three banks 91% of all reported derivatives bets at U.S. banks.

#### The Federal Power Act

In November and December of 2000, the "California" energy crisis blew wide open, with prices soaring nationally in direct defiance of the 1935 Federal Power Act and Public Utilities Holding Company Act, which regulators would not enforce as the energy pirates manipulated the supply and gamed the market. LaRouche mobilized against Enron as the ringleader in this rip-off, and urged California officials to go on the attack. Gov. Gray Davis did just that, attacking Enron and its cohorts by name, publicly calling them "pirates." The combination of LaRouche's intervention and California's decision to fight, marked the beginning of the end for the energy pirates, and for electricity deregulation.

As details began to emerge about Enron's financial activities, the focus began to shift to the banks, which had both helped Enron set up, and been partners in, a number of its off-balance-sheet entities. One bank, in particular, seemed to be intimately and multiply connected to Enron, and that was J.P. Morgan Chase & Co.

Enron was basically a giant shell game, set up to build a market in energy derivatives as a way of expanding the global derivatives pyramid scheme, and J.P. Morgan Chase appears to have played a key role in Enron's scam. In one example, J.P. Morgan Chase, through an affiliate in the British Channel Islands known as Mahonia Ltd., made loans to Enron, which Enron treated as trades, allowing Enron to book the loans as income and hide the extent of its debt. To protect itself, J.P. Morgan Chase obtained—and Enron paid for—insurance against a default by Enron on the deals. When Enron collapsed, J.P. Morgan Chase turned to its insurers to collect, only to be denied. The deals, the insurance companies said, were scams, not legitimate transactions.

Enron used accounting tricks to hide billions of dollars of debt and losses in off-balance-sheet partnerships and affiliates. Enron did not do this alone—setting up such deals required a small army of bankers, lawyers, accountants, and consultants who were specialists in the field. That is to say, there exists among the world's leading banks, law firms, accountancies and consultants, a sector devoted to hiding losses, derivatives exposures, and dirty money flows. Enron was simply a prominent creature of this criminal element—whose activities Congress and administrations had "decriminalized."

Enron is now bankrupt. There are indications that J.P. Morgan Chase is either bankrupt, or nearly so, having used the merging of its two lead banks, Chase Manhattan Bank and Morgan Guaranty Trust, to *reduce its assets by \$106 billion* in the fourth quarter. Even more telling is the \$7 trillion reduction in combined derivatives exposure at those two banks in the quarter, an amount greater than the asset base of the entire U.S. banking system. Some of that reduction is undoubtedly due to the dissolution of derivatives deals between the two banks, but a lot of damage can be papered over with \$7 trillion in adjustments. The economic story in 2002 will be major derivatives losses, as the process defined by LaRouche's Triple Curve plays out.

Today, the real physical economy—tariff regulation, energy re-regulation, and the infrastructure of the physical economy are suddenly back on the agenda; but President George W. Bush's steel tariff announcement is the only action that has yet been taken. Had Congress and the higher level of policy-makers listened to LaRouche, the story of 2002 would not have been a blowout, but of solid economic growth. Instead, at every step of the way, productive activity has been dismantled and speculation aided. Moves to reverse this should use as a model, the bold actions taken by FDR in the 1930s.

EIR March 22, 2002 Economics 19

### **Book Review**

## Why Patriots Today Must Master The Works of Alexander Hamilton

by Nancy Spannaus

### Alexander Hamilton, Writings

edited by Joanne B. Freeman New York: The Library of America Literary Classics of the United States, Inc., 2001 1,108 pages, hardbound, \$40

The good news is that the basic economic writings of the United States' first Treasury Secretary Alexander Hamilton, one of the seminal developers of the most successful economic system in the world, the American System of Economics, are back in print. Once the subject of a mass-market paperback by Harper Torchbooks, Hamilton's four major reports have been virtually unfindable recently, except through the book *The Political Economy of the American Revolution*, put out by the LaRouche political movement. The bad news is that the Library of America edition provides virtually no historical context to permit the contemporary reader to understand Hamilton's economic *principles*, the which are crucially important for righting economic policy today.

Hamilton's full collected works, which include a large portion of his personal, as well as public letters, have been produced by Columbia University, and comprise more than ten volumes, so there is no question but that Ms. Freeman had to pick and choose. She made one serious omission, a 1775 piece called "The Farmer Refuted." It is in this article/pamphlet, written to refute a Tory pamphleteer who was arguing the immediate interest of the farmers against the urban leaders of the Revolution, that Hamilton not only encapsulates his famous view of "natural rights," but also brilliantly develops the concept of a developing national economy. Hamilton's statement on "rights," which the ignorant argue that he later abandoned, but which actually defined his outlook throughout his career, went as follows: "The sacred rights of mankind

are not to be rummaged for among old parchments or musty records. They are written, as with a sunbeam, in the whole volume of human nature, by the Hand of the Divinity itself, and can never be erased or obscured by mortal power."<sup>2</sup>

More damaging is the fact that Freeman fails to adequately locate the political context for the documents she publishes.

This failing reaches almost the level of blatant dishonesty, when Freeman declines to even footnote the fact that Hamilton's argument against free trade and the U.S. remaining an agriculture-based economy in the *Report on the Subject of Manufactures*, is a direct counter to the work of British East India Company hired pen Adam Smith, and his *Wealth of Nations*. Thus, Freeman fails to provide the reader with the simple documentation he or she needs—and which has been pointed out by modern writers such as Forrest McDonald, as well as this author in *The Political Economy of the American Revolution*—to show that Hamilton opposed the British system of economics.<sup>3</sup>

Instead of noting the political context for at least the major writings, in introduction of each piece, Freeman instead includes two (minimally) explanatory sections at the end of her compilation, one, a chronology of Hamilton's life, and the second, a set of notes on the texts. Yet these notes are not even footnoted in the text itself, and thus could easily be missed. And they are grossly inadequate to providing the necessary understanding.

Perhaps the failing is due to the fact that this particular project of the Library of America, which was founded in 1979 and has brought out a wealth of primary-source works, including debates on the Constitution, and the works of Founding Fathers such as Washington, Franklin, and Madison, were published with the support of the John M. Olin Foundation, a leading treasonous "free-trade" think-tank of

20 National EIR March 22, 2002

<sup>1.</sup> Nancy Spannaus and Christopher White, eds., *The Political Economy of the American Revolution* (Washington, D.C.: Executive Intelligence Review, 1996), *passim*.

<sup>2.</sup> Alexander Hamilton, "Farmer Refuted," *The Works of Alexander Hamilton*, ed. by Henry Cabot Lodge, second edition, vol. 1 (New York and London: G.P. Putnam's Sons, 1903), p. 113.

<sup>3.</sup> Forrest McDonald, *Alexander Hamilton, A Biography* (New York: W.W. Norton & Company, 1979), *Passim*.

the day.4

The publication of this volume has provoked a series of articles in the U.S. press, and has added to the mini-revival of interest in Revolutionary American history, which has been shown in the long-lasting bestseller status of books such as The Founding Brothers and John Adams. This revival is absolutely vital to the process of getting leaders throughout the world to adopt the necessary nationalist economic measures required to get out of the current depression. While the political and economic leadership of Lyndon LaRouche, today's pre-eminent spokesman for the American System of Economics and American Intellectual Tradition, is the crucial factor needed for getting out of the hell of a new global Dark Age, a basic knowledge of the principles of Hamiltonian economics, which was in fact the basis for the United States' rise to global industrial leadership at the end of the 19th Century, and the model which leading industrial nations such as Japan, Germany, and Russia used to build up their national economies, is indispensable.

Alexander Hamilton's work is part of the crucial history of the development of the sovereign nation-state, the institution which is uniquely appropriate to the advancement, moral and economic, for mankind, and has created the conditions for the dramatic improvement which has occurred since the 15th-Century Italian Renaissance. And if we're going to save the nation-state, today so viciously under attack, we had better understand how America developed, as a guide to reversing the decline which threatens human existence itself.

### The Hamiltonian Ideas Which Built the United States

While Founding Father Alexander Hamilton's genius did not rise to the level of that of universal scientist and statesman Benjamin Franklin, and his achievements have been subsequently surpassed, especially by economist LaRouche,5 his contribution to establishing the Constitutional commitment of the United States to the general welfare, and developing the basic economic principles that had to accompany that commitment, was crucial to the survival, and flourishing, of the world's most successful sovereign republic. Contrary to much academic "wisdom," Hamilton did not try to transplant the British model, but rather shaped an economic policy approach coherent with the objectives of Gottfried Wilhelm Leibniz. Hamilton was *not*, as the conservatives today claim, a "money man," but a leader committed to using economic policy for developing national economy. This is evident through studying what Hamilton did, as well as what he wrote.



Contrary to much received "wisdom" today, Alexander Hamilton was not a "money man," in favor of the British system of political economy, but rather he shaped an economic policy approach coherent with the objectives of Gottfried Wilhelm Leibniz.

As Lyndon LaRouche wrote in "At the End of a Delusion," "the American System of political-economy, as, for example, described by Treasury Secretary Hamilton, is a typification of the 'voluntarist' conception of the economic and related role of the individual in history: the *agapic* devotion to the furtherance of the *common good*."

It will be useful to view Hamilton's contribution in terms of the following crucial concepts:

The productive powers of labor. First, it is clear that Hamilton viewed economic progress as the result of developing the cognitive powers of the individual, which process would increase the productive powers of labor, through the development of *artificial labor*.

The best starting point for understanding this basic concept is the Treasury Secretary's final report, the *Report on the* 

EIR March 22, 2002 National 21

Lyndon H. LaRouche, Jr. and collaborators, Zbigniew Brzezinski and September 11th (Leesburg, Va.: LaRouche in 2004 Presidential campaign, 2002), p. 69.

<sup>5.</sup> See www.larouchepub.com, the major website of Lyndon LaRouche's political association, for an in-depth review of LaRouche's works on economics, philosophy, and politics.

<sup>6.</sup> Lyndon H. LaRouche, "Economics: At the End of a Delusion," *EIR*, Feb. 22, 2002, pp. 4-69.

Subject of Manufactures, written and presented to the House of Representatives in December 1791, and never passed by the Congress. This report is the virtual Rosetta Stone of Hamilton's work, because it is here that Hamilton directly addresses his differences with British free-trade propagandist Adam Smith. While there are reports that Hamilton, a voluminous author and letter-writer, wrote a direct critique of Smith as well, no trace has been found. (See The Papers of Alexander Hamilton, Vol. X, ed. by Harold C. Syrett and Jacob E. Cooke, p. 8. Since the reference occurs in the 1879 Life of Alexander Hamilton, a History of the Republic of the United States of America, by one of his descendants, John C. Hamilton, the report should be given some credence.)

The very topic Hamilton chose for his third report, of developing manufactures in the underpopulated, largely agriculture-based United States, tells you that Hamilton was going directly up against the prevailing, British economic diktat. Colonies like those in America were supposed to concentrate on their alleged forte, providing raw materials for the already developed industrial powers, such as Great Britain and France, and remaining dependent for vital manufactured goods on imports from those nations. The terms of trade were to be set by the most powerful, and the credit issued, or denied, at the will of the imperial powers. In other words, no *national sovereign control of credit* was to be permitted to such nations.

Hamilton took on these premises, from a conceptual, as well as a practical standpoint. He argued that the overall wealth and well-being of a nation would be increased by the joint development of agriculture and manufactures, especially through the development of artificial labor to increase man's power over nature. This judgment was clearly based on the concept of the "laborer" as a person with cognitive powers, not simply muscle power. The direct reference Hamilton makes to this fundamental assumption comes in his sixth argument in favor of developing manufactures. It reads:

VI. As to the affording a more ample and various field for enterprise.

This also is of greater consequence in the general scale of national exertion, than might perhaps on a superficial view be supposed, and has effects not altogether dissimilar from those of the circumstance last noticed ["furnishing greater scope for the diversity of talents and dispositions"]. To cherish and stimulate the activity of the human mind, by multiplying the objects of enterprise, is not among the least considerable of the expedients, by which the wealth of a nation may be promoted. Even things in themselves not positively advantageous, sometimes become so, by their tendency to provoke exertion. Every new scene, which is opened

to the busy nature of man to rouse and exert itself, is the addition of a new energy to the general stock of effort....

It is from this concept of labor *quality* that we also find Hamilton's campaign to end slavery, and his promotion of an entrepreneurial society, based on the initiative of individuals, in contrast to state-controlled entities. But entrepreneurship is not to be confused with Smithian "free enterprise," in which every individual and firm is given the license to loot everyone else, however he can, in hopes that the "invisible hand" would sort everything out all right. Hamilton did *not* believe in that.

Without understanding Hamilton's concept of the productive powers of labor, starting in the individual human mind, there is no way to comprehend the American system of economics. Yet, to this very day, there are so-called educated Americans who consider the idea of productive labor to be a Marxist, socialist one! Yes, the requirement to provide a standard of living at the necessary (and improving) level for labor to enhance its cognitive powers, grates hard against the British (and Marxist) view of the "horny hand of labor." But that was the concept which the Renaissance cameralist school of economics, championed by Leibniz, and taken forward by Franklin and Hamilton, used as a foundation for their nation-building projects.

The responsibility of sovereign government. Another major underpinning of Hamilton's American System, also reflected in the *Report on Manufactures*, was the sovereign responsibility of the Federal government to intervene in favor of developing the economy of the nation. Again taking on Smith, who argues that "Industry, if left to itself, will naturally find its way to the most useful and profitable employment," Hamilton argues that government should intervene, "with bounties, premiums, and other artificial encouragements," in order to develop the industries the nation needs.

As opposed to the free traders of the time—or what we would call the "globalizers" today—Hamilton contended that: "Every nation . . . ought to possess within itself all the essentials of national supply. These comprise the means of *subsistence*, *habitation*, *clothing*, *and defence*."

"The possession of these is necessary to the perfection of the body politic; to the safety as well as to the welfare of the society.... The extreme embarrassments of the United States during the late War, from an incapacity of supplying themselves, are still matters of keen recollection," Hamilton wrote, urging that this was the next great work to be accomplished, lest the United States again face the same situation in a future war. The whole conclusion of the *Report on Manufactures* reflects the fact that his department carried out a physical inventory of the nation's production from this standpoint, noting what would best be done to make that production adequate to the nation's needs.

Government responsibility for ordering the economy was

22 National EIR March 22, 2002

<sup>7.</sup> Harold C. Syrett, ed., *The Papers of Alexander Hamilton*, vol. X (New York and London: Columbia University Press, 1966), p. 8.

required, from the outset, to provide for the security of the nation. As Hamilton put it in the *Report on Manufactures*:

Not only the wealth; but the independence and security of a Country, appear to be materially connected with the prosperity of manufactures. Every nation, with a view to those great objects, ought to endeavour to possess within itself all the essentials of national supply. These comprise the means of *subsistence*, *habitation*, *clothing*, *and defence*. (p. 692)

Hamilton directly defines these responsibilities of government as being guarantors of the general welfare, which is included as a leading purpose of the United States government, in the Constitution which Hamilton, the author of most of the *Federalist Papers*, did more than virtually anyone else to get adopted. In the section of the *Report on Manufactures* directed toward the powers of the government to encourage necessary industries, and necessary permanent improvements in infrastructure (especially transportation), Hamilton wrote:

The terms "general Welfare" were doubtless intended to signify more than was expressed or imported in those which Preceded; otherwise numerous exigencies incident to the affairs of a nation would have been left without a provision. The phrase is as comprehensive as any that could have been used; because it was not fit that the constitutional authority of the Union, to appropriate its revenues shou'd have been restricted within narrower limits than the "General Welfare" and because this necessarily embraces a vast variety of particulars, which are susceptible neither of specification nor of definition.

It is therefore of necessity left to the discretion of the National Legislature, to pronounce, upon the objects, which concern the general Welfare, and for which under that description, an appropriation of money is requisite and proper. And there seems to be no room for a doubt that whatever concerns the general Interests of learning of Agriculture of Manufactures and of Commerce are within the sphere of the national Council as far as regards an application of Money. (p. 702)

It is within the same section of the *Report on Manufactures* that Hamilton also puts forward the policy of tariffs, in order to protect infant industries in the United States. There is no such thing as free trade, Hamilton argues, because already the nations of Europe have imposed regulations that render the United States "the victim of a system, which should induce them to confine their views to Agriculture and refrain from manufactures. A constant and encreasing necessity, on

their part, for the commodities of Europe, and only a partial and occasional demand for their own, in return, could not but expose them to a state of impoverishment, compared with the opulence to which their political and natural advantages authorise them to aspire."

Thus government must protect U.S. manufactures, even if it means an immediate increase in price for U.S. consumers. Eventually, due to the improvements made technologically in the production, the price of U.S. products will actually be reduced.

A National Bank. A leading feature of sovereign control over one's nation and its future is the control of one's currency. Here, too, Hamilton took the lead with his proposal for a National Bank of the United States, as an indispensable tool for establishing and maintaining the sovereign credit of the United States. While Hamilton's bank had private directors, it was directly responsible to the U.S. government, received a subscription of 20% of its capital from the U.S., and was devised as an instrument to encourage creditors of the government, to invest *long-term* in the United States, by buying stock in the bank, which would be investing in wealth-producing ventures.

An examination of this report to Congress, issued in December 1790, demonstrates that Hamilton is not at all thinking like a "banker," as the populist opponents of the National Bank, and national banking, then and now, accuse him of doing. He is attempting to free both the U.S. government, and the people of the United States, from bondage to usurers and other financiers, in the interest of improving the conditions of the country and its population.

To understand this, you don't have to look at the mechanics of the bank, but at what the mechanics were devised to accomplish. Hamilton outlines three advantages for the public bank:

First, "the augmentation of the active or productive capital of a country" (p. 576). What this means is freeing the country from the domination of those who controlled gold or silver, and creating a source of *credit* which could become circulating capital. In sum, Hamilton says, "it is one of the properties of Banks to increase the active capital of a country.... And thus by contributing to enlarge the mass of industrious and commercial enterprise, banks become nurseries of national wealth: a consequence, as satisfactorily verified by experience, as it is clearly deducible in theory."

Second, the existence of a public bank will give "greater facility to the Government in obtaining pecuniary aids, especially in sudden emergencies."

Third, the existence of the National Bank will facilitate the payment of taxes.

Hamilton then takes on the detractors, summarizing their arguments against the Bank, and destroying them. His first adversary is the assertion that public banks serve to increase usury, in response to which he argues that the increase in

EIR March 22, 2002 National 23

<sup>8.</sup> Edward Spannaus, "What is the General Welfare?: From Benjamin Franklin to Franklin D. Roosevelt," *EIR*, May 4, 2001, pp. 34-47.

the quantity and circulation of money which the bank will accomplish, will actually *reduce* usury. Upon reflection, and comparison with the British bankers, the likes of whom Hamilton is always compared with, this argument is extremely significant. Hamilton is by no means interested in increasing interest rates, for huge banker profits, or even for leaving the rates to the "free market," as the infamous Jeremy Bentham was. His bank will in fact be intervening in the "marketplace" in order to curb the gouging of a population which needs to borrow funds. And, in fact, he argues that the National Bank will tend to lower the rate of interest overall, by providing ample credit, safely.

Another telling argument for the Bank, which Hamilton makes against its opponents, is to refute the idea that it will drive gold and silver out of the country, by the issuance of paper money. Here Hamilton, like the cameralists before him, shows that he is no monetarist, believing that such commodities, or even natural resources, determine the wealth of a nation. In sum, "the state of its [a country's] agriculture and manufactures, the quantity and quality of its labor and industry must, in the main, influence and determine the increase or decrease of its gold and silver." And since banks increase productive activity, they will aid the situation of the country.

The mix of private and public controls of the Bank should not confuse anyone in terms of the intention. As Hamilton

DOYOU that the American Revolution was fought against British **KNOW** "free trade" economics? that Washington and Franklin championed Big Government? that the Founding Fathers promoted partnership between private industry and central government? READ The Political Political Economy Economy of the American Revolution edited by Nancy Spannaus and Christopher White Order from: Ben Franklin **Booksellers** P.O. Box 1707 Leesburg, Va 20177 Edited by Nancy Spannau and Christopher White Toll-Free: 1-800-453-4108 \$15.00 plus \$4 shipping and handling We accept MasterCard, VISA, American Express and Discover

puts it directly, "public utility is more truly the object of public Banks, than private profit." And indeed, Hamilton himself—despite much effort to slander him to the contrary—not only stayed clear of speculation himself, but took regular action to penalize speculators, and throw them out of sensitive positions. Additionally, while foreigners could be stockholders in the bank, only citizens were eligible to be directors (p. 599), and no non-resident foreigners could vote for the directors. In other words, Hamilton had devised a plan by which "such a Bank is not a mere matter of private property, but a political machine of the greatest importance to the State."

### What Hamilton's Ideas Wrought

Hamilton's successful promotion of, and advocacy for, the U.S. Constitution, and the establishment of a sound basis for credit, based on the assumption of the war debt, and the creation of the National Bank, were indispensable to the survival of the young United States. But for reasons related to the defeat of the *Report on Manufactures*—primarily the filthy alliance between New England traders (including in opium) and the Southern plantation owners, in the context of the international isolation caused by the French Revolution gone mad—Hamilton's program was not accomplished. The industry, infrastructure, and naval buildup which Hamilton understood was required in order to provide security for the nation, did not happen, and the nation was set up for near-destruction in the War of 1812.

Indeed, the final straw right before that war, was the failure to recharter the Bank of the United States, the national bank. This left the United States without a source of reliable credit, right before embarking on a battle for its life.

Equally importantly, the failure to follow through on Hamilton's industrializing vision had given a new lease on life to slavery, which many of the Founding Fathers had expected to be on its way out of existence within 20 years after the new government was established. The slavocracy, in fact supported by the New England and British financiers, was to be a powerful block to all nation-building efforts, up until its defeat by Abraham Lincoln in the Civil War.

By the mid-teens, the political, as well as the military, situation was desperate. Hamilton's Federalists had become secessionist traitors, and Jefferson's Democratic-Republicans continued to balk at the necessary measures to create a strong central government, as demonstrated by the fact that the British were able to burn down the White House. The time had arrived for a new formation, built out of those disillusioned with both parties, around a perspective for reviving the principles of the Founding Fathers.

The leading actor in this movement was Mathew Carey, an Irish revolutionary who had been brought over to the United States by Benjamin Franklin in 1784, and had established himself as a printer and political operative in Philadelphia. Carey, a Democrat, could see how disastrous the economic policies of the Democratic Presidents—Jefferson and

24 National EIR March 22, 2002

Madison—had been, as well as the treason of the Federalists. He was also aware that there were leading individuals from both parties—John Quincy Adams from the Federalists, and Henry Clay and his associates from the Democrats, to name a couple—who would respond to a call to abandon "party politics," in the interest of saving the nation. Thus, in 1814, Carey wrote a mass pamphlet entitled *The Olive Branch*, subtitled "Faults on Both Sides, Federal and Democratic. A serious Appeal on the Necessity of Mutual Forgiveness and Harmony to Save our Common Country from Ruin."

One of the major points that Carey stressed was the need to revive Hamilton's economic policy, beginning with the creation of a new National Bank, and continuing with the promotion of industry and infrastructure, through, among other measures, the use of the tariff. Carey was blunt about the fact that he disapproved of much of the Federalists' political outlook (although his magazine, *The American Museum*, had republished Hamilton's economic works from the early 1790s on), but he insisted that the nation-building policy, expressed in Hamilton's famous reports, was absolutely essential to be taken up and implemented, if the United States were going to survive.<sup>9</sup>

Thus, in 1816, the Second Bank of the United States was chartered, and eventually, under President Nicholas Biddle and the Presidency of John Quincy Adams, became a major tool for putting the United States on the right road. A policy of protective tariffs, and for internal improvements, also was put into place. But there was no possibility of smooth sailing as long as the slavocracy held the Southern states. Lincoln's statement of years later was *not* rhetoric: The nation could *not* endure, half slave and half free.

At the same time, the Carey faction expanded its work. It brought in Friedrich List, from Germany, who took up the cause, and then returned to Germany to apply the Hamiltonian approach. It encouraged the publication of polemical writings against free trade, especially its propagandist Adam Smith, and for national banking and what were then called "internal improvements." The movement was struck a serious setback when President Andrew Jackson, who had pretended to support the Bank in the 1828 elections, abruptly pulled out Federal funds, and destroyed it in 1832.

The Hamiltonian perspective—without the National Bank, but with a Federally directed credit policy—was not to return to power until the election of Abraham Lincoln in 1860.

#### **An International Model**

The decades from 1860 to 1901 saw an explosive international spread of the American System model. <sup>10</sup> In many cases,

the groundwork had been spread by informal contacts between the United States and other nations, including the circulation of the works of the American System economists, including Hamilton.

The Report on Manfactures, for example, had already been published in Russian by 1807. The work of Hamilton was studied by German economist Friedrich List in the United States in the 1820s, and then taken back to Germany, where he became founder of the customs union and a whole railway system. Henry Carey, the leading economic successor to Hamilton, and the brilliant adviser to President Abraham Lincoln and his followers, was the main transmission belt for Hamiltonian economics in the post-1860 period. His work was picked up by the Japanese, forming the basis for the Meiji Restoration; by the Brazilians, Mexicans, Argentines, Colombians, Chileans, and Peruvians; and eventually, by the Chinese republican movement around Sun Yat-Sen.

The upsurge of the drive toward sovereign national republics, in many cases collaborating with each other and the United States for a new kind of international economic development climate, put the fear of death into the British Empire. "American System" economics, which had inspired the world, came under severe attack, especially through the fostering of geopolitical rivalries, and assassinations. With the murder of President William McKinley in 1901, for example, the tradition of Hamiltonian economics in the U.S. was mortally wounded.

It remained for Franklin Delano Roosevelt, himself the great-grandson of a collaborator of Hamilton's, Isaac Roosevelt, to bring the spirit of Hamilton's American System of Economics back to life, by reorienting Federal economic policy toward the principles of the general welfare once again. Roosevelt was quite familiar with, and committed to, Hamilton's tradition, despite his "official" Jeffersonianism. And it is only due to the application of Roosevelt's American System methods that the United States, and then the world through the Bretton Woods System, came out of the global depression, and the devastation of World War II.<sup>11</sup>

Today, the threat of disintegration of the world economy, and entire nations, is even greater: even greater than it was in the period before Hamilton's American System went into effect with our Constitution. The leading financial gurus, and the international financial authorities, insist that the days of the nation-state are over, and there's no way to "go back" to those principles. That's a lie which you believe at your peril. Either leading patriots from all nations begin to master the American System of Economics, starting with LaRouche and including Hamilton, or there is no alternative to a New Dark Age.

EIR March 22, 2002 National 25

<sup>9.</sup> W. Allen Salisbury, *The Civil War and the American System, America's Battle with Britain, 1860-1876* (Washington, D.C.: Executive Intelligence Review, 1992), pp. 413-416.

<sup>10.</sup> For a review of Hamilton's influence internationally, see "200 Years since Hamilton's Report on Manufactures," *EIR*, Jan. 3, 1992.

<sup>11.</sup> See Richard Freeman, "The Franklin D. Roosevelt Method of Economic Recovery," *New Federalist*, vol. 16, no. 6. A much more extensive report by the same author is in preparation for inclusion in a LaRouche in 2004 Special Report, scheduled for release this Spring.

### **EIRFeature**

## The Dialogue of Cultures

by Helga Zepp-LaRouche

Helga Zepp-LaRouche, the founder of the international Schiller Institute, a leading German political figure, and the wife of American statesman Lyndon H. LaRouche, Jr., gave the following speech on Feb. 17, 2002 to the annual Presidents' Day conference of the Schiller Institute/International Caucus of Labor Committees, in Reston, Virginia. Subheads have been added. Some of the graphics used in the presentation have been omitted here for copyright reasons, or replaced with similar images.

Mrs. Zepp-LaRouche was introduced by civil rights heroine, and Schiller Institute leader, Amelia Boynton Robinson.

Thank you very much, Amelia. You always warm our hearts, with your beautiful, poetical descriptions.

Now, I want to discuss today, how to defeat this evil policy of the "Clash of Civilizations." And, indeed, if you look at the happenings in the Middle East, in the Gulf region, and elsewhere, one can actually see that the danger of the world plunging into a Clash of Civilizations, is very big. And, I still remember the words of the former head of the CIA, [James] Woolsey, who, immediately after Sept. 11, said that the war against terrorism would last, maybe, a hundred years.

Now, if this would happen, and you would have a war of a hundred years, there is no question that the world would plunge into a New Dark Age, and we would have a global religious war—an always perpetuating war—and, it is already clear, that after the bombing of Afghanistan, the fuse to this Clash of Civilizations has been lit.

Contrary to what the media are trying to tell you, trying to brainwash the population, nothing has been solved in Afghanistan. As a matter of fact, the German TV openly said, if the foreign troops would leave, the Taliban would be back in six days. And, when we were in India, in December (Mr. LaRouche and I), the Indians expressed very strongly, and said, "What crazy idea is it, that you want to eliminate fundamentalism, by dropping bombs on it? You just make it worse."

And, it is very clear, what Lyn [LaRouche] outlined yester-day: that, contrary to what is being said, the Clash of Civilizations is the real intent of these policies. Already, the entire region is a powderkeg. And, therefore, everybody in Europe knows that, if these policies, which were pronounced by President Bush in the State of the Union address—the so-called "axis of evil" of, supposedly, Iraq, Iran, and North Korea—if this would be, indeed, carried out, this region would blow up.

And, therefore, you have an unprecedented wave of protests, from Germany, from France, from many politicians in other European countries, because they for sure don't want that. Because they can see, very clearly, that, contrary to the propaganda, that any such attack on Iraq, let alone Iran or North Korea, would mean a strategic crisis with Russia, and all of this, in the context of the financial meltdown, would lead to an incalculable situation, where the outcome could very easily be World War III.

### Huntington and the 'Clash of Civilizations'

Therefore, what I'm going to talk about today, the need for a "Dialogue of Cultures," as a way to defeat the Clash of Civilizations, is one of the most urgent questions of civilization today. And, I think it is important to study, what are these civilizations we are talking about? How can you understand them? And how you can see that the idiotic thesis of the evil Samuel Huntington about the Clash of Civilizations, is actually an idiotic, wrong idea: because what it is based on is the idea, the axiom, that all the different cultures, and religions, and civilizations, are completely different; that they are absolutely not united by universal principles, common to all of them; and, therefore, because they have nothing in common, a war among them is eventually inevitable.

What Samuel Huntington says in his book [*The Clash of Civilizations*], is that Christianity, Islam, Judaism, Hinduism, Confucianism, and so forth, are all fundamentally different

26 Feature EIR March 22, 2002



Helga Zepp-LaRouche addresses the conference of the Schiller Institute and ICLC on Feb. 17. The ideology behind the Clash of Civilizations "depends on this axiom, that there are no universal ideas among the different cultures. Because only then can you keep control, keep them separate, keep them manipulated."

and separate. Now, I don't know if you've read this book. If you do, you have to eat something first, because your stomach will turn around. Books always reflect the mind of the author, and, when you read this book, you see immediately: This author has an extremely ugly mind. It's the same ugly mind, which comes out in his other book, The Soldier and the State, where he discusses the role of the army in relation to civil society, and why a professional army, which blindly is obedient, and in which the soldiers are the legions holding together the empire, is actually what is desirable. And most revealing is that he says that the good example of a soldier who is not thinking, but just obeying orders, is the Reichswehr, which did not oppose Hitler coming to power in 1933; and a bad example—of what the soldiers should not be—is the Resistance of the 20th of July [1944]—I mean, so much for his mind-set.

Now, you have, in the recent months, an open discussion in the *New York Times*, and elsewhere, that there should be a global American Empire. So, what H.G. Wells, in his *Open Conspiracy*, develops, and which has unfortunately polluted the minds of generations of Establishment figures in the United States ever since—namely, that there should be a world empire—this policy has now come out of the closet.

The entire control of such a new empire, dominated by, especially, the United States, but also the Anglo-Americans, depends on this axiom, that there are no universal ideas among the different cultures. Because only then can you keep control, keep them separate, keep them manipulated. Now, this is not anything terribly new, because, if one studies the books of British historiography, it is absolutely amazing what gigantic effort the British historians have made in the last three centuries, to prove that all the cultures have developed completely

autochthonously, autarchically, and they have not influenced each other.

If people believe that, then obviously, it is extremely easy to manipulate them. And, you all (or some of you) remember that, at a certain point, you may have had a fight with a person. And you were the real opponent of this person in this moment. And, then, your mind tends to just make up a list of negative points about this person. And you think of this person, and you just think of these negative points. And, then, eventually, when you want to end this fight, and overcome the conflict, you have to remember that the person does not consist of this list of points, but that there are, actually, common grounds which unite you with this person, and there is a higher level of reason which you can relate to.

In a similar way, this is how you have to approach the different cultures, because if you only focus on the negative points, then there is always room for conflict. This dialogue can also not be just in the form of a nominalist way, but you have to approach it from the standpoint of Universal History: namely, from a standpoint which the British say, does not even exist. But, I can assure you that, among insiders, Universal History is the hottest issue in town.

### Nicolaus of Cusa and Universal History

When one tries to develop this idea of the dialogue of cultures, based on Universal History, I still think that Nicolaus of Cusa is the best reference point. I already referred to his beautiful call for a dialogue among cultures, in my call last October, but since there are many new people listening today, I want to quickly go into this dialogue here, again: It's called

EIR March 22, 2002 Feature 27

<sup>1. &</sup>quot;Zepp-LaRouche Urges Dialogue of Cultures," EIR, Oct. 26, 2001.

De Pace Fidei, about peace and religion; and it was written in 1453, after the fall of Constantinople to the Turks, which one can say was an earlier Clash of Civilizations, and it caused big fears in all of Europe about what had happened. And, the reports about bloodshed, rapes, killings, and so forth poured in. And Nicolaus of Cusa had just previously been in Constantinople; then, he writes under the impression of this [war report], this very lofty, beautiful dialogue: where the representatives of 17 religions and nations go to God, to the Divine Word, and say: "We are all fighting each other, killing each other, in Your name, and that cannot be Your intention. Can You please help us, to overcome this problem?" So, God, the Divine Word, says, "Well, you all are wise men, sages of your religions; and therefore, you can all understand that there is only one Truth." And, the wise men say, "Yes, we all know this; there is only one Truth. But why do we still fight?" And then God says, "Well, you make the mistake, to mistake the words of the prophets, for the Word of God." And they can easily see, that the Word of God is of a higher value, than the words of all the prophets.

"But we still fight." So He says, "Well, you make another mistake, that you mistake the Truth with tradition. The Truth is one, but the traditions are many."

So, the wise men all agree, and say: "Well, we all agree. But how can we now go back to our people, and tell them they should believe in a new religion, when they have shed so much blood for the old one?" And then God says, "Well, I'm not asking you to preach a new religion. I'm talking about the one religion, which was before, and above, all other religions. Now go to your people, and teach them that Truth."

Now, Nicolaus applied here, in the concrete case of religious war, what was his deepest conviction, from his first sermon, which he preached in 1430—that there is a multitude of voices for the one Truth. This was the humanist tradition, which believes that there exists a continuous original wisdom of all people: a *prisca theologica*, an old, very wise theology, above the different ones.

### The Hindu Cosmogony

Now let us investigate, if evidence of this can be found in the different religions. Let us first go to one of the cradles of mankind, to India, and Hinduism, where we find a continuous civilization of at least 8,000 years, and probably much, much longer. And here, in the oldest Indian writings, in the Rig Veda, which are the earliest Hindu writings, we find the famous sentence about the One Truly Divine, with the Many Names. The Truth is One, the sages only give it different names. In Hinduism, there is the deep recognition, that the One Divine Truth does not give privilege to one language or culture. That the One Truth is not the possession of anybody alone, but that this Truth shines differently in different souls. There is the "Sanatana Dharma," the eternal religion, which is even more than the Hindu Dharma, and more than any other religion. This eternal religion is understood as behind all religions, or, as Cusa would say, "above all religions."

Dharma also signifies the eternal order, which governs both the Cosmos and the moral law of man—an idea very similar to the concept of the Macrocosmos/Microcosmos in Nicolaus of Cusa.

Mahatma Gandhi saw himself as a Sanatana Hindu, respecting, at the same time, the truth of the other religions. Hinduism is not a missionary religion, but it is guided by the deep conviction that the other person, or religion, has his own way of reaching the way to God. It is even considered blasphemy, if a person thinks that he or she can usurp what the one Truth is, with a single notion for himself or herself alone. If one takes the color of one's own spectacles, as being the only color to exist, one can only see the imposed color, and not the object as such. One has to understand that God deliberately created the many colors, and that the multitude is wished by God.

The very famous—and very beautiful—"creation song" of the *Rig Veda*, describes the creation of the Universe, as "resting before all Creation" in the Original Oneness, out of which the Divine Creator emanates, and creates the Universe. In the fourth verse of this "creation song," the idea is expressed, that the first seed of thinking, was the desire for love. And, that the sages reached in their heart, and in reflecting in this way, they found the original existence of the non-existent.

Now, remember this aspect of Indian cosmogony, when we later come to the Egyptian myth of creation.

In the Hindu writings, the Rig Veda roughly can be compared to the Old Testament (even though in Hinduism, there is no binding text, like the Bible or the Koran); and the Upanishads could be compared with the New Testament. Of all the very interesting concepts I could talk about, I only want to pick two ideas: on the one side, the Absolute Brahman, with distinctive features, which is called the "Saguna Brahman"; and on the other side, that aspect which is beyond all distinctive features, which is called the "Nirguna Brahman." This Brahman, without specific attributes, is the highest form of consciousness. It is exactly what Nicolaus of Cusa discusses with the "negative theology," which Nicolaus of Cusa called the "Non-Other": namely, that you cannot give any positive name to God, because it diminishes the greatness of God, and that you can only describe God as being that, "the Non-Other is Non-Other than the Non-Other."

The majority of people need a personal God, with attributes, and in Hinduism, this is called "Ishwara," who also gives grace to the people. Hinduism, in the later period, represented by the big epic dramas, *Ramayana*, *Mahabharata*, and the *Bhagavad-Gita* (which was the favorite book of Gandhi), made this ideal of the Saguna Brahman the most popular form of Hinduism.

Now, there was a change in the notion of the use of God, from the older *Rig Vega* to the *Upanishads*. Now God is not one God, but it is the omnipotent, omniscient One. He is in us, beside us, and above us. Now, we will see this later, in the Egyptian concepts, and it is also the Cusan idea of the "quodlibet in quolibet," that everything is in everything. This

28 Feature **EIR** March 22, 2002

God, in the *Upanishads*, cannot be comprehended, through speech, thinking, nor seeing; only through the words, "He is": the idea that all notions of dualism and multitudes, are confusion, and only the negation of all positive descriptions, all determinations have to be negated; that this is all the more so, if one refers to the one truth, the Absolute Brahman.

Some of the key concepts in Hinduism, are very similar to what we find in Christianity:

First, that there is an eternal religion, above the specific traditions of religions, as expressed in *De Pace Fidei*;

Second, that the true character of God cannot be described with positive adjectives—the "Non-Other" negative theology of Cusa;

Third, that man participates in God's nature (the idea of *imago Dei* in Christianity: man in the "image of God"); and,

Fourth, that, according to the "creation song" of the Veda, love and intellect belong together, which is the Christian idea of  $agap\bar{e}$ .

### The Cohesion Between Christianity and Philosophy

What other evidence do we have of this original wisdom, existing in all of mankind's history, the idea of an enduring tradition of knowable truth? St. Augustine, in the Seventh Book of his *Confessions*, talks about the cohesion between Christianity and philosophy. The neo-Platonists, he says, would have said nearly all with the same words, what is said in the Gospel of St. John: The unity and Oneness of God; the creation of the world through the Logos; the enlightenment and creation of human souls through the Logos. Only the Incarnation of God, and the Redemption of man, through Christ's death, would be missing, said Augustine.

In the already-mentioned sermon by Nicolaus of Cusa, from 1430, Nicolaus quotes this passage of Augustine, and then elaborates the cohesion of the prologue of the Gospel of St. John, with the general human tradition of wisdom. Nicolaus adds that, not only would the neo-Platonists have recognized God as Logos; that, already, Hermes Trismegistus would have recognized nearly the whole truth, and would have described the power and majesty of the Logos.

For Nicolaus, the writings attributed to Hermes Trismegistus were an expression of a very, very old, ancient wisdom, out of which Moses and the Platonists would have drawn. Nicolaus' conviction was that this wisdom would be the common basis of all the multitude of human history, and that therefore, the diversifying views could all be brought back in their convergence.

Who was this Hermes Trismegistus? I must say, this person has been known to me for a long time, because Nicolaus quotes him all the time, but in the recent period, I looked more closely, and I was completely intrigued about him. Here we come to one of the most fascinating stories of ancient *and* modern history, and to the absolute dividing line between the British Empire faction, and the humanist tradition. A controversy about this question, erupted during the last 25 years,

### Guatemalan Group Supports Zepp-LaRouche's Appeal

The General Assembly of the Guatemalan Association of Cultural Centers, at its national conference on March 3, endorsed Helga Zepp-LaRouche's call for a Dialogue of Cultures:

"Considering that since the tragic events of September 11, 2001, the world has moved dangerously toward the possibility of war, whose escalation, based on the concept of a clash of civilizations—which concept denies the possibility that civilizations can find points of convergence around universal principles—is being fanned by the world press; and

"Considering that the Schiller Institute, whose main offices are in Germany, and its president Helga Zepp [LaRouche] have promoted a project for a dialogue of civilizations worldwide;

"Therefore, this assembly, which represents a love of peace not only for our country beaten down by intransigence, discrimination, and racism, declares itself in favor of all those initiatives—national and foreign—which come out for world peace, for which reason it not only embraces the initiative of the aforementioned Schiller Institute, but calls on that Institute to take our association into account, given that it is made up of more than 130 cultural centers throughout the national territory...."

one of the biggest freakouts among historians, ever: the famous *Black Athena* debate, about a book which was published first in 1987, by Martin Bernal, discussing the Egyptian roots of the Classical Greek, and therefore, the European civilization.

The controversy about this book was so big—and still is—that, for example, a certain John R. Lens wrote in the magazine *Free Inquiry*, "Not since the Old Testament, has a book about the second millennium B.C. generated so much controversy as *Black Athena*." And a David Gress writes in the *New Criterion*: "Who would have thought it possible to enlist Bronze Age Greece, in the current academic war against Western civilization?" What would be at stake, he said, would be nothing less than the distortion and dismantling of higher education, which would be exactly the intention of the author, Martin Bernal.

Why would Bernal's argument, that the ancient Greeks learned a lot from the Egyptians, be an attack on Western civilization? Could it be that here is someone shrieking, who has the mind-set of the Clash of Civilization crowd? We will see.

EIR March 22, 2002 Feature 29

FIGURE 1



A relief from the Egyptian 19th Dynasty, during the reign of Ramses II.

#### Who Is Hermes Trismegistus?

Let's look at the different aspects of a very complex question. Let's go back to Nicolaus of Cusa's statement, that Moses and Plato learned very essential truths from Hermes Trismegistus. All the academics agree, that Hermes Trismegistus was identical with the Egyptian god Thoth. And, even modern authors don't deny his role as god of wisdom and knowledge. Here (**Figure 1**) you have a relief from the 19th Dynasty, during Ramses II; this is about 1250 B.C. These reliefs and paintings are one of the most beautiful of the royal decorations of the New Kingdom. What you see here is the vignette of Verse 94 of the so-called *Book of the Dead*, where the god Thoth, with the head of an ibis, gives the writing set and water pot to Neferati.

[Another graphic, not shown here, depicts the god Thoth, at the judgment of the dead.] This is, again, the 19th Dynasty, 1285 B.C. This is in the British Museum. This is a vignette to Verse 125 of the *Book of the Dead*, where Hunifer is guided by the jackal-faced god Anubis to the trial, and his heart is weighed against the symbol of truth, the feather. If the feather has the same weight as the heart of the newly dead person, it is proof that he has lived a life according to the laws. Beside the scale, to the right, you have the god Thoth, the god of wisdom, with an ibis head, and he writes the results of the weighing. The script names Thoth as the "master of the di-

vine words."

So, the big controversy erupts concerning the age of the writings, combined with the so-called Corpus Hermeticus, which are texts possibly dating back to this god Thoth, and possibly many of them being written much later. The big controversy is, whether these texts are reflecting the ancient Egyptian philosophy, or if they originated in Classical Greece; and also controversy erupts concerning the person of Thoth, who is called Hermes in Greek, in his role. Admittedly, the borderline between the undeniable, very old tradition of Thoth in Egypt, and the philosophy of the Hermetic texts, is fluid, and it is very difficult to come to definite conclusions from an archeological, from a philological standpoint. The fact is, that, until the writings of the French textual expert Isaac Casaubon, in the beginning of the 17th Century, all thinkers referred to Hermes Trismegistus and the Hermetic writings as Egyptian.

Casaubon proved the philosophical, theological, and even literal co-

hesion, between the Hermetic texts, Plato, and the New Testament, to then argue, that that could only mean that the Hermetic writings had to be written *after* the emergence of Christianity, in Greece; namely, in the Second and Fourth Centuries A.D. But, one can also take the opposite view, that this cohesion rather gives credence to St. Augustine and Nicolaus of Cusa's arguments, that there is no contradiction between the universal human truth and Christianity.

Either Plato's ideas are identical with Egyptian tradition, or they originate there. Let's look at the different aspects. In Plato's *Phaedo*, Socrates says he, Thoth, was the one who created the numbers, mathematics, and geometry, and especially all the letters: the hieroglyphs. What is clear, is the idea that Thoth was the originator of writings, of wisdom, and that he is referred to several times in the so-called *Book of the Dead*, which was especially widely distributed in the 18th Dynasty, which was the 16th and 14th Centuries B.C. There are also references from the 19th Dynasty, which speak of the writings of Thoth, and that Thoth was described as an extremely powerful deity.

Newer discoveries indicate that at least elements of the Hermetic writings can be dated definitely much earlier. In Esna, in Upper Egypt, the name Thoth (who is also called the "three times greatest"), was found from the Third Century B.C., and "Trismegistus" means the "thrice-great" Hermes.

30 Feature EIR March 22, 2002

There were also found, the so-called Demotic texts from Saqqana, near Memphis, from the Second Century B.C.

An extremely interesting text, called the "Memphis Theology," from the Second or Third Millennium B.C., contains a cosmogony, where Ptah, the god of Memphis, and Atun, his emanation, appeared as the first beings. Ptah created the universe in his heart, the location of his intellect, and realized it through the tongue in the act of speaking. Again, a similarity with the account of the original creation you can find in Plato, and in the first chapter of John (remember: "In the beginning was the Word, and the Word was with God"), is obvious. Even James Breasted from the University of Chicago, who otherwise opposed the views of Philo of Alexandria and Schiller on Egypt, wrote, after the publication of the translation of the "Memphis Theology" in 1901: "This conception of the world represents a sufficient basis for the assumption, that the notion of *Nous* [the mind] and *Logos* [the word], of which one up to now believed that they were introduced to Egypt at a much later point, already existed in the much earlier period. With this, the Greek record, that the origin of Greek philosophy has to be looked for in Egypt, has obviously much more truth to it, than one is willing to admit in modern times."

In the cosmogony, Thoth played the role of the heart of Ptah, while the tongue is Horus. This tradition, which connects Thoth with the heart, is still 2,000 years later in the *Treasure of Hor.* John Ray, who published these texts, emphasizes the association of the heart with the intellect, with which Thoth is associated.

Isn't that a similar idea as we found in the four verses of the Vedic creation song: that the intellect and the heart belong together?

It seems that the *Corpus Hermeticus* was written over a very long period of time, probably using older traditions being written up then, between the Sixth Century B.C. and the Second Century A.D., but it surely contains the religious and philosophical ideas of much earlier Egyptian times.

### The Greeks and the Egyptians

Concerning the Greek influences, which are also there, it remains to be investigated further, since much of the Pythagorean and Platonic philosophy had a strong Egyptian influence in the first place. In this period, also, there was what is called a "euhemerization," namely, the transformation of the gods into sages, but the person of Hermes Trismegistus continued to be referenced in both Christianity and Islam, as an epitome of knowledge.

Before we turn to the question of, "Why is the argument, that Greek philosophy is based on Egyptian influence, so controversial?," let's look at the Greek and Renaissance thinkers themselves, how they saw this question. Martin Bernal assumes that there were waves of colonizations, not only of Crete, but also of Greece, in the Second Millennium B.C. And, why would there have been a break to this tradition? Plato describes, in the *Timaeus* and the *Critias*, the early civi-

lization of Atlantis and how it was destroyed. This probably refers to the destruction of the volcanic island Thera, in 1625 B.C. In the very famous account about Atlantis, Critias tells the following story: Solon, who lived 640-560 B.C., would have visited Sais, then the capital of Egypt in the early Sixth Century, where he would have been received as a family member, because there was a close relationship between Sais and Athens. A high-ranking Egyptian priest scolded Solon, with the famous words: "Oh Solon, Solon! You Greeks are nothing but children, and there is not one adult Greek." Which seems to reflect that Plato saw Egypt as the older culture, and maybe the old Egyptians looked at the Greeks as the Baby-Boomers of the time.

Then, Plato explains why the Athenians had so little knowledge of their own past, which would be due to the fact that Greek culture, again and again, was destroyed through fires and floods—the famous dark age—so that no memory of earlier glory would exist. In Egypt, because of its better location, very old institutions and records would have been preserved over long periods of time. Therefore, anybody who wanted to find out about the early periods of the Athenians, had to go to Egypt.

He also reports that many people, like Solon, Pythagoras, but also Pelops, Cadmus, Aigyptus, Danaos, would have brought ideas and cultural goods from Egypt.

Now, let's take a look, briefly, at some later thinkers on the same question: a Church writer called Caecilius Firnianus Lectantius (who died in 317 A.D.) wrote that Hermes lived before Moses, and Philo of Alexandria, who lived in the First Century [A.D.], tried to connect the Hermetic thinking with the Old Testament and Platonic thought. Abelard referred to the Hermetic writings to, again, make the point Augustine had made earlier, how deeply the philosophers had understood the secrets of God, and that God is not only good, but He is the Good itself, and that He, as a world-creating wisdom, produces the entirety of ideas, and that He moves the totality of the world in a loving way.

These basic principles of a philosophical teaching of the Trinity, Abelard already found in Hermes Trismegistus, as well as Augustine, and Plato, whom he calls "the greatest philosopher."

A similar notion of Trinity, we find with Ramon Llull (Llullus), who lived in Mallorca, who described God as the Creator (*Deificans*), the Created One (*Deificabilis*), and the action process of Creation (*Deificare*. Nicolaus of Cusa, who knew Llull from his studies in Padua, tries to prove the Trinity in a philosophical way, and he sees himself in the tradition of Hermes and the neo-Platonics, about whom Augustine had already said that they would have philosophically comprehended the Trinity. Also, influence of Hermetic writings, you find in Albert the Great in the 13th Century, who speaks of the Egyptian wisdom of Hermes: "Man is through intellect, the 'bond,' the tie, between God and the world," says Albert. The English mathematician and philosopher Thomas Brad-

EIR March 22, 2002 Feature 31

wardine, who died in 1349, spoke of Hermes as the Father of Philosophers; *Trismegistus triplex*, the three-times great Trismegistus; *in philosophica Pater Maximus*, the Greatest Father; the *Rex Aegypti*, the King of Egypt; the philosopher and the prophet.

Ficino translated in 1463, on the request of Cosimo de Medici, the great sponsor of the Renaissance in Florence, the entire Hermetic writings, which had just been brought by monks from Macedonia, even before [translating] several of Plato's dialogues, out of respect for the older sources. Through these translations, the idea got strengthened that there *is* a universal, original wisdom, available in all of Universal History. Also, Ficino wanted to prove the unity of Christianity, Platonism, and the Hermetic tradition. And, actually, Giordano Bruno said, "We Greeks" (calling himself a Greek, because he was in this tradition) "give thanks to Egypt, the great monarchy of education and intellectual nobility, that she is the ancestor of our fables, metaphors, and teachings." Now, Bruno was burned alive for these beliefs.

Still, in the 17th Century, the German Jesuit Athanasius Kircher wrote: "Hermes Trismegistus, who was the first one to introduce the hieroglyphs, and in this way, became the prince and ancestor of all Egyptian theology and philosophy, was the first and oldest among all the Egyptians. And from him learned Orpheus, Musaios, Linos, Phyllagorus, Plato, Eudoxos, Parmenides, Mellisos, Homer, Euripides, and others, everything they knew about God and the divine."

#### The Injection of Romantic Racism

Coming back to Bernal's book, in which he makes the point that this ancient model of Greek history, which the Greek themselves, in the Classical and Hellenistic periods, regarded to be their own history, was replaced by what he called "the Aryan model," which first came up in the first half of the 19th Century, actually starting in the 18th Century. Where I fully agree with Bernal, is the thesis that, for the racists and the Romantics of the 18th and 19th Centuries, the thought was unbearable that Greece, the cradle of European civilization, was a mixture of European and Egyptiannamely, African—and Asian and Semitic colonialists. Knowing (and I studied this very intensively) how the Romantics worked hard to replace the Greek Classic through a strange mix of fantasy, Middle Age conceptions mixed with Nordic mythologies, changing the history of ideas with a blood-andsoil identity, combined with racism; and how this was the basis for the different colonial empires, I think the case is clear.

The absolutely amazing thing is, that if one reads Greek history and philosophy, they absolutely ignore the Egyptian side. According to [the secondary literature in] Greek history, Hermes Trismegistus is Greek, and the Egyptologists have nothing to say about it. Also, if one reads in Renaissance philosophy, or in Plato, the secondary literature, even though the name of Hermes Trismegistus is present, the secondary

FIGURE 2



The Rosetta Stone, from the Ptolemaic Kingdom in 196 B.C. The stone contains the same text in Greek, in the Demotic language, and in hieroglyphics—which made it possible to decipher the hieroglyphics for the first time.

literature almost *never* mentions the Egyptian background to these ideas. It is quite something.

You have, first, a history, which is European, and then, secondly, you have a history, which is Egyptian, and the experts of both sides pretend the other one does not exist. The issue is even more obscured, obviously, by the fact, that various strange sects and tendencies trace themselves back to the Egyptian history and philosophy—especially since the 17th Century, the Rosicrucians and various Freemasonic groups, and modern-day esoterics.

Despite the fact that some of the most important archeological work occurred in the 19th Century, such as the deciphering of the hieroglyphs by Champollion; here (**Figure 2**) you have the famous Rosetta Stone, which was from 196 B.C., in the Ptolemaic Kingdom, and what it describes is the 18th day of the second Winter month in the ninth year of the reign

32 Feature EIR March 22, 2002

of King Ptolemeus V, when the priests in Memphis issued a decree concerning the crowning of the 14-year-old King, who had come from Macedonia. Now, you have three different types of writing: One is the Greek, which is the official language; then you have, secondly, the Demotic language, the popular Egyptian language of the time; but, the sacred texts are also written in the old hieroglyphs. And, they're all on a single stele, which was discovered in 1798, during Napoleon's campaign to Egypt, in a port city, called El Rashid. This stele, despite the fact that it's 762 kilograms, was stolen and brought to the British Museum, and where, later, Champollion got a copy, and he could actually decipher the hieroglyphs on the basis of this.

### The Ideology of Colonialism

Secondly, one of the discoveries of the 19th Century was of Troy, by Heinrich Schliemann, and the Linear B script by Michael Ventris, which were all groundbreaking events. It is nevertheless true, that from the late 18th to the 19th Century, to the 20th Century, the question of Egyptian influence on ancient Greece, became more ideologized. It is very obvious, that the British dislike for Egypt (and Sudan, for that matter) increased with their occupation of this country. And even if there were decent archeologists in England, such as William Matthew Flinders-Petrie, the various racist or Aryan views à la Gobineau—became increasingly dominant. Typical is a quote mentioned by Bernal, of the English Egyptologist Wallis Budge: "The Egyptians, in their essence an African people, had all the advantages and shortcomings, which are characteristic of the African race in general. And one cannot assume, for one instant, that any African people would be capable to develop a metaphysics in the modern sense." And, against the German Egyptologist Heinrich Brugsch, who took the chair of archeology in Göttingen in 1868, and who argued that the ancient Egyptians had developed monotheism, Budge wrote: "It is very difficult to understand, how an excellent Egyptologist would try to compare the image of God of 'Hellenized Africans' with that of such cultivated nations as the Greeks and the Romans have developed"! (Now, how cultivated the Romans were, we all know.)

There is no question, that the whole issue of Egyptian influence on Greece, and therefore Europe, is completely clouded by this form of naked racism, and that, therefore, Martin Bernal's efforts are totally legitimate, even if, in his justified anger, he makes the mistake to equate what he calls "European arrogance," with the views of the colonialists, and ignoring the humanist tradition. Unfortunately, his lack of knowledge of the invaluable contributions of the European humanists (or does he have a bias against them?) does not help the question of truth, since his characterization tends to support prejudices against the "Dead White European Males," among some Afro-Americans, thus cutting them off from knowledge which is theirs too, since it is universal.

After his book *Black Athena* came out in 1987, all kinds

of plenary sessions took place in all historical associations; at the annual meeting of the principal Classical and Egyptological organizations, the American Philological Association, and the American Research Center in Cairo, all to discuss the merits of this book. Over 70 articles appeared in newspapers and magazines, and thousands are on the Internet, still, to the present day—it's one of the most controversial issues. And, one of the most freaked-out articles, with the title "Not Out of Africa," was written by a certain Mary Lefkowitz, which was supposed to be a devastating attack on what she considered to be an "Afro-centric" or even "Nilo-centric" view. She not only tries to dismantle Bernal's argument, but also attacks the following authors: Frederick Douglass, Edward Blyden, W.E.B. Du Bois, John Henrick Clark, Cheikh Anta Diop, Josef Ben-Yoshanan, and George G.M. James, for their view that Afro-Americans have anything to do with ancient Egypt.

Why should one care about Mary Lefkowitz? Because what she engages in, is not just some academic debate. In the preface of "*Not* Out of Africa," she thanks Wellesley College, the Bradley Foundation, the Olin Foundation, for their grants. Now, here we have closure! What a surprise: Behind this whole debate, you have the Clash of Civilizations crowd.

If you read the new LaRouche in 2004 campaign report, which was also discussed last night, on the background of the Sept. 11 events, then you find a profile of these foundations, and you also understand why they put so much effort in destroying history, because this is essential for their policy of the Clash of Civilizations. Because, they *depend* on keeping cultures completely separated, denying completely the continuity of ideas, and of universal principles. Instead, they want to reduce the population to the different races, with bloodand-soil identities, which, by definition, are pitted against each other.

#### The Dialogue of Civilizations

Against this apparent control game, which loses its power once it is unmasked, we set the Dialogue of Civilizations, where we refer to the best traditions of each culture, and we relate to it from that standpoint—of what the culture contributed to the progress of Universal History. So, we start with an image of man, which is the common identity of all human beings on this planet: the cognitive aspect of man, which differentiates mankind from all other beings. That which is the cognitive aspect, is what we call in Christianity, Judaism, and Islam, "man in the image of God," in the image of God the Creator. In Hinduism, a similar idea exists, where man partakes in God's nature. That which makes man in the image of God the Creator, is his creative reason, his ability to formulate hypotheses about the physical universe, again and again. If these hypotheses are adequate, they lead to new discoveries—and then, how these laws of nature function, and this is called "scientific progress." If these scientific discoveries are applied in the production process, we call this "technological progress," which in-

EIR March 22, 2002 Feature 33

creases the productivity of the labor force, *and* of the productive capacity of the productive process.

The effect of this on the economy is that it increases the living standard of the population, its longevity, and an increase in the potential relative population-density of the Earth, as Mr. LaRouche has called it. The late Russian scientist Pobisk Kuznetsov, a famous Russian scientist in the tradition of Mendeleyev and Vernadsky, was so impressed with LaRouche's method of physical economy, and especially the concept of the potential relative population-density, as a *measurement* of the economic processes, that he predicted that the measuring unit of how to judge economic processes, would soon be called the "la," after LaRouche; like the "ampere," or the "watt," which are named after these discoverers.

So, whenever man is truly human, meaning creative, when his power of cognition is efficient, you have progress in Universal History. Now, if you look back at Universal History with the eyes of Friedrich Schiller, namely, that it took thousands and thousands of generations, and their struggles and their contributions, to get us to *our* moment in history; if one glances back in history in this way, one realizes that this progress is *not* the property of one culture or civilization, nor nation, but that the torch of progress was carried by different cultures at different times.

There may have been, before and during the last Ice Age, a very advanced trans-oceanic culture. There are many indications for such an assumption. After the Ice Age, with the melting of the ice around 10,000 B.C., there was the development of different cultures, which reflected the trans-oceanic culture from earlier, from during the Ice Age. The organizing of life depended on the sea culture. A migration occurred, in all likelihood, in large flotillas of ships, after the ice melted. And then people would go upstream on large rivers, on which they would travel by boat.

#### Cradles of Mankind

There were four cradles of mankind: in China, India, Mesopotamia, and Egypt. In India, the Vedic and Upanishad period represented a very high level. And there, the Vedic calendars were developed, according to [Bal Gangadhar] Tilak, between 6000 and 4000 B.C. He could calculate that, because that was the time when the Spring equinox was in the [constellation] Orion, so the dating of these calendars was relatively easy. In China, there was, since about 5000 B.C., the so-called Xia period, from 2205 B.C. to 1766 B.C., and the Shang and Yin Dynasty in the 16th to the 11th Centuries, very important civilizations. And, then later, naturally, Confucianism and Mencianism contributed to Universal History. In Egypt, the so-called "Old Empire," especially the Third Dynasty, from 2665-2595 B.C., the great inventor Djoser, who was the builder of the Great Pyramid, which shows a very high level of scientific and cultural development, represents a benchmark. And, nothing of the same period compares with that.

In 1340 B.C., this beautiful head of Nefertiti (**Figure 3**) was created by an artist. This is now in the Egyptian Museum

FIGURE 3



Bust of Queen Nefertiti, from 1340 B.C.

in Berlin. And, as you can see, this has an unbelievable beauty, which obviously reflects the soul of the artist. Anybody who created this, in 1340 B.C., must have had an image of man, which was just incredibly beautiful. There is even a little sign in the museum in Berlin, that this fits today's ideal of beauty.

Then you have the gold mask of Tutankhamen, from about 1325 B.C. And, again, this is an unbelievably beautiful face—where I cannot say if it's African, or European, or Asian, or maybe a mixture of all of these; in any case it can, again, only come from the beauty of the image of the artist. When this picture was shown for the first time, in 1817 in the British Museum, it caused a world sensation, because of its beauty. Because it obviously violated all the prejudices, that all Egyptians were ugly and so forth. [Figure 4 shows a statue of the King, done around the same time—ed.]

Then, after Alexander the Great conquered Egypt, and created the Library at Alexandria, this became the center of Egyptian-Greek studies for a long time.

The next major step forward, was Classical Greece, especially Plato and the development of the Platonic method.

Christianity, obviously, laid the decisive foundation for European civilization, and represented a watershed, in that

34 Feature EIR March 22, 2002

#### FIGURE 4



King Tutankhamen, statue from about 1325 B.C. A gold mask of the King, when it was first shown at the British Museum in 1817, caused a world sensation because of its beauty, overturning prejudices about what en

it broke with the cyclical idea of nature, and prepared the ground for the limitless perfection of man in the image of God. But, politically, the idea that man was in the image of God, was not yet realized, because the Roman Empire was an empire based on the oligarchical power-elite and a mass of slaves.

When the Roman Empire collapsed, as all empires eventually do, the torch of progress was carried further in India, in the Gupta period, and also in China, where, in the same period that India's Gupta period produced some of the most beautiful dramas and poetry, you have in China, these Buddhas, which, with their incredibly fine facial expression, had to represent a conception of man which was very lofty and noble. Very fascinating, is also the T'ang Dynasty, in the Seventh Century (**Figures 5a** and **b**)... Here, this is also from the T'ang Dynasty: The Seventh Century A.D. a girl playing polo (**Fig-**

**ure 6**)! Now, I find this completely intriguing, a girl playing polo. For sure, in Europe, people didn't play polo, at the time, because it was a Dark Age. So, it just gives you a glimpse—a taste, I hope, instilling a desire to look more into these cultures, and explain how this was possible.

#### The Arab Renaissance

Now, while in Europe, there was still a Dark Age, the Arab Renaissance occurred of the Abbasid Dynasty, in the Eighth Century. And, in 766 A.D. Baghdad (the same Baghdad which they want to bomb, now, again) was the world center of culture. One hundred thousand architects, craftsmen, and construction workers completed Baghdad. And, it was only through the contact of the Caliph Haroun al-Rashid with Charlemagne, that Europe could reconnect with its own cultural roots, because the caliphs had sent emissaries to all Mediterranean countries, asking them to collect all knowledge—including the Egyptian, the Spanish, the Italian, and the Greek knowledge. So, Europe needed the infusion from the Arabs to find its own sources.

The same fruitful contact, again, occurred between Frederick II Hohenstaufen and the Arabs. Ramon Llullus, in the 13th Century, forcefully made the argument of the need for the Dialogue of Cultures. Another excellent example of the exchange of cultures, is the missionary work of the Jesuit, Matteo Ricci, in China, born in 1573; who gained the trust of the Chinese Emperor and the mandarins, by bringing European culture and science, and, on the other side, demonstrated that, for him, the difference between the religious rites was less important than the one, knowable truth. Before that, you had, obviously, the beautiful Renaissance in Italy; in Moorish and Andalusian Spain; but also in Poland and Germany. And, this was only possible through the revival of the Classical Greek and the Egyptian ideas. In the same way, later, the German Classic period revived the Classical and Renaissance concepts.

#### The American Revolution

If you look at these long streams of contributions, over generations and generations, the American Revolution, again, represented a watershed of history, by establishing for the first time, a truly sovereign nation-state, and, the Constitution, where in practice, the guaranteed in alienable rights of all people, was, indeed, written and guaranteed, in a true republican, representative system. Now, were the Founding Fathers an autochthonous species? An autarchical phenomenon? No, they were not. But, they were a reflection of the best traditions of European culture: the Renaissance idea of the sovereign nation-state, being obliged to the common good of the people, as being the only thing which gives legitimacy to the power of the government. The American Revolution was not autochthonous, but it reflected the best traditions of Europe, including that of Leibniz. So, the American Revolution—and, as it was revived by Lincoln, and Martin Luther King—clearly represents the high-point of American culture.

EIR March 22, 2002 Feature 35

We must have a Dialogue of Cultures, where we focus on the best periods of each one, in which this culture moved mankind forward. Therefore, we have to revive our own best traditions, and then see how all the cultures influence each other, through ideas, over very long stretches of time, and how they enriched subsequent cultures and civilizations. And, then you see, that the approach of Universal History, of the one human race, of the one mankind, is the only approach that makes sense.

The danger of a Clash of Civilization, is the result of oligarchism, whose ability to control depends upon playing up the differences, playing on conflicts, playing on petty-mindedness. If this Dialogue of Cultures, which is seen by many, many people in the world as the only way to go—by the Pope, by many people in the United Nations, by President Mubarak, by President Khatami, and many others—and if

you add to what they say, with this specific approach *I* suggest, namely, that you have to approach it from the standpoint of Universal History, then, I'm absolutely certain, this will lead to a new, beautiful renaissance, and the end of oligarchism.

#### A Dialogue of the World's Youth

I want to encourage a dialogue among the children and youth of the world, in this spirit. This is a proposal I already discussed, when we were in India in December, and in Russia: where, basically, I proposed to influential people, that they should sponsor such a dialogue. The idea is, basically, to engage children and young people, from all over the world, who should not only study the best traditions of their *own* cultures, but also those pearls of the other cultures. And, then, they will learn to love the other culture as their own. This idea, which already convinced some of the people, working with children and youth—for example, this was discussed at a youth conference in India, at the beginning of the year, where 400 children from all over India participated—and they want to be part of this ongoing dialogue.

The idea that these children and youth from different countries should engage in such projects, and then, soon, form the first International Children and Youth Parliament, so that the children have a say in what the future should look like: I'm absolutely sure that children do *not* want to grow up in a Hundred Years' War to come—or not grow up, for that matter, because this war would destroy their future.

#### FIGURE 5





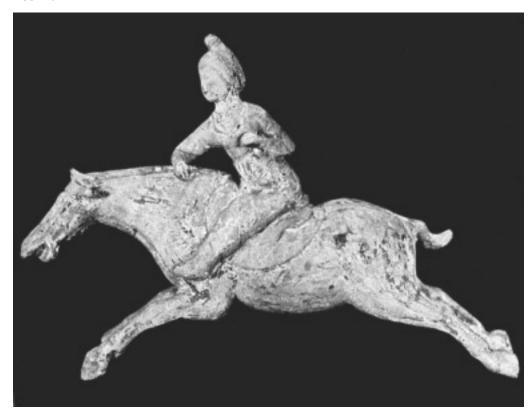
Statues of Boddhisattva from the T'ang Dynasty in Seventh-Century China.

#### Cusa's 'Coincidence of Opposites'

Now, let's go back to Cusa, one more time. In the beautiful dialogue *On Mind*, the Philosopher says, "You have explained wonderfully well, the statements of Hermes Trismegistus, who said, that God is named by the names of all things, and all things are named by God's name." To which the Layman answers: "By means of a very lofty, intellectual grasp, enfold into a coinciding both naming and being named, and all will be clear. For God is the preciseness of whatsoever thing."

Nicolaus is calling us here to the realization that in God, opposites coincide, for God is undifferentiated being in itself. And, in *De Docta Ignorantia*, Nicolaus says, "Hence Hermes Trismegistus rightly says, since God is the totality of all things, no name is proper to Him. For, either he would have to be called by every name; or else, all things would have to be called by His name. For in His simplicity, He enfolds the totality of all things." It is most remarkable that he mentions Hermes Trismegistus, both in respect to what is called "negative theology"—that you cannot do justice to the nature of God by describing Him in terms of concrete predicates—as well as in respect to the method of "coincidence thinking." And, this is the one, in my view, probably the most important, aspect of the Cusan philosophy. He himself repeatedly stressed, that he was teaching something which had never been taught before. Other thinkers conceived of the idea of a unity which precedes all contradictory statements. But, what makes Nicolaus' "coincidence thinking" different, is to show how contradicting substantial

36 Feature EIR March 22, 2002



Statue of a polo player, from the T'ang Dynasty.

causes coexist in a principled connectedness, before they separate into their differentiation.

#### Thinking 'From Above'

In the universe, there exists a hierarchical order, of higher and lower species, which develop into each other, from multiple, individual differentiation. But, the development does *not* occur from the bottom up, so to speak; but from above. In the writing *On Mind*, Nicolaus develops the idea, that God's knowledge only descends downward into the nature of the human mind, further down in the scale of things, but it only descends through the human mind. And, it is the *higher*, which elevates the *lower* one. Nicolaus even says that it is being "snatched up." So, man partakes in God, in this way; the animal participates in the human in this way, by being "snatched up." And, this is why the physical universe obeys the human mind.

This method of thinking from above, from the level of the coincidence of opposites, is a universal methodological concept, applicable to all aspects of life. This is why seemingly insoluble conflicts can be solved, on a higher level—why the Dialogue of Cultures can succeed, if we start from the *one mankind*. In *De Beryllo*, where Nicolaus discusses this method, he says also, "And fourth, turn to what Hermes Trismegistus says, that man is a second God. Because, as God is the greater of that which really exists and the forms given

by nature, so man is the greater of what exists conceptually and in the forms made by the mind." But Nicolaus says, the human mind is also capable of creating, through comprehension. There is existence which is *not* because God created it, and which the human mind therefore could only assimilate or repeat, but which is created by the human mind, entirely. In this sense, the pure power of creation, is divine. Man can be understood as a second God.

Nicolaus argues that it is this creative intellect, which is the self-similar image of the divine spirit, which the mere imitation, the repetition, is not, which is non-similarity. The more man is truly creative in this way, the more he becomes similar to God. What a beautiful way to set man free, to realize his fullest potential, and to locate man's identity on the highest, most lofty plane! And is it not beautiful, that Cusa sees in the Hermetic thinking, that central truth, which is also transmitted in Christianity?

So, Samuel Huntington—and Mary Lefkowitz, for that matter—can go and play "Rumpelstiltskin."

Nicolaus is completely right, that there is a *concordantia philosorum et theologorum:* a concordance of philosophy and theology. The difference lies only in the different expressions, not in the substance of the truth itself. And, is it not beautiful that, with the testimony of the "Dead White European Males," we can prove the Egyptian contribution to European culture? Universal History is a lot of fun!

EIR March 22, 2002 Feature 37

### **Exhibition Review**

# The Birth of the Individual As an Artistic Conception

by Muriel Mirak-Weissbach

#### "Egypt 2000 B.C."

An exhibit of Egyptian art of the Middle Kingdom (2150-1650 B.C.),

inaugurated in Würzburg, Germany in February 2000, and exhibited in Berlin and other museums of Germany up to the present. It is organized by the Munich and Berlin state museums.

One of the hallmarks of Western civilization, documented in its art, is the celebration of the individual human being, as the prime mover of history. It was the achievement of Classical Greek art, to have depicted the specific personality of the individual, whether cast as god or man. From Homer's epic poems, the Illiad and the Odyssey, into the Greek tragic tradition of Aeschylus, Euripedes, and Sophocles, it is the discrete individual whose actions determine the fate of future history, the most eloquent example being Prometheus. In the Christian tradition, this idea is revolutionized, as the discrete human being is no longer portrayed as the plaything of often fickle gods, against whom he may rebel, but as the son of God himself. God manifests himself in the form of Jesus Christ, thus signifying, as Christ's teaching makes explicit, that all men are born in the image and likeness of God the Creator. Furthermore, in the Christian tradition, just as Christ is uniquely the son of God, and is man, so is every human being a child of God, and as an individual, unique.

The conceptual breakthrough which occurred in Christian art in the 15th Century, known rightly as the Golden Renaissance, first of Italy, then of the northern countries, came in the form of a revolution in the pictorial depiction of the individual, and in the science of perspective. Whereas, in the Romanesque and later Byzantine art, the persons of Christ, the Virgin Mary, and others, were clearly identifiable by iconographic detail and position, the Renaissance, beginning with the 14th Century revolution in painting launched by Cimabue and Giotto, transformed them into unique historical persons—individuals, not icons. A glance at any painting of

the ensuing period of the 14th and 15th Centuries, from Leonardo da Vinci's "Nativity" to his "Last Supper," to Raphael's "School of Athens," or literally any other work of the great masters of the period, proves this beyond a shadow of a doubt.

#### 'Egypt 2000 B.C.'

Up until the present, it has been "politically incorrect" to suggest that the birth of the individual in Western art, might have occurred prior to Classical Greece.

Recently, a provocative exhibition in Germany posed the question, whether the concept of the individual had been developed even earlier, that is, by the forefathers of the Greeks, the Egyptians.

The exhibition, "Egypt 2000 B.C.," inaugurated in Würzburg, Germany, presented the hypothesis, that it was in the period of the Middle Kingdom (2150-1650 B.C.), that the individual as a concept, embodied in art, was first formed. To this end, the exhibition presented an impressive array of sculptures, both of pharoahs and of the common man, which are undeniably portraits. The idea is, that the breakdown of the Old Kingdom (2686-2181 B.C.) and the ensuing period known to later historians as the First Intermediate Period (2181-2040 B.C.), were social upheavals, during which the individual developed a critical view of the otherwise all-encompassing state system, and asserted the value of his individuality.

Thus, the art of the Middle Kingdom is seen as the birth of the individual. This period covers three dynasties, the 11th (2119-1976 B.C.), 12th (1976-1794/93 B.C.), and 13th (1794/93-1648/45 B.C.). The exhibition presented sculptures from this period, whose architectural remains are very limited, especially if compared to the rich monuments still standing from the Old Kingdom, the period of the pyramids, and the New Kingdom. Although the temples and other buildings from the Middle Kingdom have not survived, it is known from literary sources, that the period was considered by later generations in Egypt as a golden age. In the time of Ramses, the school texts spoke of authors from the Middle Kingdom by name; and, the plastic arts, especially sculpture, became the model

38 Feature EIR March 22, 2002



Amenemhets III, 12th Dynasty, 1853-1806. B.C.

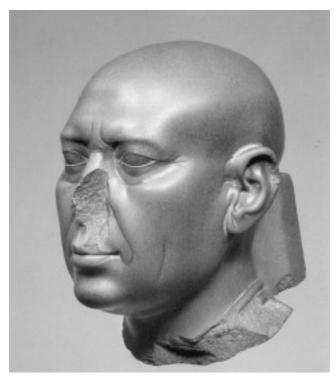
for the portraiture of the New Kingdom. This could be seen in the exhibition, in the comparison of the head of a male figure, from 1850 B.C., and the so-called "Green Head," from the 30th dynasty, around 400 B.C., sculptures which look as if they were contemporary.

There are two forms in which the new awareness of man, as an individual, became manifest in Egyptian art of this Middle Kingdom period: sculpture and literature.

The individual found expression in sculpture, even within the restraints of Egyptian statuary norms, which prescribe that the figure be presented frontally, in perfect symmetry. In sculptures of the pharoahs Sesostris I, II, and III, for example, it is immediately evident that, despite these formal constraints, each leader is depicted as a specific personality. Sesostris III is particularly easy to recognize, by virtue of the fact that the various sculptors portrayed him with characteristically prominent eyelids, and slightly downturned mouth. The exhibition happily included some fragments of scuptures of the head of Sesostris III, which, although mere fragments, still communicate the characteristics of the personality. The



"Head of a Man," 1850 B.C.



"Green Head," from the 30th Dynasty, around 400 B.C. In this later period, the Middle Kingdom was considered a golden age, to be emulated.

same principle applies to the portraits of Amenemhets III, from the 12th dynasty, son of Sesostris III, who is recognizable not only because of the Upper Egypt crown he wears, but because of the facial features delineated.

Most striking are the statues of male figures, which are

EIR March 22, 2002 Feature 39

not of pharoahs, but of ordinary people. These (numbers 71, 72, 73 in the catalogue), from 1850-1750 B.C., most convincingly document the fact, that it was the unique, personal identity of the individual in question which the sculptor strove to replicate.

#### A Revolution in Literature

But the most convincing documentation of this early discovery of individuality, is found in the literary texts. A number of texts on papyrus were displayed, in the hieratic script, and their content given in translation on tape. The texts are a delight. There can be no doubt, once one has heard the texts, that this Middle Kingdom literature ushered in a revolution. Markedly different from the tomb writings and biographies typical of the Old Kingdom, the Middle Kingdom texts are highly personalized—at times, intimate accounts of events which are light years away from the official chronologies. There were four texts shown in the exhibition, judiciously selected.

The first is the "Story of Sinuhe," well known and available in modern translations in several languages. Sinuhe, apparently employed in the harem of Amenemhet I, narrates the events surrounding the death of the King. His son, Sesostris, learns of the death while on the battlefield, and rushes home. Sinuhe, for reasons not immediately obvious, flees the scene, out of fear, and emigrates to Palestine, where, under the reign of Sheikh Amunenschi, he lives a prosperous life. He marries the Sheikh's eldest daughter, receives land, and even proves himself a valiant warrior in battle. When Sinuhe, already homesick for his native land, receives a letter from the new leader Sesostris, announcing that he has been absolved of all guilt, and inviting him to return, he leaves Palestine and goes home. There, after throwing himself at the feet of the new Pharoah, he is granted a high position in the administration. The tale is told in moving, personal terms, with a high sense of drama.

The second text, called the "Teaching of Amenemhet I," is in the form of an address of the deceased, now become a god, to his son and successor, Sesostris I. The dead King tells his son—as the ghost of Hamlet's father will tell him, millennia later—that his death was due to a plot, hatched in the harem. He expresses confidence in his son's ability to rule, and wishes him well. The piece was obviously intended to establish the legitimacy of the reign of Sesostris I, but its merits go beyond the political expedient.

The third text, the most fascinating of them all, is the famous "The Complaints of the Peasant," or "The Eloquent Peasant," from the 9th/10th dynasty, which relates the story of a peasant who wants to take produce to the market on the back of his donkey. On the way, he is robbed of both his donkey and its burden by a jealous tenant farmer. The peasant immediately goes to the man's superior to lodge a complaint. Rensi, the overseer to whom he appeals for justice, is struck by his case, but especially by the extraordinary eloquence of his complaint. Rensi informs the King, who organizes for the

peasant's wife and family to be provided for, in secret, but does not grant the peasant justice, until he has managed to have the latter's eloquent complaint recorded in writing. Then, the peasant is granted justice, he receives his due reward, and the robber is appropriately punished.

This story is extraordinary for several reasons: first, because it documents the social process whereby a simple peasant could seek justice, and receive it. Second, and most important, the story highlights the special significance that Egyptian society bestowed on language, on the power of eloquence. As Gunter Burkhard notes in his essay, the "perfected discourse" was considered a high ideal in Egyptian culture, the means through which the uneducated could be educated.

The last text presented in the exhibition, is that of a man, in dialogue with his soul, over fundamental questions of life and death.

To whom do I speak today? Brothers are evil, Friend of today, they are not lovable.

To whom do I speak today? Men are covetous, Everyone seizeth his neighbor's goods.

To whom do I speak today? Gentleness hath perished, Insolence hath come to all men.

To whom do I speak today? He that hath a contented countenance is bad, Good is disregarded in every place. . . .

Death is before me today, As when a sick man becometh whole, As when one walketh abroad after sickness.

Death is before me today As the odor of myrrh, As when one sitteth under the sail on a windy day.

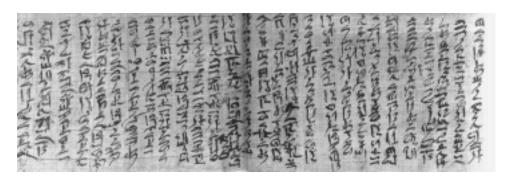
Death is before me today
As the odor of lotus flowers,
As when one sitteth on the shore of drunkenness. . . .

Death is before me today
As when a man longeth to see his house again,
After he hath spent many years in captivity....

#### A Break With Frontal Symmetry

Such richness in literature, of which the selected texts give only a taste, is testimony to the undeniable fact that the culture which produced it, the Middle Kingdom, placed special value on the mind, ideas, and actions of single individuals. And yet, there remains a distinct difference between the

40 Feature EIR March 22, 2002



"Report About the Dispute of a Man With His Ba," 12th Dynasty, ca. 1850 B.C. The text is the lament of a desperate man, facing death.

Egyptian achievement of the Middle Kingdom, and the later breakthrough in Classical Greece. The difference has to do with the revolution in artistic representation effected by the Classical sculptors, which broke with the frontal symmetry associated with the archaic periods in Egypt and Greece, and showed the human being caught as if in mid-motion. In pictorial art, it was accomplished through the revolution in the science of perspective. This not only altered the physical representation of the human figure, but also introduced an utterly revolutionary concept of the work of art, as eternal.

It was the great English poet John Keats, who grasped this concept better than any other, in his "Ode on a Grecian Urn." The work of art, in the case of Keats' ode, fixes action, suspending it in time, for all time. Only art is capable of doing this, at once portraying the specific historical moment of an event—whether historically significant, like a great battle scene, or utterly banal or commonplace, like the gathering of village folk for a wedding—and at the same time, fixing it forever, uncompleted. The ironies which Keats elaborates in his ode, are rich and unending: Although in real historical time, as referenced in the art work, the event was completed, effecting consequences on future developments, in the Classical work of art, it is suspended. Thus, Keats' lover will never complete the kiss he wishes to bestow on his beloved; yet, she will remain forever fair, will never fade. Mortality in the historical reality, is superceded by immortality, through art.

Capturing the human figure in mid-motion, was the precondition for communicating this idea of eternity, as a metaphor.

The great French historian, philologist, and founder of Egyptology, Jean-François Champollion, identified this fundamental progress effected in Classical Greece, over its Egyptian predecessors, in terms of a freeing of the art form, as art, from the literal representation. In his *Précis*, Champollion wrote: "The genius of these peoples [the Egyptians and the Greeks] shows itself to be essentially different. Writing and the imitative arts separate early and forever with the Greeks; but in Egypt, writing, design [drawing], painting, and sculpture, march on constantly [de front] toward one goal. . . . Each of these arts, and above all, the destination of their products . . . come to be confused in one sole art, the art par excellence, the art of writing" (Précis du Système Hiéroglyphique des

*Ancients Égyptiens.* . . 1828, pp. 430-431).

Champollion's insight helps to appreciate the achievements of the Egyptian sculptures, in particular, of the Middle Kingdom. At the same time, it helps to identify the extent to which the leap forward in conception, undeniably manifest in the portraiture of the sculptures and the literature, still does not constitute "art" in the sense in which we understand the Classical Greek achievement. As Champollion emphasizes, the art of writing and the written word were the fundamental principle of all Egyptian "art," and civilization; although this writing, in hieroglyphics, is an inextricable combination of the literal, the symbolic, and the metaphorical, it is and remains, language. In Classical Greek art, it is the metaphorical which, freed from the literal meaning, reigns supreme.

# Kepler's Revolutionary Discoveries

The most crippling error in mathematics, economics, and physical science today, is the hysterical refusal to acknowledge the work of Johannes Kepler, Pierre Fermat, and Gottfried Leibniz—not Newton!—in developing the calculus. This video, accessible to the layman, uses animated graphics to teach Kepler's principles of planetary motion, without resorting to mathematical formalism.

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EIR March 22, 2002 Feature 41

## **EXITINITE** International

# Iran's Leaders Point to LaRouche Sept. 11 Analysis

by Our Special Correspondent

When President George Bush declared, in his State of the Union message on Jan. 29, that Iraq, Iran, and North Korea were members of an "axis of evil," he was escalating the "war against terrorism" first launched in the wake of the Sept. 11 attacks, essentially identifying the next among targetted nations. In Baghdad, Tehran, and Pyongyang, political leaders immediately rejected the charges; mass demonstrations, particularly in Iran, showed that it was not just the leadership, but vast layers of the population, who protested.

The most politically significant response came from Tehran. Unlike Iraq and North Korea, which have been high on the list of Washington's "rogue states," Iran seemed to have been accorded a slightly less belligerent status, at least in some U.S. policy quarters. Especially in the context of the U.S. war in Afghanistan, Iran had been accommodating: Itself the primary target of Taliban terror and drug-running over years, Iran had good reason to cheer the elimination of these networks. In the UN-sponsored conference in Bonn, Germany, which pieced together Afghanistan's post-Taliban government early this year, Iran had played a quiet, but important diplomatic role, and followed up with concrete offers to help reconstruction. It had also hosted 2.5 million Afghan refugees fleeing Taliban terror.

#### Attack on the Official Line

Thus, when Bush pronounced the "axis of evil" doctrine, political figures in Tehran, insulted and betrayed, concluded that the previous, ostensibly softer tones from the United States, were as fraudulent as the entire "war on terrorism." In early March, some leading members of the Iranian establishment pulled the plug, attacked the fraud of the official line on Sept. 11, and pointed to the truth, citing American 2004 Presidential pre-candidate Lyndon LaRouche.

On March 4, the radio Voice of the Islamic Republic of Iran (English-language) interviewed LaRouche by telephone. LaRouche elaborated in some detail the nature and significance of the attempted coup d'état involving the Sept. 11 attacks, and named the figures prominent in the faction around Zbigniew Brzezinski, who are promoting a Clash of Civilizations. The interview was aired four times that week, and a Farsi summary circulated throughout the press, both in Iran and internationally. On March 9, the story appeared in the English-language daily Tehran Times, as well as on national radio and TV news in Farsi, and in the print media. The *Tehran* Times website story ran as follows: "A U.S. Presidential candidate in the 2000 [and 2004] election, Lyndon LaRouche," has said that the Sept. 11 terrorist attacks were organized by rogue elements inside the U.S.A., "aiming to use the incident to promote a war against Islam.

"In an interview with the Voice of the Islamic Republic of Iran, LaRouche said that the attacks were not organized by a foreign group or organization," but that American factions "had been involved in the attacks, which claimed more than 3,000 lives.

"Naming former U.S. National Security Adviser Zbigniew Brzezinski, 'Clash of Civilizations' author Samuel Huntington, and former Secretary of State Henry Kissinger . . . LaRouche said the above-mentioned figures had been harboring the idea of 'Clash of Civilizations' for years and had been trying to promote a war. . . .

"Referring to U.S. President George W. Bush's 'axis of evil' remarks against Iran, Iraq, and North Korea, LaRouche said Bush was not a thoughtful politician. He stated that the U.S. President was only following orders and that his recent remarks were dictated to him by others.

"Elsewhere, he called the Zionist regime a dictatorial re-

42 International EIR March 22, 2002

gime and said that Tel Aviv was prepared to commit Nazistyle crimes against the Palestinians. . . . LaRouche added that officials such as Wolfowitz, Deputy Secretary of State Richard Armitage, and senior U.S. Defense Department adviser Richard Perle were seeking to create tension and instability in the Middle East."

#### Rafsanjani Cites LaRouche

The previous day, Ali Akbar Hashemi Rafsanjani, former President of Iran and currently head of the Expediency Council, cited LaRouche in a speech following Friday prayers. In Iran, political addresses delivered on Fridays, especially by leading figures such as Rafsanjani, are comparable to a State of the Union message, but on a weekly basis. They outline the direction the leadership is taking. The Expediency Council is designed to coordinate among Iranian institutions, and is considered the seat of political consensus. Rafsanjani's speech, "War in the Region Will Serve Nobody's Interests," was paraphrased in the Farsi press:

"We are not in a war with America. We hope that the Americans will not commit the blunder and get their hands stained in the war. . . . The outbreak of war in the region would not be of any benefit to the aggressor nor to the victim.

"Hashemi Rafsanjani referred to the efforts being made by the U.S. and its allies to expand their dominance in Afghanistan, Central Asia, and the Caucasus, and indicated that if the intention is to protect the Afghani people and to save them from poverty and misery, that would be a desirable thing. But all available evidence indicates that there are other objectives behind this presence. He referred to the recent statements made by Lyndon LaRouche, who is one of the candidates in the American Presidential elections, on the Sept. 11 events, saying: 'LaRouche has announced frankly that American figures . . . were directly involved in the Sept. 11 attacks in New York. And their objective is to pave the way for launching a war against Islam and Muslims.' The Chairman of the Expediency Council added: 'According to Western mass media reports, 120 Zionists were recently arrested in connection with the recent events." Here the Iranian leader referred to EIR's exposé of large-scale Israeli espionage around Sept. 11 in the United States, only recently acknowledged in U.S. Drug Enforcement Administration documents, for example.

Rafsanjani also referred to America's internal crises, especially in the economy, saying: "The United States is suffering from a budget deficit, and is trying to blackmail the others in order to cover the increase in the defense spending, amounting to more than \$100 billion."

He concluded by emphasizing the importance of unity of all sectors of Iranian society—something which Bush's "axis of evil" formulation had indeed assisted.

Rafsanjani's remarks were published on March 9 in all Persian-language and Arabic dailies monitored over the Internet, although Reuters and Agence France Presse coverage carefully avoided mention of LaRouche. The *Wall Street Journal*'s online edition on March 13 nervously attacked the



A leading Iranian daily signals that Iran's leadership, in the face of rapidly increasing threat of general war throughout the Mideast, has taken hold of Lyndon LaRouche's strategic analysis of the events and "policies of Sept. 11."

*Tehran Times* for adopting Lyndon LaRouche's strategic analysis of Sept. 11. The *Journal* had similarly attacked Malaysia's Prime Minister Mahathir in 1998, for adopting LaRouche's *economic* analysis.

#### **Great Debate in Iran**

On March 9-10, as these explosive developments were going on, Tehran convened an international conference on "The Persian Gulf-Asia in the Light of New International Developments." The conference was sponsored by the Institute for Political and International Studies (IPIS), a think-tank associated with the Foreign Ministry. The Sept. 11 events were a primary topic of the many speakers from Persian Gulf and Asian countries.

The conference opened with a message by President Seyed Mohammad Khatami, read by Deputy Foreign Minister Seyed Sadegh Kharrazi. Khatami stressed that the conference took place at a time when the world needed a culture of dialogue and wisdom, to overcome war and conflict. In Khatami's view, Asian nations have understood these factors and have opted for a civilizational dialogue, for peace and economic development.

The keynote address was by Hasan Rouhani, Secretary of the Supreme National Security Council, who is also adviser to the President, representative of Supreme Leader Khamenei, and a member of the Expediency Council. Rouhani started by saying that the Sept. 11 attacks had produced a new picture of the American people, as a people that had been wronged and attacked. This caused solidarity and popularity for the American people, which Rouhani wished had endured. It did not, he said, as a result of the actions the U.S. govern-

EIR March 22, 2002 International 43



The international conference on the Persian Gulf, in Tehran on March 5-6, one of many fora in which the LaRouche analysis of Sept. 11 was presented that week: here, by EIR's Muriel Mirak-Weissbach (to the right of banner).

ment then took.

Rouhani said the United States could have reacted by addressing the reasons for resentment of American policies; for example, by launching "a new international Marshall Plan to eradicate poverty and injustice in the world." This would have "won the hearts and minds of the populations of the world." It could have taken legal steps to bring the perpetrators to justice, according to international law. Asked for evidence, President Bush said that now is the time for war, not evidence. Rouhani characterized Bush as taking a third way: abusing the act of terrorism in order to achieve the goals of a new doctrine of U.S. dominance and of Israeli dominance in the Middle East. He charged that the U.S. administration is, in addition, establishing a domestic regime in violation of human rights.

Like Rafsanjani, Rouhani also referred to LaRouche's analysis, citing "an American" who had spoken of "a military coup d'état." And, he said, U.S. policy was moving in the direction of a new "Roman Empire."

LaRouche's analysis of the Sept. 11 events, and their aftermath, was the subject of a paper presented to the conference by Muriel Mirak-Weissbach, of *EIR*'s editorial board. That session's chairman called the analysis "surprising and shocking" to many, but "realistic, and we have to face reality." What was found particularly important, was the connection that LaRouche drew between the financial breakdown crisis, and the attempted coup.

Days after the conference, the *Tehran Times* ran excerpts from Mirak-Weissbach's speech as a two-part series.

#### The Message From Tehran

The top Iranian personalities issuing these statements on LaRouche's analysis are seasoned political figures, who have had long, trying experience with U.S. hostility. They had, however, been seriously concerned, in the recent period, to improve relations—even achieve a reconciliation—with Washington.

Rafsanjani and other Iranian leaders are aware of the reality of what LaRouche has called "the policies of September 11," and sense the unprecedented dangers that the Brzezinski faction's policy course has opened up, regionally and globally. Thus, their insistence that any aggression against Iran (or Iraq), would unleash a war which would benefit neither aggressor nor victim.

But Iran will rally, despite internal frictions, to defend its independence and sovereignty, regardless of the cost.

The clear embrace, in various political forums and the press, of the analyses of LaRouche, is a signal which should be understood by Washington.

And, at the same time, the fact that European leaders were rolling out the red carpet to welcome Iranian President Khatami, is another such signal. Khatami visited Austria, where he signed agreements for 1 billion euro worth of investments for Iranian infrastructure projects; held talks with European Union foreign policy adviser Javier Solana, who pledged continued "constructive and positive" dialogue with Tehran; and was welcomed in Greece, where President Konstantinos Stephanopoulos told him, "Greece doesn't recognize axes, evil or otherwise."

44 International EIR March 22, 2002

# Countdown Has Begun To Iraq War Folly

by Muriel Mirak-Weissbach

Despite the reiterated public assurances by National Security Adviser Condoleezza Rice and Secretary of State Colin Powell, that "no decision has been made regarding Iraq"—assurances being religiously repeated by European leaders in mid-March—there can be little doubt that the decision to launch a war against Iraq has been made, with both military and diplomatic preparations under way.

Those preparations are being pushed on U.S. President George Bush by a "global empire" faction—easily identified with the name Zbigniew Brzezinski, for example—which has gained strength from the Sept. 11 attacks and growing desperation from the onrushing financial collapse. After the President's State of the Union address, Secretary of State Powell asserted, contrary to his own earlier reservations about aggression against Baghdad, that "regime change" is the policy of the Bush Administration. Shortly thereafter, it was announced that Vice President Dick Cheney would make a tour of the Middle East and Persian Gulf, to pull together a coalition for the next war against Iraq.

At the same time, Washington announced that Anthony Zinni would be travelling to the Middle East, in an effort to broker a cease-fire between the Palestinians and Israelis, in a conflict which had reached unprecedented levels of violence. With Israeli aggression at its current levels, Arab nations' tolerance of American aggression against Iraq, is impossible.

On March 11, the White House announced that Bush would travel in May, not only to Russia, but also to Germany and to France, where he would spend Memorial Day in a highly symbolic visit to the Normandy beaches. He will also have a summit meeting with British Prime Minister Tony Blair in April. Treasury Secretary Paul O'Neill has also been deployed to the region, for important talks in Saudi Arabia.

#### An Unworkable Quid Pro Quo

The stage was set for a campaign against Iraq, in the sessions of the UN Security Council and Sanctions Committee, in New York in the week of March 4. U.S. Ambassador John Negroponte presented "classified intelligence material" which allegedly proves that Iraq is developing weapons of mass destruction. Reportedly he showed photos of trucks used by the Iraqis in the UN "Food for Oil" program, which he said were being converted into missile launchers. (This claim was publicly ridiculed by veteran UN arms inspector in Iraq, the American Scott Ritter, at forums in Washington.) Negroponte

was strongly supported by British UN Ambassador Sir Jeremy Greenstock, while back in London, British Foreign Secretary Jack Straw wrote an article for the London *Times* on March 5, warning of the growing "nuclear weapons threat" from Iraq, and echoing Prime Minister Blair's stated promise, that Britain would soon be releasing a dossier, on this "threat."

Cheney began his tour with a visit to London on March 11, during which Prime Minister Blair pledged his support; then went on to the Middle East. Zinni arrived on March 14. The timing was part of a coordinated thrust: Zinni's mission was to calm down the situation, so as to signal to the Arabs that Washington was finally doing something to stop the escalation, thus enabling Cheney to pressure the same Arabs to join the coalition against Iraq.

As Nathan Guttman of Israel's daily Ha'aretz wrote on March 8, commenting on some critical tones coming from the administration against Sharon: "Another factor that prompted Powell's criticism was Vice President Dick Cheney's upcoming visit to the region. Cheney is coming to persuade Arab states to support a U.S. strike against Iraq—and that will be difficult to do if the television screens are full of nightly broadcasts of Palestinian suffering." On March 12, the United Nations Security Council voted unanimously for a resolution calling for a "vision of a region where two states, Israel and Palestine, live side by side, within secure and recognized borders." One leading Russian strategic analyst told EIR this was "strictly a move to cover the Israeli flank, as part of the preparations for war against Iraq are made. You can't start a war against Iraq, until the horrifying violence between Palestinians and Israelis is calmed down."

#### No Coalition Now

That the U.S. government's aim is to prepare the war, was made clear in President Bush's speech on March 11, and in a press conference on March 13. Bush's leitmotif was that other nations had to accept U.S. determination to go after Iraq for its alleged determination to possess weapons of mass destruction. Bush said, "Every nation in our coalition must take seriously the growing threat of terror on a catastrophic scale terror armed with biological, chemical, or nuclear weapons. America is now consulting with friends and allies about this greatest of dangers, and we're determined to confront it." In his remarks to the press, his first such press conference in five months, Bush went a step further, saying, "All options are on the table," including nuclear weapons, "because we want to make it very clear to nations that you will not threaten the United States or use weapons of mass destruction against us or our allies or our friends."

That Iraq was the case in point, was also explicit: "One thing I will not allow is a nation such as Iraq to threaten our very future by developing weapons of mass destruction."

Cheney echoed Bush's words almost verbatim. In a joint press conference with Egyptian President Hosni Mubarak, he declined to say whether they had discussed an attack against

EIR March 22, 2002 International 45



Baghdad, but acknowledged that they talked about "the threat that weapons of mass destruction pose to all of us." He added, "Our next objective is to prevent terrorists, and regimes that sponsor terror, from threatening America or our friends and allies with weapons of mass destruction." Finally, "The United States will not permit the forces of terror to gain the tools of genocide."

The welcome Cheney received was not what he might have expected. In Jordan, his first stop, King Abdallah II told him outright, that he opposed any plan to attack Iraq, as it would undermine the anti-terrorism war, and destabilize the region. Abdallah urged the United States to address whatever problems there may with Iraq, through diplomatic and peaceful means. The Jordanian foreign minister added that Iraq's territorial integrity must be safeguarded. He pointed to the fears of violent repercussions of such a war inside Jordan, where over half the population is Palestinian. Furthermore, he pointed out that, were Iraq under siege, Jordan would have to pay \$500 million for alternative supplies of the oil it receives from Baghdad—money it does not have.

Egyptian President Mubarak told Cheney much the same thing on his next stop. Egypt is opposed to any American plan to oevrthrow Saddam Hussein, and is committed "to maintain the sovereignty and territorial integrity of Iraq... to preserve regional stability." Mubarak introduced another element, of potentially decisive significance. He said he thought Saddam Hussein should be given the opportunity to comply with UN reoslutions regarding inspectors. "And I think," he added, "as far as my knowledge is, that he is going to accept the inspectors." UN General Secretary Kofi Annan had met a week earlier with Iraqi Foreign Minister Naji Sabri, in what were characterized as constructive talks, about the inspections regime. Mubarak was intimating that Baghdad might surprise the UN and United States, by complying.

# **Economic Monkey** Wrench?

This would throw a monkey wrench into the current U.S. plan for a build-up to war. That plan now, is to introduce the inspections issue formally at the UN in May, when it comes up for review. An ultimatum will be presented to Baghdad, with the assumption that it will be rejected. Various diplomatic gestures will be made; then, in early Summer, it will be said that all such efforts have failed, and therefore war is necessary. The fact that France will have elections in April-May, and Germany in September, means Washington can count on the Europeans' being somewhat paralyzed. Considering weather conditions in Iraq, and

the scheduled mid-term elections in the United States in November, it is likely that the war plans may be set for September-October.

However there are, again, powerful factions in the United States and Britain who want war much sooner; just as there is growing opposition to the war in both countries. Lyndon LaRouche and his movement have become the hope of the entire Middle East, to somehow throw both the Iraq war and Israel's fascist aggression off the track. LaRouche says that above all, the oncoming economic crash is the "monkey wrench" in the war plans—even though it is, paradoxically, the most powerful factor driving the Brzezinski faction to a global religious war calculation.

It is an open secret that the United States is committed to do everything possible, to ensure that Iraq *not* comply with UN inspectors. A senior official in Cheney's office said, prior to his departure for his tour, that "the question of inspectors is secondary," and firmly rejected "the notion that an inspection regime solves the problem." Cheney himself went on record saying that any inspectors would have to be allowed total access, "everywhere and all the time." In short, the inspections issue is a ruse, and will be exploited merely to establish the pretext for war.

However, were Iraq to respond out of profile, a new situation could emerge, creating the need for new ideas in Washington.

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46 International EIR March 22, 2002

## War in Afghanistan: Worst Is Yet To Come

#### by Ramtanu Maitra

As the celebrated battle for the Arma Mountains wound down, the United States was again faced with the realities of Afghanistan. Despite Afghan interim chief Hamid Karzai's brave words that this was the "last battle" for the Taliban and the al-Qaeda, it is evident that the proverbial last battle will remain an illusion.

The American war machine will continue to notch up victories, eliminating a large number of Afghans—including members of the al-Qaeda, the Taliban, and many non-partisan individuals. At the same time, the Pentagon's claim of killing 700 al-Qaeda and Taliban in the Arma Mountains' caves and ledges was grossly exaggerated. News reports indicate that most of the Afghan opposition fled, helped by local commanders, and are consolidating in the eastern adjacent provinces of Paktia, Wardak, Khost, and Ghazni. *Asia Times Online*, citing unconfirmed sources, has even claimed that the Afghans have taken along with them some U.S. soldiers as hostages. Some al-Qaeda and Taliban forces have also slipped into the Taliban-friendly tribal areas nominally controlled by the United States' ally, Pakistan.

Even if the Pentagon succeeds in victoriously killing off all the known anti-U.S. groups, it is almost a certainty that the American presence will not be tolerated by the Afghans—Pashtun, Tajik, Uzbek, Hazara, or just plain Afghan. As a result, the American forces have no choice but to fight Afghans as long they stay in Afghanistan. What could be worse, is the fate of those who are supporting the United States. It is likely that they will be pressured by the rest of the population, as the pro-Soviet Najibullah regime faced popular wrath once the Russian troops were withdrawn in 1989. In fact, the process may have begun already.

#### **Lessons Forgotten**

The United States is not wholly unaware of this syndrome. Americans encountered the "disease" in Vietnam in the 1960s, and forgot all about it. But, they might have remembered it now.

Hamid Karzai, a suave and Westernized Pashtun belonging to the royal Durrani tribe, was hand-picked to keep the throne of Afghanistan warm for the exiled 87-year-old King Zahir Shah. Washington hopes that those Afghans who were instrumental in putting Zahir Shah out to pasture in 1973, will

now welcome him back. Will they? Afghans note that quite a few virulently anti-Zahir Shah leaders, including former President Burhanuddin Rabbani, are very much in the thick of things, and they have made clear their disinterest in bringing the King back from Rome.

Meanwhile, Karzai is acting much like a travelling salesman for the American formula to the nations of the region, trying to garner support for Zahir Shah. It is expected that the former monarch will arrive in Kabul on March 21 to celebrate the Zoroastrian New Year, Nauroze.

Washington is suffering from a number of illusions. One is that it expects to establish peace on the back of the decrepit exiled King. But is Afghanistan, torn by foreign invasions, internecine war, and constant interference by neighboring nations, likely to embrace peace under a King who left his country in 1973, and has not been seen once, while an invader was ripping the country apart? Such American "optimism" is based on the idea that in the "global war on terrorism," anything is attainable; that past experience and history are non-essential factors; and that money can buy arms, friendship, good will, and loyalty.

In fact, the opposition to King Zahir Shah is more deeply entrenched within the country now than ever before. Afghanistan has been at war since 1979, when the Soviet tanks rolled into Kabul with Babrak Karmal sitting on the gun barrel. During the following ten years that it took the Afghan warlords, bankrolled by the West, to drive the Soviets back, King Zahir Shah was in Rome licking his wounds. Once the Soviets were driven out, the King used his Western connections, unsuccessfully, to get back to power. That game ended in 1995-96 when the Taliban took over, and then, Zahir Shah became a nonentity.

Now, it seems Afghanistan has come full circle. Zahir Shah is again the solution, claims the West. But the Afghan warlords, who have built their private armies all these years, do not want the old deposed monarch to take power in Kabul, backed by Washington. Moreover, the dominant United Front (formerly the Northern Alliance), which consists mostly of the Panjshiris, Uzbeks, and a smattering of Pashtuns, have no love lost for the old monarch. Pashtun warlords, who cherish their anarchic independence, see no reason to accept the diktat of an old monarch who is backed by ruthless Anglo-American power.

Zahir Shah's arrival will evoke mixed reactions in the region. Hamid Karzai was recently in Iran and Russia, among other nearby countries, to garner support for his King. For now, both Iran and Russia will support Zahir Shah's arrival, but for how long?

Moscow and Tehran both want a stable Afghanistan, but will watch the post-return period of Zahir Shah like hawks. Iran got rid of its Shah in 1979, and will not like to see monarchy re-established in its neighborhood under the auspices of the United States. Tehran is worried that this may give the deposed young Shah of Iran, now in the United States, and

EIR March 22, 2002 International 47

his Western backers, some ideas.

Moscow has its own reasons to find Zahir Shah's return pregnant with problems. Over the years, it has built up the United Front, centering its power in the current Afghan Defense Minister, Gen. Mohammad Qassam Fahim, and the former KGB General and head of the 40,000-strong Uzbek Jumbish-e-Milli, Abdur Rashid Dostum. Dostum, whose ruthlessness is legendary in Afghanistan, is now Karzai's Deputy Defense Minister. Both Fahim and Dostum oppose Zahir Shah and both are very close to Moscow.

In addition, the Tajiks and Uzbeks, as well as the Hazaras of western Afghanistan, fear that with the return of Zahir Shah, the country's political and military power will revert to the Pashtuns. Russia's likely concern, is that it would mean the United States would then be in full control of Afghanistan. It should also be remembered that it was the United Front, backed by the massive bombing by the American B-52 bombers, that ousted the Taliban and won Kabul for Hamid Karzai.

#### The Second Illusion

President George W. Bush has sent Maj. Gen. Charles C. Campbell to Kabul to oversee the formation of a National Afghan Army to deal with the warlords and many such anarchic elements that roam the plains and hills of Afghanistan. An international security force (ISAF) is stationed in Kabul. Karzai, prodded by the United States and the United Kingdom, wanted to expand the ISAF beyond Kabul. However, General Fahim and the United Front have shot down this proposal. The reason is not difficult to comprehend. So far, the Afghan Army consists of United Front soldiers, with only a handful of Pashtuns. The plan to build a National Afghan Army is in trouble, since its entire leadership, so far, is in the hands of the United Front, represented by Tajiks and Uzbeks.

The largest ethnic group in Afghanistan is the Pashtuns, who are 40% of the population. But of 38 generals whom General Fahim appointed, 37 are Tajiks and one is Uzbek. So the current National Army plan means that soldiers recruited from the 15-17 million-strong Pashtun population, will serve under a command structure made up almost entirely of Tajiks. Moreover, 35 of the 38 generals hail from one small area north of Kabul, long the stronghold of the Panjshiris.

At the same time, instead of putting their efforts in building a truly national army which will represent the Afghan people, the three key ministers of the Karzai government have been jostling to carve out political territory for their faction. Interior Minister Yunus Qanooni, Foreign Minister Abdullah Abdullah, and particularly Defense Minister General Fahim—all Panjshiris from the United Front—have strongly backed people loyal to themselves, not to Karzai or the nation as a whole. It was their appointees and associates whom Karzai accused of successfully plotting to assassinate Civil Aviation Minister Abdul Rahman, at Kabul Airport in February. Rahman had switched his loyalty, years ago, from the

Northern Alliance to the pro-Zahir Shah group.

Another large problem looms: The Bush Administration is silent on the opium issue. News reports tell of poppy plants shooting up in thousands of acres of eastern and southern Afghanistan. Farmers have already taken drug traders' loans, to be paid back in raw opium. Observers in Afghanistan foresee a crop of 3,000 to 3,500 tons—far below the year 2000's record crop, but enough to produce 300-350 tons of pure heroin, primarily headed for Europe. Washington's silence is, perhaps, maintained because it is not willing to do what must be done to stop the murderous heroin trade. The U.S. priority for the next few months, when the opium will be harvested and the drug money will be made, remains to demolish the al-Qaeda and the Taliban. Afghanistan has no national army which can monitor the poppy fields and destroy the crops. Thus, silence on this problem.

#### **Kabul Cools Its Heels**

But the consequences of this failure will be a powerful reality. The heroin cash will strengthen a whole range of Afghan warlords. Setting aside moral issues, the warlords strengthened by the drug money will continue with their anarchic ways, independent from Kabul.

Washington's other major failure is its unwillingness to strengthen Karzai, the lone Afghan in Kabul with a multitude of problems. U.S. military commanders have made it a point to deal directly with the Pashtun warlords, and they are hiring and firing Afghans at a daily rate for battles against al-Qaeda. Kabul is hardly involved. In fact, when the United Front army went to the Arma Mountains to lend the American-led troops a helping hand, the Pashtun recruits resented it. They do not trust the Panjshiri-dominated United Front army. They fear it may go on a Pashtun-killing spree, given half a chance. Even setting aside these genuine concerns, Washington has undermined Karzai's authority by dealing directly with the Pashtun warlords.

Worse for Karzai, is the United States' unwillingness to kick-start the reconstruction of Afghanistan. How much money is required to rebuild Afghanistan is not known. The World Bank says that some \$16 billion is needed over the next ten years. A more likely figure may be \$100 billion over ten years. At the Tokyo conference on Afghan reconstruction, Secretary of State Colin Powell pledged only \$300 million to Karzai. The entire developed world gave the Afghan interim chief IOUs amounting to \$4.8 billion. Unfortunately, Karzai has seen only some \$20 million so far, at a time when most of the country is starving and the economic infrastructure has been bombed to extinction for more than two decades.

When an Afghan asks, when will reconstruction begin? The answer is: When the situation gets stable, when al-Qaeda and the Taliban are no more, when Afghanistan has a National Army, when Afghanistan accepts a central authority, and the list goes on. Afghans hope to survive to see the end of the United States' "long war against terrorism."

48 International EIR March 22, 2002

# Can Repeat of Warsaw 1943 Be Stopped In Palestine?

#### by Dean Andromidas

On March 11, the Israeli military launched the most massive and brutal military operation yet against the Palestinians since the 1982 Lebanon war. Only hours before the tanks began to roll into the Palestinian Authority, Israeli Prime Minister Ariel Sharon announced that P.A. President Yasser Arafat would no longer be a prisoner of his office in the West Bank city of Ramallah—a "concession" intended to deflate the mission of U.S. Middle East envoy Gen. Anthony Zinni (ret.). The attack, a cynical display of brutality by Sharon, resulted in more Jewish blood being spilled, as suicide reprisal attacks soon followed in Jerusalem and elsewhere in Israel.

This bloody rampage merely confirms the determination of Sharon and his generals to push the region into a bloody war, in which he can drive the Palestinians into neighboring Jordan and Egypt.

The brutality of the operation and international outrage prompted the Bush Administration to submit a United Nations resolution, "affirming a vision of a region where two states, Israel and Palestine, live side by side." The Bush Administration hopes such a diplomatic effort will facilitate the visit to the region by Vice President Dick Cheney, while supporting Zinni's efforts to get a cease-fire on the ground.

The Zinni mission is being seen, especially in Israel, as simply an attempt to create calm on the Israeli-Palestinian front in order to gain Islamic support for an attack on Iraq that could occur as early as June. Given the situation on the ground being created by Sharon and his generals, such a policy would simply be the prelude to the Clash of Civilizations promised by the likes of Samuel Huntington and his cohorts in the Bush Administration.

#### Sharon's Nazi Tactics Continue

In the first two weeks of March, Sharon and his generals have deployed 20,000 troops—almost the entire regular army and military establishment—in operations throughout the West Bank and Gaza. Israeli Chief of Staff Gen. Shaul Mofaz told the Knesset (parliament) that the goal of this "Operation Security Imperative," is to crush the Palestinians' "will and capability to act against us." Mofaz said that the operation was launched ahead of the Zinni mission so that Israel would enter cease-fire negotiations from a position of strength.

The model for Operation Security Imperative is the Nazi assault on the Jewish resistance in the Warsaw Ghetto. Let

there be no doubt of this fact. *EIR* has reported how the Israeli military itself has admitted to studying the "lessons" of that most infamous of military operations, lessons that are spelled out in the after-action report of its commander, SS and Police Fürher Jürgen Stroop (see *EIR*, Feb. 8, 2002). The IDF "tested" these lessons on Feb. 28, with assaults on the Balata and Nur al-Shams refugee camps on the West Bank (see *EIR*, March 15, 2002).

Now, Operation Security Imperative is far more massive and brutal. In less than one week, the Israeli military killed more than 200 Palestinians and wounded thousands, mostly civilians. Seven refugee camps have been attacked: the Amari, Balata, Qualqiliyah, Deheisheh, and Nur al-Shams camps on the West Bank, and the Jabalya and Rafah camps in the Gaza Strip. In addition, the West Bank cities of Ramallah, Bethlehem, Tul Karm, and Jenine, and Gaza City and villages in the Gaza Strip, have also been attacked.

Italian journalist Raffaele Ciriello became the first journalist killed since the Intifada (uprising) began in September 2000, when he was shot by an Israeli tank.

The Israel military has dropped all pretense of only targetting so-called "terrorist infrastructure." In the Gaza Strip on March 12 alone, 30 Palestinians were killed, including two children. According to Israeli press reports, most were killed when helicopter gunships fired into refugee camps, and most were civilians. In this one day of fighting, almost 100 people were wounded, including 22 children.

On the same day, more than 100 tanks entered Ramallah, taking up positions 250 meters from Arafat's West Bank headquarters, and throughout the city, the largest in the West Bank. The tanks rolled into the city within hours of Sharon's announcement lifting the travel ban imposed on Arafat. As if to make the point of his overlordship, a Palestinian guard was killed right in front of Arafat's compound. Israeli bulldozers damaged dozens of water mains while digging ditches across

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EIR March 22, 2002 International 49

### **New Peace Group Forms**

On March 10, a group of Mediterranean personalities gathered in Monaco to form a new Middle East peace organization called the Club of Monaco. Its founding statement declares the participants' intent "to contribute to the search for peace and stability" in the region. According to the March 14 Israeli daily *Ha'aretz*, the statement says that "only a two-state solution on the basis of the June 4, 1967 border can ensure a just and lasting peace for the two peoples." The statement also welcomes the peace initiative of Saudi Crown Prince Abdullah.

The list of initiators includes two former Secretaries General of the United Nations, Boutros Boutros-Ghali and Javier Pérez de Cuéllar; former Arab League Secretary General Ismat Abdel Maguid; former Algerian Prime Minister Sid Ahmed Ghozali; former Prime Minister of Greece Constantine Mitsotakis; the adviser to the King of Morocco, Andrei Azoulay; and the head of the Sahara Fund, Mohammed Madani Al-Azhari.

From Israel is former Justice Minister and architect of the Oslo Accords Yossi Beilin, and from the Palestinian Authority, Sari Nusseibeh, the minister in charge of Jerusalem Affairs, and Leila Shahid, the Ambassador to Paris.

Boutros-Ghali was elected president of the group, and Beilin and Shahid drafted its founding statement.

One senior Middle East source stressed that out of such a group of former heads of state and political elites, a new Oslo peace process could be born.

streets as they built siege-works throughout the city. Geysers of water could be seen in many places, cutting off water to much of the city, which especially affected the hospitals. Military operations prevented ambulances from responding to emergencies, and hospitals were running out of essential supplies, including oxygen and food.

The United Nations Relief and Works Agency (UN-WRA), which oversees UN-supported relief operations in the refugee camps, formally protested to the Israeli government, charging that the Israeli Defense Forces (IDF) has damaged or destroyed 1,620 houses in attacks on three refugee camps, directly affecting more than 10,000 people, mostly women and children. In addition, 14 public buildings were seriously damaged, including nine UNRWA-managed schools, many of which were seized by the IDF to be used as military command centers.

The Israeli-Palestinian group Physicians for Human Rights protested to the IDF for its constant attacks on Palestinian ambulances. Since the Intifada began, there have been attacks against more than 165 ambulances, and more than 135 paramedics have been wounded. In the recent engagements, two doctors were killed, including the head of the Red Crescent in Jenine. Medical officials report that it is almost impossible to perform emergency operations. The group's director, Tomer Popper, also charged that the Israeli military has yet to come up with any evidence to its claims that the Palestinians use ambulances to transport healthy Palestinian fighters.

If General Mofaz persists in his declared aim to crush the "will" of the Palestinians, the use of Nazi tactics will escalate. Israel is fighting against a national liberation movement and, as in every people's war, the Palestinian fighters are offering little resistance against Israeli tanks, helicopter gunships, and F-16 fighter-bombers. While the Palestinian paramilitary police are not resisting, the militias have withdrawn their fighters from the front line. Thus, the Israeli military is conducting massive reprisals aimed at the civilian population.

In the early morning of March 12, Israeli tanks surrounded the Deheishe refugee camp, near Bethlehem, and began to indiscriminately fire into the camp as a warning not to resist. A curfew was then announced over loudspeakers, and all male inhabitants between the ages of 15 and 45 were ordered to assemble at one of the camp's two schools, while heavily armed Israeli soldiers conducted house-to-house searches. At the school, the men and boys were ordered to line up, raise their hands over their heads, pull off their jackets and shirts, and empty their pockets. They were then blindfolded and handcuffed and forced to stand for hours in the hot sun. Then. one after another, IDF troops led them to an empty warehouse to be interrogated and photographed. Another group of some 100 Palestinians in the neighboring village of Artas were treated similarly. Each prisoner was forced to wear a colored cap—black designated suspected members of the Al-Aqsa Brigades, red for suspected activists of the People's Front for the Liberation of Palestine (PFLP), etc.

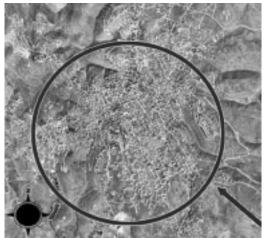
#### **Opposition Continues To Grow**

Israeli officers gave each prisoner a number, which they wrote on the prisoners' forearms, in precisely the same way the Nazis had tatooed the Jews. Arafat denounced these Nazilike practices, and outrage is also growing among Israelis. Knesset member Yosef (Tommy) Lapid, leader of the Shinui party and a former concentration camp victim, confronted General Mofaz during a meeting of the Foreign Affairs and Defense Committee. Lapid said that as a Holocaust survivor he found IDF practice intolerable, and expressed his shock.

Arab-Israeli Knesset member Mohammed Barakeh (Hadash), in a letter to Dr. Shevah Weiss, the chairman of Yad Vashem Holocaust Museum, declared, "For many years, the Israeli army, which is ironically called the Israeli Defense

50 International EIR March 22, 2002





A map of the West Bank city of Ramallah targetted by Israeli Defense Forces on the IDF's website, and a Nazi SS gun crew involved in the attack on the Warsaw Ghetto during World War II. The Israeli military is increasingly using Nazi tactics against the Palestinians.

Forces, have been conducting a massacre of the Palestinian people in the occupied territories under the command of the Israeli government. In these wretched days, I've asked myself more than once how, within such a short period of history, the victim has become the murderer, and a people who, perhaps, suffered more than any other from arbitrary repression and refugee status, is capable of meting out the same fate to others."

General Mofaz claimed he was not aware of the practice, and has now reportedly issued an order to stop it.

The operation against Deheishe has been repeated at many other refugee camps and in villages and cities that have come under attack in recent days.

In response, Palestinian suicide bombers launched an attack on a Jerusalem cafe, 100 meters from the Prime Minister's official residence; the attack was quickly followed by others in the West Bank, Gaza, and within Israel itself. Then came the highly professional guerrilla attacks. The first was near the Israeli-Lebanon border, where a Palestinian squad killed seven Israelis, including two soldiers. Although two Palestinians were killed in the subsequent counterattack, the others escaped. A land mine explosion destroyed an Israeli tank, killing three of its crew. This was the second Israeli tank to have been destroyed within a month.

Further fanning the flames, a rally of 60,000 in Tel Aviv, organized by the Israeli settlers' Council of Jewish Communities in Judea, Samaria, and the Gaza Strip, called on Sharon to spill even more Palestinian blood. No politicians spoke, since it was billed as an "apolitical" event. Nonetheless, Israel's own "Mussolini in waiting," reserve Brig. Gen. Effie

Eitam, whipped up the crowd, calling the Israelis "the eternal people," and demanding that Sharon remember his roots and his desire to "hold the Temple Mount." Jerusalem's Temple Mount, or al-Haram al-Sharif, of great significance to the Abrahamic religions, is now also the epicenter of this growing religious war.

#### **Military Mission Fails**

As for crushing the Palestinian "will" to resist the occupation, General Mofaz has failed, according to the "Mid-Term Assessment" of Dr. Gershon Baskin, the Israeli co-director of the Israeli-Palestinian Committee for Research and Information (www.ipcri.org). The Palestinians are well aware of their weakness in the face of Israel's military might, Baskin writes, but "they believe . . . that they are much stronger than Israel, politically and morally. They believe that justice is on their side, and that history sides with them as well. They say that Israel is the last occupying power left in the world, and that the success of the Palestinian struggle for freedom from the occupation is inevitable. They also believe that Hezbollahtype tactics will work, and that the great losses that are inflicted upon them serve to strengthen their resolve, at the same time that it is constructing the most important chapter in the Palestinian narrative. This chapter is one of heroism and struggle that will end with the glorious victory of liberation and freedom. Based on their negative experiences of the Oslo process, the Palestinians believe that they could not have extracted from Israel the total withdrawal from the occupied territories through negotiations. They believe that they will achieve this goal through their struggle."

EIR March 22, 2002 International 51

Dr. Baskin concludes that "the suffering and the bloodshed and mutual destruction will not end in the near future. The Zinni, Cheney, and other visits to the region may create a temporary reduction in violence, but it will not hold. There will be future escalations. This could be termed 'more of the same,' but 'more of the same' only really means escalation, because each side's pain is increased and the responses and calls for revenge match the suffering inflicted."

Dr. Baskin nonetheless sees a "flickering" light at the end of the tunnel, through the establishment of a "joint Israeli-Palestinian peace coalition." Indeed the Israeli peace movement has been slowly awakening, as more and more Israelis are beginning to realize that 250,000 Jewish settlers in Occupied Palestine, are holding 5 million Israelis in Israel hostage.

Baskin's assessment is also shared by Roman Bronfman, a Knesset member and head of the Democratic Choice party, which enjoys support within the more politically liberal side of the Russian Israeli community. He is also a member of a group of Israeli parliamentarians that includes Yossi Sarid, leader of the opposition in the Knesset and chairman of the pro-peace Meretz party, and Yossi Beilin, former Justice Minister and architect of the Oslo Accords, who are trying to form a new pro-peace social democratic party.

#### A War for Independence

In an editorial in the Israeli daily *Ha'aretz*, Bronfman denounced a virulent commentary attacking the Palestinians as representing "Arab evil and fascism." Bronfman says that the current conflict is "the result of the war of independence the Palestinian people are fighting against the Israeli occupation, just as the Jewish people conducted its own war for independence before 1948. The trinity of land-religion-blood is the bloody heart of fundamentalism, Islamic and Jewish alike." Bronfman called on people to "turn their efforts to the joint struggle of real peace lovers, without occupation, without settlements, without mutual killing."

The brutalization of the IDF itself continues to generate revolt among military rank and file. The Combatants Letter 2002, the movement of reserve soldiers and officers who refuse to serve in the occupied territories, continues to gather steam. As of this writing, 331 soldiers have signed the letter, and three are serving prison sentences for their refusal to serve. On March 9, some 500 people, mostly reserve soldiers, demonstrated outside the prison where two of them are being held.

Another group was formed on March 7 that could have a significant impact on public opinion. Called the Seventh Day Movement, it is an offshoot of the highly effective Four Mothers Movement, formed in 1997 to demand that Israel withdraw from southern Lebanon. The name refers to the seventh day after the June 1967 "Six-Day War," when the occupation began. It calls for a complete withdrawal from the occupied territories.

# Thailand Takes On Neo-Colonial Press

by Michael Billington

Thailand's Prime Minister Thaksin Shinawatra has attacked the neo-colonial policy and actions of the two leading journalistic representatives of the Anglo-American financial oligarchy in Asia: the *Far Eastern Economic Review (FEER)*, owned by Dow Jones & Company, publisher of the *Wall Street Journal*; and *The Economist*, which, together with its sister publication, the *Financial Times* of London, speaks for the modern-day inheritors of the colonial British East India Company. Unwilling to bow to the lords of the colonial third estate, Thailand banned the distribution of one issue of each of these magazines, and moved to withdraw the visas of two long-standing resident journalists from the *FEER*—one American, Shawn Crispin, and one Briton, Rodney Tasker.

The immediate issue was the allegation, published in both journals, that there was a public spat between the King of Thailand, Bhumipol Adulvadei, and Prime Minister Thaksin. Not only was the allegation itself highly speculative, but both journals were totally aware that the publication of such political commentary regarding the King is the one subject absolutely forbidden in the kingdom, which is otherwise the home of (arguably) the most unrestricted media in all of Asia. Only when the *FEER* issued an effusive apology to the government of Thailand, were the journalists allowed to remain in the country—at least until their current visas expire.

#### 'No Directed Credits!'

There is a background to this fight, which is only hinted at in the press coverage around the world, in which Prime Minister Thaksin has been called a dictator and a fascist. The Jan. 10 issue of *FEER*, which contained the article in question, had been preceded a month earlier by an article by one of the same journalists, Shawn Crispin. This was both an attack on the economic policies of the Prime Minister, and a threat to Thailand, from the leading Asian mouthpiece of Wall Street and the City of London—warning of dire consequences to the nation if Thaksin failed to follow the dictates of free trade and deregulation. At issue was the fact that Thaksin, since his overwhelming election victory in January 2001, had taken several steps contrary to his image as a follower of the free-trade mantra of the International Monetary Fund (IMF) and the "Washington Consensus," instead looking for ways of

52 International EIR March 22, 2002

protecting his nation's depressed economy and the general welfare of the population.

The FEER article of Dec. 13, entitled "The Risk of Di-

rected Credit," instructed Thailand to heed the IMF's "concerns about Thaksin's move towards policy-directed lending . . . and a state-led economic-development model." Thailand

# The Financial Oligarchy's Foothold in Malaysia

The fear expressed by *The Economist*, that Thailand's Prime Minister Thaksin may be taking Thailand down a path like that of Malaysia's Prime Minister Dr. Mahathir bin Mohamad, appears focussed on the role of the press. But it clearly reflects the British magazine's hatred for the sovereign exchange controls imposed by Malaysia in 1998, which prevented the speculative destruction which otherwise swept the region. However, despite *The Economist*'s lie that there is "almost no freedom" for the Malaysian media, the New York/London financial oligarchy does have its own press outlet in Malaysia. It is called *Malaysiakini*—one of the best-known online "independent" newspapers in Southeast Asia.

Malaysiakini is a business funded by the Bangkokbased non-governmental organization (NGO) South East Asia Press Alliance (SEAPA). It started operating in 1999—just after the currency attacks against Southeast Asia of 1997-98, by speculator George Soros and his fellow hedge fund-pirates. Malaysiakini had an initial grant of 375,303 ringgit (\$98,895) from SEAPA, with more grants in subsequent years. SEAPA was founded in 1998, to "support press freedom in the region," by five regional "press NGOs." Four of these founding NGOs—the Center for Media Freedom and Responsibility (Philippines), the Thai Journalists Association (Thailand), the Institute for Studies on Free Flow of Information (Indonesia), and the Alliance of Independent Journalists (Indonesia)—are members of the International Freedom of Expression Exchange. IFEX is based in Montreal, Canada, and lists the Open Society of George Soros as one of its "support organizations." Other than grants from SEAPA, Malaysiakini has benefitted from a computer business deal with the Prague-based Center for Advanced Media. This is the venture capital arm of the Media Development Loan Fund (MDLF), which received a total of \$3.26 million in 1999-2000 in grant money from the Open Society, to carry out "Internet programs."

#### **Working for Foreign Agents**

These "Internet programs" led Malaysian Prime Minister Dr. Mahathir to remind a *Malaysiakini* reporter during a press conference last April, that she was working for a "foreign agent," and told her to tell Soros "not to come and interfere with our politics here." *Malaysiakini* later denied that they accepted any money from Soros. This was sophistry, since *Malaysiakini* is financed by those who are financed by Soros. One of the editors of *Malaysiakini* resigned in protest when these revelations surfaced last year.

Prime Minister Dr. Mahathir estimates that Soros and the other currency speculators, who forced the devaluation of the ringgit during 1997-98, cost Malaysia at least \$250 billion—\$200 billion in stock capitalization and \$50 billion in foreign exchange—before the destruction was stopped by the implementation of sovereign currency controls. Mahathir added that the irony was, despite the huge losses by Malaysia and other Southeast Asian countries, the currency traders made only \$5 billion. "They are not swimming in money, and from that point of view, they are not efficient," he said, adding that it was "ridiculous" to inflict so much damage just to make a relatively small amount of money. The political intent of the currency raids is obvious.

*Malaysiakini* promotes its sponsor, Soros, who described Prime Minister Mahathir as a menace to his own country; and also Anwar Ibrahim, the now-imprisoned former Deputy Prime Minister, who opposed the protective controls and championed the policies of the IMF.

In February, the German ambassador to Malaysia, Jürgen Staks, repeated the "reformasi" stunt pulled by then-U.S. Vice President Al Gore in Kuala Lumpur in 1999. His chosen channel was Malaysiakini. In an interview with the newspaper, Staks urged Malaysia to "look into the [Anwar case] again to make it a just affair," adding that "this is the only case [about Malaysia] in Germany that is known even to the churches, and not just the NGOs." He warned that these NGOs may raise their concern over Anwar, when Dr. Mahathir visits German Chancellor Gerhard Schröder on March 20, at the latter's invitation.

In the name of "press freedom," *Malaysiakini* replied to Mahathir's challenge by publishing a list from the Committee to Protect Journalists (CPJ), naming Mahathir as an "enemy of the press." The CPJ is also a member of the Soros-supported IFEX.—*Martin Chew Wooi Keat* 

EIR March 22, 2002 International 53

must, Crispin wrote, return to the orthodox globalization model, give up the effort to protect Thai industry, and shut down the "overproduction" in the country, regardless of the already massive unemployment and poverty brought on by the international speculators' attacks on Thailand and its neighbors in 1997-98.

The article's pompous and neo-colonial tone, and threatening character, make a mockery of the international hue and cry portraying its author as a champion of "freedom and democracy." The article was particularly threatening when the Prime Minister was about to make his first visit to the United States, where he hoped to find new investors in the nation's industries and infrastructure.

At the time, *EIR* exposed the nature of the attack in *FEER*, as representing that faction of the Anglo-American financial institutions which, confronted with their own rapidly approaching bankruptcy, were intent on looting every last bit of real value from the developing-sector nations, regardless of the consequences. Their greatest fear, *EIR* reported, was that Thaksin was working too closely with Prime Minister Dr. Mahathir bin Mohamad of Malaysia, on implementing debt policies aimed at protecting the productive sector, health policies aimed at providing universal health care, and cooperation regionally to establish rice and rubber cartels to confront the speculators. The article, published in the Dec. 21, 2001 issue of *EIR*, was circulated widely among the business and political leaders who accompanied the Prime Minister on his trip to the United States.

FEER's disdain for Thailand's sovereignty and well-being was further magnified in the subsequent article, which breeched the law against political speculation concerning the Royal Family. The intention of that article was perhaps revealed most clearly in the editorial of the March 14 issue of FEER, in which the bankers' boys tried to justify their actions. First, the editorial repeated the speculation about the King, stating, as if it were proven fact, that "the king is dissatisfied with the prime minister." This is an assertion neither the King nor the Prime Minister can publicly refute, due to Thai customs and laws—a fact well known to the authors! The FEER editorial ends with an unequivocal threat: "Mr. Thaksin's authoritarian tendencies should give investors pause."

#### 'The Economist' Weighs In

Similarly, when *The Economist* of March 9 editorialized in its own defense against the banning of its March 2 issue—which had carried similar material regarding the King—they exposed their real fears about the direction of policies in Thailand: Prime Minister Thaksin, they charged, was adopting the "authoritarianism of Malaysia!" Dr. Mahathir, they wrote, "allows almost no freedom, either for the international press . . . , or for the local media, which are almost completely muzzled. It would be sad if Thailand went down that path." Here again, the real concern is not just Malaysia's press pol-

icy, but the open disdain by the Malaysian government for the cult-worship of globalization by Western governments and their controlled press, and for the destructive policies imposed on the weaker nations by the IMF.

Prime Minister Thaksin has indeed proven that he is willing to stand up to the threats and hot air emanating from the would-be colonial masters. U.S. Sen. Jesse Helms (R-N.C.), a long-standing enemy of Thailand and of Asia generally, issued a blustering statement that "this episode of attempted censorship may cause the U.S. to rethink its aid policies toward Thailand. The Thai leadership had better bear in mind that their conduct is not going unnoticed." Thaksin shot back: Helms "knows nothing about the long-established relationship between Thailand and the U.S. . . . . His comments don't carry any weight. Thailand doesn't beg the U.S. for assistance. My administration has never asked for anything more than partnership. It's about sovereignty. Leave us alone!"

#### **Demands for Removal of Thaksin**

One of the local English-language newspapers in Thailand, The Nation, which pompously announced early last year that it had dedicated itself to a sustained attack upon the Prime Minister, has not only led the campaign in support of the foreign "heroes of freedom and democracy" from Wall Street and the City of London, but has called for a Thai "Watergate" to remove Thaksin from office. Perhaps it is not coincidental, that, since the 1997-98 crisis, Dow Jones has become a significant partial owner of The Nation! They have accused Thaksin of ordering the government Anti-Money-Laundering Office (AMLO) to investigate a kind of "enemies list" of media and non-governmental organization (NGO) leaders, including *The Nation*'s editors, which was leaked to the press. The Prime Minister has denied the allegation, insisting that he was not so stupid as to set up such an obvious political trap. Deputy Prime Minister Chavalit Yongchaiyudh said the investigations were procedural, but blamed a "third party" for the leak of the confidential investigations: "This is just too nasty. There's a possibility that someone might want to create a situation, especially at a time when the country is overwhelmed by news about tension between the government and the media."

If *The Nation* wishes to call this Thailand's "Watergate," it would be well to remember that the architect of the Watergate break-in, and the author of the famous Nixon "enemies list," was Henry Kissinger, who coordinated the *Washington Post* attacks on President Nixon from his position inside the administration, while convincing Nixon to resign, thus discrediting the Presidency. Kissinger, of course, came out unscathed. He, the Wall Street/London financial houses which control him, and the press whores who serve those now-bankrupt banks, are still in place, but are like the emperor with no clothes. If world leaders, even of smaller nations like Thailand, stand up to the naked oligarchs in an effective way, the days of the latter will be numbered.

54 International EIR March 22, 2002

# Catholic Journal Hits Novak's Free Trade

by Claudio Celani

A healthy exposure of the destructive role played by "Catholic" neo-conservative Michael Novak in the economic ruin of Ibero-America has come from important quarters in the Catholic Church. In its January issue, the monthly *Thirty Days* denounces American Enterprise Institute star Novak, as a supporter of the International Monetary Fund (IMF) policies that have driven Argentina to bankruptcy. *Thirty Days* is close to high Vatican circles (it often reports interviews with Cardinal Josef Ratzinger, chairman of the Congregation for the Doctrine of the Faith) and is edited by former Italian Prime Minister Giulio Andreotti. Andreotti co-signed a motion calling for a New Bretton Woods monetary system, now gathering support in the Italian Senate (see *EIR*, March 15, 2002).

Thirty Days blames the bankruptcy of Argentina on the neo-liberal economic reforms imposed by the IMF, especially under the decade of Carlos Menem's Presidency (1989-99). "In those days," the article states, "that very government economic policy found more or less warm supporters also in the Catholic world. Circles represented by the Asociación Cristiana de Dirigentes de Empresa (ACDE), which publishes the magazine Empresa, as well as professors at the Economics Department of Catholic University, supported, with cultural and academical arguments, the 'productive revolution' started by Thatcherism-Menemism. And frequent were the visits of maîtres à penser such as former IMF director Michel Camdessus and American neo-conservative Michael Novak, who came to spend encouraging words on the ongoing process and to illustrate the full compatibility, if not the total identification, between the neo-liberal economic model and the social doctrine of the Church."

Not only that. The Menem government, *Thirty Days* reports, had promoted a seemingly pro-Catholic policy on single issues such as "abortion, birth control, or so-called 'reproductive rights,' " on which issues the Argentine government profiled itself in international conferences, "often with more intransigent positions than the Papal delegation itself." This gave Menem a sort of protection from neo-conservative circles in the Vatican, to fend off criticism against his social and economic policy that was coming from the Argentine Church. With Argentina's bankruptcy and the collapse of its insane economic policy, a debate has opened in those same economic circles that had supported the policies promoted by Novak and Camdessus, *Thirty Days* writes.

Argentine bishops are on the front line in demanding re-

versal of neo-liberal policies and reconstruction of the lost national wealth. Cardinal Jorge Mario Bergoglio of Buenos Aires speaks of the Menem decade as "real financial-economic terrorism" and accuses the "international imperialism of money" of "eliminating even work, which is the means through which Man expresses his creativity, which is the image of God's creativity." "We are tired," Bergoglio says, "of systems that produce the poor, for the Church to maintain."

Bergoglio is skeptical that anything has changed in the international community, and is cautious about the new Argentine government as well. The Church has opened a dialogue with the Duhalde government on the future of the country, which is being carried out in public forums, but this should not be misinterpreted as support for Duhalde. "This is a moment in which institutions, and not persons, are to be supported," says Bergoglio. The Church has reason to be cautious. Among other things, the figure who covered up Menem's neo-liberal policies in the Vatican, Esteban Caselli, is now Minister for Religion in the Duhalde cabinet. As his first move, Caselli tried to remove the Argentine Ambassador to the Vatican, Vicente Espeche Gil, a step which has so far been prevented by the mobilization of certain Argentina bishops.

#### A Necessary Cleanup

It is to be hoped that the *Thirty Days* exposé opens a debate, leading to the dismissal of neoliberal doctrines from the Church. Such doctrines are the opposite of what the Pope has been writing, but they nevertheless enjoy much too great influence in the Catholic world.

Responding to the *Thirty Days* report, U.S. 2004 Presidential pre-candidate Lyndon LaRouche characterized Novak's case as the expression of a system of "state religion" currently operating in the United States, by which a financial and political oligarchy has chosen approved versions of world religions to be included in a "Pantheon," as instruments of state (or antistate) policies. Not accidentally, on the board of a daughter-association of the American Enterprise Institute, the thinktank led by Novak, sits Samuel Huntington, the promoter of the Clash of Civilizations doctrine.

LaRouche wrote in a March 11 memo: "Novak's stock-in-trade, the advocacy of the populist delusion called 'free trade,' was originally known in Europe as a doctrine of the gnostic Cathars, otherwise known in English slang as 'the buggers.' This was introduced to modern European culture through such empiricists as Sir Francis Bacon, his Thomas Hobbes, John Locke, the Physiocrat François Quesnay, and the British East India Company agent Adam Smith. These modern American 'buggers' argue, that there is, in effect, a secret army of 'little green men,' deployed under the floor-boards of the universe, who determine the outcome of the roll of the dice, and thus make some men rich, and others poor. Those 'little green men' are the god whose grace Novak serves, by whatever name he and his confederates (and Confederates) may choose to call him."

EIR March 22, 2002 International 55

# **ERNational**

FREEDOM VS. 'DEMOCRACY'

# How 'Democracy' Became Diseased

by Lyndon H. LaRouche, Jr.

March 5, 2002

Since the period of transition, from the LTCM crisis of August-September 1998, to the January 2001 close of the two-months-long Presidential election-crisis, a fundamental change has been under way inside the U.S.A., and also the world in general. The previously developing breakdown-crisis of the world's present monetary-financial system entered its present terminal phase, in time to greet the inauguration of a new President, George W. Bush. The intensity of the crisis has increased by steps, including the giant step of Sept. 11th, since that Presidential inauguration.

Already, now, what had seemed, to the wishfully self-deluded many, to have been the inevitable, irreversible trends inhering in the policies reaffirmed under the Clinton Presidency, are being wiped away. During my address of Saturday, Feb. 16th, and my written statement of Feb. 19th, I warned that we are presently encumbered with a decadent political-party system, a system which is ill-suited to meeting the challenge of the profound changes now fully under way. Those dramatic changes are in process, chiefly in triumphant defiance of that doomed system in its present form.

This present statement adds a crucial new dimension to the matters I addressed in that Feb. 19th report.

For reasons I shall set forth, during the course of this

report, the notion of "democracy," as the term had come to be defined in practice during the preceding two decades and more, does not permit effective responses to the most crucial among the kinds of life-or-death challenges which reality is now shoving onto the government's agenda.

For this reason, a critical reexamination of the institutions of political-party-led government, is now mandatory. The challenge immediately before our government and the constituencies, is to define the practical meaning of the name of "democracy" in ways which are consistent with the continuation of that peculiar Constitutional form of government upon which our nation's past constructive role of leadership in world affairs has depended.

During the recent quarter-century, the official meaning of the word "democracy" in the U.S.A. had been shifted radically away from what it had signified during the Presidency of Franklin Roosevelt. That change occurred in the form of a shift away from sundry earlier, loose, rule-of-thumb understandings, toward a thoroughly nasty, narrow-minded coincidence with the pro-fascist dogmas of Bertrand Russell's accomplice Herbert George Wells. I emphasize the indisputably fascist intentions summed up by Wells himself in his 1928 *The Open Conspiracy*.

Wells' book, which has served, continually since 1928, as the open pact among Fabian circles of Wells and Russell, is key to understanding the continuing basis for the rise of our nation's utopian political-military faction, during the time since the death of Franklin Roosevelt, and through the present day. That, in turn, is prerequisite for understanding the real challenge presently confronting the political system of the

<sup>1. &</sup>quot;After the Collapse of Enron: Next Comes the Cluster-Bust!" keynote address to the ICLC/Schiller Institute Presidents' Day Weekend conference, *EIR*, March 1, 2002.

<sup>2. &</sup>quot;Can the Democratic Party Survive?" EIR, March 8, 2002.

U.S.A., including its political parties.

The present codification of the term "democracy," as signifying Wells' utopian schemes, is echoed in the trend toward establishing an imperial form of what is termed, in technically precise, academic language, as universal fascism. That signifies: the dissolution of the existence of the sovereign nation-state, in favor of a global imperial order, ruled through the mechanisms of military tyranny like those of the Roman legions which the Nazi Waffen-SS echoed. Typical is Samuel P. Huntington's proposed parody of that Waffen-SS, his *The Soldier and the State*. This trend is typified by utopians such as Zbigniew Brzezinski, his Huntington, Henry A. Kissinger, and other associates and other co-thinkers of the late Nashville Agrarian, Harvard Professor of government, William Yandell Elliott. Those are the oligarchical, American Tory circles merely typified by the Smith Richardson Foundation.

Typical of the radiation of the Wells-Russell-centered "Open Conspiracy," to the present day, is the case of former Secretary of State Madeleine Albright. She avowed publicly her own and her father's faithful debt to the doctrine of Wells, an announcement which she made even while she was serving as President Clinton's Secretary of State. Her ugly admission on that occasion points to the source of certain strategically significant, strident notes which erupted in Clinton Administration foreign policy, during her tenure.

Out of Albright-linked Brzezinski's initiatives to that effect, sprang that present quasi-dictatorship over our nation's party system, which is known as "Project Democracy." "Project Democracy" is, in fact, a by-product of the continued drive of the imperial utopian faction toward establishing world rule under universal fascism. Incredible? It is sometimes difficult for persons trapped within a rolling barrel, to discover the direction into which they are being maneuvered.

The leading antecedents for that intentionally misleading term "Project Democracy," are broadly traceable in ancient European history, from such evidences as the judicial murder of Socrates by the Democratic Party of Athens and the related, obscene meaning given to the name of "popular opinion," *vox populi*, by ancient Rome.

#### **Project Democracy's Arcane Roots**

However, Project Democracy's own use of the term "democracy," embodies a more narrowly specific variety of irrational, gnostic belief. By "gnostic," one signifies, in practice, the substitution of a controlling form of arbitrary belief in some unknowable principle, such as "secret knowledge," which is deemed to be "self-evident," even when its existence is unprovable by rational means. Examples of typical gnostic beliefs include Physiocrat François Quesnay's laissez-faire, and Adam Smith's plagiarism of Quesnay's term, under the substituted name of "free trade." In effect, Smith copied the text of the book, but added his own title.

That abuse of the term "democracy" has evolved out of a precedent from within medieval Europe, from a religious sect

known as the "Bogomils." I have explained the continuing historical significance of that sect's influence in numerous published locations earlier. In short, the "Bogomils" were a neo-Manichean sect of Byzantine origin, which was spread from the Balkans into Italy and southern France, variously, under such titles as the Cathars, or, in English slang, "the buggers."

The connection is the following.

Those nasty meanings of "popular opinion" which I address here, more or less took over official English-language usage in the U.S.A., under the influence of those utopian uses of the term "democracy" which have been practiced in the U.S. during the recent thirty-five-odd years. As I shall explain here in due course, those usages echo the "bugger" sect's doctrine of "The Elect," a term synonymous with much of the contemporary U.S. use of the term "Establishment." The transmission of that doctrine into modern times, appeared in the guise of such forms of empiricism as the teachings of such modern gnostics as Thomas Hobbes, John Locke, Bernard Mandeville, Physiocrat François Quesnay, David Hume, Adam Smith, Jeremy Bentham, and Immanuel Kant.

The currently popular connotations of "democracy," as a synonym for popular opinion, have often served in the past, as now, as a symptom of the influence of the American Tory tradition in our country, the tradition opposed to what utopian Henry A. Kissinger has denounced as the American intellectual tradition.

The crucial feature of the influence of all of those mentioned and kindred empiricist ideologues, such as H.G. Wells and his followers Zbigniew Brzezinski, Samuel Huntington, and Michael Novak's radically empiricist American Enterprise Institute, is the systematic denial of the existence of actually knowable truth. This denial is premised upon the indicated feature of the "bugger" tradition.

Typical among those contemporary denials of the existence of knowable truth, are the arguments of such existentialist followers of Kant as Karl Jaspers, Hannah Arendt, and Nazi philosopher Martin Heidegger. That latter, axiomatically irrationalist dogma, as practiced in the U.S.A. by Arendt and her accomplice Theodor Adorno, has been a significant environmental factor in promoting the influence of a specifically American variety of fascist movement now associated with such rabid American Tories as Brzezinski and Huntington.

Hence, as a result of those influences, we have such outcomes as the recent two decades' perverse uses of that notion of "democracy" and "popular opinion" within the U.S. Congress. Saving the U.S.A. from its present, willful plunge toward self-destruction, demands the uprooting of such radically empiricist, Wellsian myths as those of the rabid utopians Kissinger, Brzezinski, Huntington, Madeleine Albright, et al. Such were the corrupt influences leading to the establishment of Project Democracy.

I have addressed the crucial issue so posed in various

published locations, such as my recent "Economics: At the End of a Delusion," in which the scientific side of the matter is developed at necessary length. Here, I rely upon public access to those earlier publications, to summarize the relevant portions of that earlier argument.

#### 1. The Fight for Freedom

The issue in U.S. political processes today, is the inseparable connection between any meaningful use of the term "freedom" and the notion of truthfulness. I explain.

Many among the silliest, even most dangerous beliefs known to man, have enjoyed the charm of being upheld as popular tradition. This pathetic trait is the most common cause of the self-doom which nations and cultures have often brought upon themselves. So it is with that popular notion of democracy which expresses the childish wish that nothing in society should be decided contrary to popular opinion. Pathetic ejaculations such as, "You can't put the toothpaste back in the tube," or "Go along, to get along," or the reckless use of inherently tendentious "opinion polls," typify this commonplace symptom of the mind-set of the professional underling.

Many people, even ostensibly literate adults, will stubbornly insist on blind religious faith in popular opinion, even in face of the such abominations as the confirmation of the Adolf Hitler dictatorship by a vote of the overwhelming majority of the popular opinion expressed among German citizens at that time. The toleration of and support for the practice of chattel slavery, that done according to the teachings of John Locke, is a similar example of the evil often done on behalf of the silliness of blind faith in wisdom of the corrupted popular will.

Similarly, the destruction of the U.S. economy, away from the vigorous economy of the period from Roosevelt's "New Deal" through post-war reconstruction, into the terrible destruction which has been wrought as the aftermath of the Nixon and Carter Administrations, reminds us, once again, that even the long-persisting decisions of a popular majority, such as those of the recent thirty-odd years, are often wrong, even terribly wrong.

As I have emphasized earlier, in the indicated and other locations, and as many celebrated thinkers before me have pointed out, the doom which once powerful nations and cultures have brought down upon themselves, is usually the fruit of no factor so much as popular opinion itself.

Typical, among the great Classical tragedies which assist a population in understanding the actual making of history, is the case of Hamlet, whom Shakespeare portrays, contrary to the opinion of him prevalent among Romantic academics: as doomed precisely because he refuses to break free of the burden of the prevalent custom of his self-doomed kingdom. So, once-mighty Athens destroyed itself, to become a mere colony of Macedonia, as Rome also destroyed itself, precisely because it could not shake the fatal embrace of its own popular customs and opinion.

All great Classical tragedy and related compositions, such as those of ancient Greece, Boccacio's *Decameron*, Rabelais' *Gargantua and Pantagruel*, Cervantes' *Don Quixote*, Shakespeare's histories and tragedies, and the dramas and writings on history of Friedrich Schiller, teach the same crucial lesson, and usually show us, with the essential precision which only great Classical artistic composition can achieve, exactly how the specific cultures referenced in those compositions either virtually destroyed themselves, as Cervantes showed why Sixteenth-Century Hapsburg Spain was bringing about its own decay, or plunged themselves, through the sway of popular opinion, into extended periods of great troubles.

As I wrote recently on the subject of the current state of the Democratic Party, "Among you Democrats, as among Republicans of today, the fault in all this lies, essentially, exactly where Shakespeare pointed, when he put the following words into the mouth of his character Cassius: 'Men at some time are masters of their fates: the fault, dear Brutus, is not in our stars, but in ourselves, that we are underlings.' You have become, more and more, like the self-doomed ancient Democratic Party of Athens, or the foolish so-called citizens of ancient Rome, the slaves of an Orwellian, mass-mediadictated tyranny, which most of you refer to, dreamily, as 'popular opinion,' or, among most members of the Congress, 'the market.' "

Such is the tragic challenge which looms over the U.S.A. today.

If we wish to free ourselves from the grip of our unfolding national tragedy, we must rise above the professional underling's foolish, blind faith in the simple popular vote as such. The noble essence of our wonderful U.S. Federal Constitution is expressed in two higher, scientifically grounded principles of universal natural law. These are, first, the defense of the institution of nation-states, and, secondly, that such states must be efficiently committed to promotion of the general welfare of all subject persons, both of the present and their posterity. Instead of regarding the voter's constitutional franchise as a matter of rule by the bitch-goddess known as popular opinion, let us recognize the actually lawful, and efficient basis for the universality of the franchise. Let us return to the form of self-government which is self-rule, not by mere opinion, but citizens' choices informed by the truthful fruits of reason.

#### **How Underlings Don't Think**

It has been the plausible, somewhat truthful argument of many modern historians and social theorists, that the typical source of the potential mass base for a fascist movement or

<sup>3.</sup> EIR, Feb. 8, 2002.

regime, is populism. Those scholars' views may be fairly described as equal to saying that the typical expression of a fascist mass movement, is the same pattern of behavior witnessed in the behavior of a lynch-mob. It would be better to treat the term "populism" as a kind of slang word. I prefer the term which Shakespeare put in the mouth of Cassius: "the fault, dear Brutus, is not in our stars, but in ourselves, that we are underlings."

The appropriateness of the preferable term, "underling," is manifold.

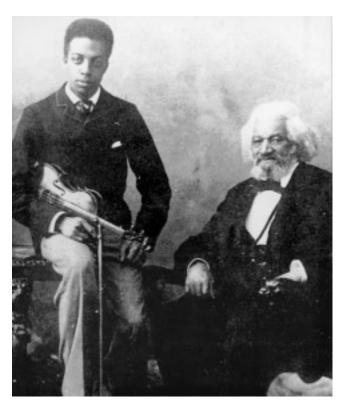
I have used the term frequently to denote the slave who queues at the back door of the master's house, saying: "We don't ask for freedom; just pay us some reparations, and we will not ask for freedom." That slavish fellow is saying to his master and himself, "I do not claim to be actually human; I am an underling." If he adds the phrase, "and proud of it!" we should recognize him as a professed populist, and potential recruit to the timely arrival of a fascist mob.

Take the case of the debate over education of the former slave, which raged over the decades following the defeat of the Confederacy, a debate which rages, in fact, to the present day. Take the related, disgusting populist attacks on Frederick Douglass, or on President Abraham Lincoln, as typical of the appetites engendered by the mob-like mentality of the professional underling.

The struggle for freedom for descendants of African slaves, was most effectively led by men and women like Douglass, who defined freedom as essentially a developed quality of the individual human mind. Such men and women insisted that those of African descent should have access not only to reading and writing, but to mastery of the greatest Classical science and literature from the entirety of European civilization, and beyond that. They should become, not merely "employees," but enjoy the qualities of self-development required of the citizen of a true republic, educated as a person, instead of merely a prospective employee. The underlings retorted: "No, we should desire nothing but the destiny which has been preassigned to us."

A contrary opinion asserted, that education for freed slaves must not seek to educate the pupils "above their expected station in life." This opinion was not limited to policies for education of freed slaves; it is a philosophy of education savagely applied to the majority of the U.S. population by today's generally accepted policies of classroom education. Such prevalent trends in U.S. education today, have some ugly similarities to what might be recalled from the days of "blab school" for poverty-stricken "mountain whites." Today, even at the university level: "Don't educate people above their future station and paid employment in life." Many among today's university professors, and not only professors of economics, are capable of delivering nothing but exactly that outcome for their immediate victims, the students.

As the economic and cultural policy of the U.S. degenerated from a rational, pre-1965 producer's culture, to a lunatic,



"The struggle for freedom for descendants of African slaves, was most effectively led by men and women like Frederick Douglass, who defined freedom as essentially a developed quality of the individual human mind." Here, Frederick Douglass with his grandson, concert violinist Joseph Douglass.

"post-industrial" consumer culture, the educational and employment policies of our own and other nations degenerated in a way consistent with those changes. So, today's university graduate is awarded a mean-spirited destiny like that which the American Tories of the post-Lincoln U.S. assigned to the freed slave.

In either case, former freed slave or today's typical university student, such educational policies treat the students not as truly human beings, but as "underlings." People who accept such notions of their role in society, have defined themselves, in their own minds, as of an inferior species, as "underlings." It is the mentality of the "underling" which represents the potential mass base of support for the "lynch mob" of yore, or the "democratic" base of support for trends toward universal fascism in the U.S. today.

The fight for freedom, now as before, is essentially a fight within the individual. It is a fight to uplift him, or her, from the habit of thinking like an underling. If you give them freedom for a moment or two, but do not remove the habit of being an underling from them, they will shuck off newly gained freedom, as it were this January's torn Christmas wrappings. We seek to give our people freedom; but, as Benjamin Franklin warned, once the U.S.A. had been given the Federal Constitution which made it a true republic: "We have given



"The distinction that makes the true leader," writes LaRouche, "is a sense of immortal identity, as higher than their merely mortal one. . . . The Rev. Martin Luther King . . . showed himself as such a true leader. His like has not appeared as a leader on that same national stage since Martin's death, to the present day."

you your freedom. Can you keep it?" Providing the needed quality of universal education then typified that issue.

My use of "underling" is not some form of mere rhetoric. There are precisely defined, scientifically definable differences between the person whose sense of personal identity is that of a human being, and another whose sense of identity is that of an underling.

#### **Citizens and Their Leaders**

The best people of any society, those who do not think of themselves as underlings, fall into two general classifications.

The greater number of such people do not merely accept the name of being "made in the image of the Creator"; they actually know it; not as mere phrase-mongering, but, rather, as a good professional actor might say, they actually "own" that idea. For that reason, they are not underlings, but truly free human beings. Sadly, among our people today, too few have had the combined opportunity and courage to rise to the condition of being free persons in their own minds; they have accepted those meager privileges which the ruling establishment allots to the serfs of popular opinion.

Thus, so far, among the good people, there is a much, much smaller ration of persons who are also actually true leaders; even a much smaller ration among our people than a generation or two ago. The distinction that makes the true leader, is a sense of immortal identity, as higher than their merely mortal one. This decadence is, chiefly, the effect of the shift from the sane form of society, a producer society, to what is called a consumer society. The effect of such a shift, is inevitably, as in ancient Rome, a spiral of moral decay.

The good citizens not only know that they, unlike the lower forms of life, are made in the image of the Creator; their attachment to their true, immortal identity is so power-

ful a motive, that they can not be easily corrupted by excessive attachment to the mortal concerns of personal family and community values. The Rev. Martin Luther King, speaking on the subject of the "mountain-top," showed himself thus as such a true leader. His like has not appeared as a leader on that same national stage since Martin's death, to the present day.

The task before us, a task on whose outcome the continued existence of our republic may depend absolutely, is the rapid recruitment of young people, and others, to emerge, soon, as true leaders. That is the purpose of this appeal on behalf of the cause of true freedom.

The effective citizen of a republic is to be found where great ancient and modern philosophers, such as Plato and Moses Mendelssohn, found him, in a person conscious of the essential immortality of the human soul. Indeed, for reasons I have given at length in relevant locations, no competent theology could exist without Plato's own development of that conception.

All the accomplishments of modern European civilization are chiefly derived from that conception of the specific nature of the sovereignty of the human individual personality. This is the indispensable, ecumenical conception of constitutional statecraft, which is only typified by the combination of the best which the Fifteenth-Century Iberian Peninsula, and heirs of Alfonso Sabio, in particular, inherited from their combined Moorish, Jewish, and Christian culture.

The distinction of the human species from all lower forms of life, is that only the sovereign cognitive (creative) powers of the individual human mind, can discover and employ universal physical principles. It is the discovery and transmission of such discoveries over successive generations, which lifts the human species to those higher levels of power in and over



Lyndon LaRouche greets young supporters. "The task before us, a task on whose outcome the continued existence of our republic may depend absolutely, is the rapid recruitment of young people, and others, to emerge, soon, as true leaders. That is the purpose of this appeal on behalf of the cause of true freedom."

the universe. This benefit occurs, as it could occur only among human beings, through the transmission, through replication, of such individual acts of discovery, from preceding generations, to the present and future of society. Such discoveries of principle have a quality of impact upon human existence, which only genetic change to a higher species could mimic in the animal kingdom.

Thus we are bound together by those qualities of the human mind, through which discovery of universal physical principles is variously generated or regenerated in the mind of the individual member of society. We are therefore bound together by the means through which societies develop those qualities of relations among persons through which cooperation in employing these discoveries may occur.

Because we live within that kind of social process, we individual human beings are, at the same time, both mortal and immortal. To be a moral person is to locate one's self-interest in the relatively immortal outcome of one's living and having lived, rather than merely the relatively bestial obsession with mortal sensory pains and satisfactions from immediate personal, family, and community forms of mortal life as such.

It is that quality of moral outlook, on our debt to the possibilities and hopes of progressive development of society, from the past and into the future alike, which defines the essential quality of a true citizen, rather than a mere underling. This concern for the progressive development of mankind, including commitment to realization of the frustrated just aspirations of those who have lived before us, constitutes the fundamental principle of moral law of all modern civilization, the principle of the primary obligation of government, to pro-

mote the general welfare, otherwise termed the "common good," of present and future generations.

Thus, the explicit, irrepressible conflict between the respective Preambles of the Federal and Confederate constitutions, sharply defines, in the blood of a great Civil War, the superior authority and meaning of the Preamble of our Federal Constitution over all other interpretation of the proper law of our republic.

Those thus qualified to be considered as truly citizens of a republic, are thus assorted into two general sub-types: ordinary citizens, and leaders.

The ordinary citizen recognizes his or her obligation to behave as a citizen, to develop children into the quality of citizens of a republic, to participate in society as a citizen, and to make decisions bearing upon the adoption of the nation's policies of practice as a citizen's obligations require.

The true leader of a republic must satisfy a significantly higher standard of passion and performance than the bulk of the citizens. For him, or her, it is not sufficient to be a mortal person with a sense of immortality, but to be devoted wholly to an overriding passion of service to immortality as a cause in and of itself, as Rev. Marin Luther King's "mountain-top" address typifies this quality of commitment, the model quality of commitment which the Christian associates with the passion of Jesus Christ.

In such future time that mankind may have developed to the level of true mental as well as biological maturity, all adults would be qualified as leaders of society. Even in that case, we should still be obliged to choose leaders, but as leaders chosen from among leaders. Unfortunately, at present, we are far from even an approximation of that accomplishment.

In our present state, the best we can achieve is the selection of leaders who serve as the conscience of those who need to be reminded of their responsibilities as citizens.

I, frankly, am disgusted by supposed leaders, who like typical demagogues, address the cupidity of their audiences with words to the effect, "I am just another low-down, dirty dog, like you. Therefore, you should vote for me!" or, words to the same effect, "I go along, to get along!" The evidence is, as you identify that bitter, nauseous aftertaste still lingering in your mouth right now: you have either voted for, or negligently tolerated, the wrong choice of candidate, supported the wrong policy, selected the wrong education, the wrong entertainment, and other such things, most of the time, for most of the past thirty-odd years. Otherwise this nation, and its economy could not be in the mess it finds itself today. You do not need a father figure. What you need is a "Dutch uncle"! You need leaders in the mold of the Rev. Martin Luther King.

You need to be reminded, that you are often thinking and acting like just another underling, even most of the time, and we all have the evidence now in hand to prove just that. For the most part, your chosen leaders were not qualified to be leaders, and most of our voters were not behaving as citizens. The mess coming down on you right now, is the price of nothing as much as your own foolishness, the insistence of most of you, on thinking and acting as underlings, rather than as citizens.

#### 2. Truth as Freedom

The intelligent use of the term "human freedom," signifies a quality not found in the decision-making of lower forms of life. Freedom is the exercise of the mental power to overturn false ruling assumptions, and to generate hypotheses which, when verified experimentally, are in fact additions to our stock of knowledge of universal physical principles.

This notion of freedom is best expressed in terms of the science of physical economy, my specialty. Here, in this branch of science, freedom is expressed in the form of "free energy" of that system which is society. This means, that through cooperation in the use of a valid, discovered universal physical principle, mankind's power in and over the universe is increased, over and above what were feasible without the addition of such a principle.

In that case, "truth" and "freedom" are two ways of expressing the same idea.

By "universal physical principles," we signify any discovered principle, whether of what is usually signified as physical science, or scientifically provable principles of social cooperation, if the application of those principles produces a measurable, beneficial physical effect of a type which qualifies as universally valid. Thus, the principle of the general welfare, on which the modern sovereign nation-state republic is based, is a universal physical principle, since its application results

in an implicitly measurable increase in the society's power in and over nature. Great Classical drama and poetry, reflect universal physical principles, because of the effect of the improved quality of cooperation they make available to a society.

The crucial point, for the science of physical economy, is that society's gain in "free energy," through the discovery and cooperative use of universal physical principles, is shown to be truthful in the sense that any valid experimental proof of a universal physical principle sets a standard for definition of the word "truth," as opposed to the alternative, "false."

Thus, the political term "freedom," strictly used, signifies nothing other than "truth." Opposition to truth so defined, is falsehood, rather than being characterized by the evasive term, "a difference of opinion." However!

Knowledge pertaining to matters of freedom exists, as knowledge, only as a product of the sovereign creative-mental powers of the individual human mind. Such a discovery, if potentially valid, is called an hypothesis. Truth is expressed as crucial experimental proof of the validity of such hypotheses. Hence, this is the basis for defining the meaning of "personal freedom," including "political freedom."

The difficulty inhering is the fact that such freedom exists only in the form of an activity within the sovereign confines of an individual human mind's powers to discover validatable hypotheses. The difficulty is that the cognitive processes occurring in one person's mind can not be witnessed by means of the faculties of sense-perception of another. No principle could ever be discovered through an act of deduction. No principle could be demonstrated by "ivory tower" forms of mathematics at the blackboard, for example.

Principles are known only through the conjunction and agreement of hypothesizing and experiment. The act of discovery can be known by a second mind only through a combination of two means: first, replicating the experience of discovery of the relevant hypothesis, and, second, sharing the experimental validation of the hypothesis.

The notion of "freedom" thus enjoys the corollary significance of the individual's personal right to explore the domain of knowledge. For the same reason, it also signifies the moral and political right of the individual to access the store of existing human knowledge of matters pertaining to universal principles and their application.

For example, we make a corresponding distinction between persons who have merely learned what they have been taught, as a dog is taught to perform tricks, and those who have come to know the experience of discovering the relevant principle *de novo*. The proper primary goal of education, is not to prompt the pupil to learn, but to come to know.

Thus, a free society is one in which individuals are developed according to such views of freedom.

It is a society within which individuals are able to contribute to correcting and otherwise enriching the stock of knowledge of society. It is a society in which relevant forms of cooperation are fostered, with the aim of promoting the com-

mon good. It is a form of society which is dedicated to increasing mankind's power, per capita, per square kilometer of the Earth's surface: man's power to exist in, and over the universe as a whole. Progress so defined, is the goal of society, and the means by which the work of one generation achieves immortality in the benefits of increased power transmitted to its successors.

Free deliberation in a true republic, is the interaction of such free individual minds to the purpose of joyfully promoting the achievements of freedom for the present and future of that society as a whole. It is this quality of commitment to progress which elevates a society above the level of the mere beasts, its commitment to a universal principle of human progress, so defined.

#### 'Free Trade' Buggered Progress

Physiocrat Quesnay and his followers echoed the gnostic Cathars in insisting that the increase of wealth taken as profit by the aristocratic landlord, was earned by that aristocrat through the magical agency of his title to that estate. The serf was, for Quesnay, nothing more than a form of cattle, who deserved no more than the care provided for herds of four-legged cattle. Non-interference with that profit was called the principle of laissez-faire, which Adam Smith adopted as "free trade."

The same magical principle borrowed from the "bugger" Elect, also provides the implicit basis for the empiricists Thomas Hobbes, John Locke, Bernard Mandeville, and utilitarian Jeremy Bentham. Even in 1759, prior to his foraging among the fields of the French Enlightenment, Smith had expressed the same conception in his *The Theory of the Moral Sentiments*; it was a pervasive view among the empiricist followers of Paolo Sarpi, which Smith applied to political-economy after his study of the work of Quesnay, Turgot, et al.

Such fellows were arguing, in effect, that there exist little green men under the floorboards of the universe. These curious, mythical miscreants are assigned the arbitrary power to change the outcome of the roll of the dice, to make some men rich, and others poor. Thus, what chances to please those supposed entities must be accepted as the rules of the game. Similarly, as Leibniz emphasized, God must intervene periodically into Newton's universe, to wind it up from time to time.

Such conceptions of a universe based upon either statistical cheating, or cheating statistics, are the characteristic feature of the British empiricist and congruent systems of thought about man and the universe in general. In economics, this results in the substitution of the profits of trade for the profits of production. In such doctrines, man gains profit only by, either, stealing from nature, or stealing from other people. Like Newton's universal clock, the world is winding down; it is undergoing entropy.

In reality, in physical economy, true profit is earned by mankind, because mankind's discovery and cooperative use of universal physical principles has increased the total of the combined natural and other wealth of the universe, or, at least, the Earth, or at the very least, a local economy. In economic science, earned profit is a reflection of the fruit of anti-entropy. This latter sort of profit is the fruit of the creative powers of the individual human mind, the power to discover and to cooperate in use of experimentally valid universal physical principles, the fruit of implicitly endless scientific progress, in that sense.

In the science of physical economy, true economic cycles are the result of a combined process of entropy (attrition) and anti-entropy (scientific and related progress). An economy may enrich itself, temporarily, by depleting nature, or previously created man-made wealth: hence attrition, entropy. That economy secures a contrary, anti-entropic effect, through the realization of the benefits of investing in scientific progress.

The cycles so defined are, variously, short-term, mediumterm, and long-term. The most important cycle to be considered in defining the horizon of present national economic policies, is between one and two generations, a quarter- to a half-century. This means, that a sane society is both protectionist, in Hamilton's, List's, and Carey's sense of the term, and is also dominated by long-range investments, such as those adopted in the so-called "indicative planning" of President Charles de Gaulle's Fifth Republic, or the long-range planning of Jean Monnet earlier.

This means, that a rational organization of a national economy assumes the form of a division of labor in government between public and private enterprise. The government assumes responsibility for that which pertains to the development of the economy as a whole, and government also defines conditions intended to encourage relevant categories of private entrepreneurship. The purpose of the latter, is, as Hamilton emphasized, to foster an abundance of the benefits which can be harvested only from the improvement of the creative activity of the individual human mind.

Thus government should think a quarter- to a half-century ahead. The participation of the citizenry as a whole in that deliberation, should be the normal course of the business of government and of the people in their private capacities. To bring that about, we must develop our people as a citizenry, not underlings, and craft the functioning of our institutions, including our political parties, in accord with that general mission of endless progress. We must define our national agenda as, predominantly, a long-range agenda, and define it in the general terms I have indicated here.

#### **War and Peace**

At this time, our nation, and the world, are imperilled by a conception of a long, essentially global state of warfare. This is a notion of national and world affairs echoing the awful decadence of ancient Rome, and the notions implicit in Napoleon Bonaparte's imperial war-making, and in a world which had been ruled by the Roman-legions-like Nazi Waffen-SS. This is the utopian notion which has been associated most conspicuously with such Golems of Nashville

Agrarian William Yandell Elliott as Henry A. Kissinger, Zbigniew Brzezinski, and Samuel P. Huntington. This is also the natural outcome of that empiricist misconception of society associated with Thomas Hobbes. If the present doctrine of "the long war" were to persist, the entirety of this planet would now soon be plunged into the worst dark age known to any history.

The idea of perpetually inevitable conflict, made notorious by the mathematics pupil, Hobbes, of empiricist Paolo Sarpi's lackey Galileo, is a natural product of the empiricist misconception of the nature of man and society. If and when we consider the matter differently, it should be evident that warfare is a temporary, not a permanent characteristic of planetary society. This is no utopian sort of optimism; the premises are scientific and solid.

The aims of a republic, as I have indicated some leading features of that here, are directly contrary to the idea of perpetual states of either ongoing or imminent warfare among states. The only justified function of warfare in modern times, is to defend with the utmost efficiency the existence of the republic and communities of principle among republics, from the resurgence of those more brutish forms of government, such as the Roman Empire and feudalism, which preceded the emergence of the modern sovereign nation-state republic. The object of strategic policy, must be to secure the planet for a community of respectively sovereign nation-state republics.

In fact, the only great danger of major warfare on this planet today comes from the influence of those utopians who have devoted much of the Twentieth Century to bringing an anti-republican form of world government into supremacy over the planet as a whole. Those utopians are, presently, the only major threat to civilization, in part, or whole.

The way the present threat developed is most simply identified, by pointing to the principle of conflict central to Hobbes' doctrine. As I have pointed out here, the natural impulse of the republic is the fostering of endless progress through cooperation in discovery and utilization of universal physical principles.

The existence of the perfectly sovereign nation-state form remains indispensable, for cultural reasons. If a people is to deliberate, it must deliberate in terms of the culture made efficiently available throughout the pores of society. "Efficiently available" is the operative term. Thus, the world of nations must cooperate in a decentralized way, to a globally centralized effect which might be aptly identified as "the common aims of mankind."

Today, the immediate task of nations is digging our way out of the awful mess we ourselves have made of this planet, including digging out the relevant rubbish sitting as "popular opinion" in the minds of our people and the follies of our institutions.

The object of society, is to develop the relations among peoples and nations to the degree, that each matured adult has

an active sense of participation in the building of the future of humanity as a whole, a world in which each nation proudly carries out its mission in the division of labor of the world as a whole.

If some force threatens such a peaceful, constructive order, that force must be efficiently repelled, but constructive peace among a community of sovereign nations, and avoidance of war, must become the basis for relations among states.

Since the U.S. republic has still the capability of assuming a unifying role, not easily replaced, of leadership among nations, the reform of our political-party system should be mustered around the effort to bring about those specific forms of economic cooperation to bring the world out of the mess the U.S. and its parties have contributed so much to creating during the recent thirty-five-odd years, in particular.

This does not mean utopian follies such as those associated with President Woodrow Wilson. It should signify the mustering of those changes needed to bring the world out of the condition represented by the presently ongoing terminal phase of economic collapse caused by the present monetary-financial system. The hotly contested steps toward returning to a "fair trade"-oriented producer society, from the follies of a "free trade"-oriented consumer society, now provide the pivot on which to mobilize the discussion of the broader issues immediately before us.



# National Rail Defense Points a New Direction

#### by Marcia Merry Baker

Ignored by the U.S. media, Senators moved on March 6 a "National Defense Rail Act" (S. 1991) calling for a national passenger-rail infrastructure-building program. Amtrak, the 46-state national passenger rail system formed in 1971, is insolvent, and without action, will shut down before year-end. The House of Representatives is holding a series of hearings this Spring on the February report by the Amtrak Reform Council, calling for dismantling and privatizing Amtrak. S. 1991 takes exactly the opposite approach.

The thrust of the new rail-improvements bill is the kind of legislative thinking that can point a way out of the worsening depression. It identifies priority national projects for Federal intervention, in the public interest. The principle applies across the board.

Politically, the March 5 steel import tariffs decision by President Bush, combined with the implications of this March 6 legislative proposal—millions of tons of steel requirements, for example—constitutes new momentum toward the kind of anti-depression measures Lyndon LaRouche has been mobilizing for worldwide.

The principal sponsor of S. 1991 is Sen. Ernest Hollings (D-S.C.), chairman of the Senate Commerce, Science, and Transportation Committee. He told the Senate chamber that there must be Federal intervention to restore a "world-class" passenger rail system in the United States. As a model, Hollings pointed to the 1950s Eisenhower national interstate highway program, which Ike motivated as a necessity for U.S. defense.

The new bill lays out a sizable funding program, in the neighborhood of some \$4.6 billion a year, for a range of proposals including:

- Upgraded continental, long-line service;
- A Northeast Corridor upgrade;
- Twelve new high-speed regional rail systems (in 29 states), to be the "building blocks" of the new nationwide system;
  - Modern security equipment.

There are at least 22 sponsors already. On March 14, the Committee held a hearing before a packed chamber, taking testimony from nine witnesses, addressing the bill's stated purpose, "To establish a national rail passenger transportation system, reauthorize Amtrak, improve security and service on Amtrak, and for other purposes."

Speaking on behalf of the U.S. Conference of Mayors,

Marc Morial of New Orleans said, "We are at a point in history where we can chart a new course. Our goal should be to build a first-class national passenger rail system. . . . The mayors believe this should be the mission and goal of this debate." He stressed the job creation benefits. "We see a powerful linkage between a strong Amtrak, a growing national intercity passenger rail system, and the long-term viability of our local and metropolitan economies."

EIR's own testimony is excerpted here.

Shrinking from such a new policy shift, Washington's "issue-makers" virtually buried news of the bill, the hearing, its steel-demand implications, etc. The March 14 Washington Times omitted that day's Senate hearing from its Washington Daybook. C-Span failed to carry it. The Washington Post Style section found room only for an item ridiculing Hollings' speech, without noting its subject or contents.

#### **Findings of National Interest**

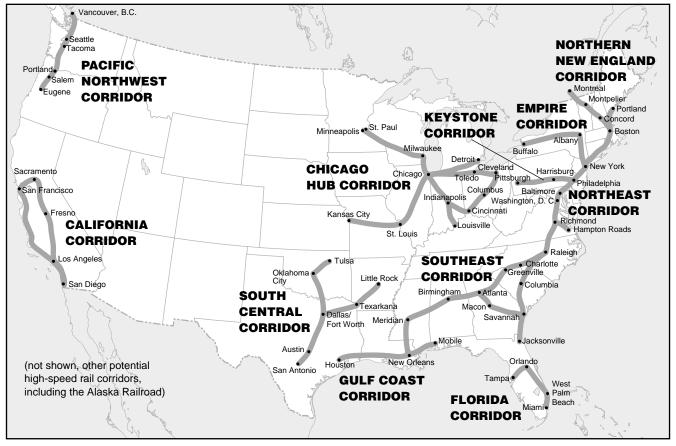
On March 6, Hollings spelled out all the needed rail projects to the Senate in great detail, down to the list of antiquated tunnels to be modernized. He said bluntly that the last few years of the 1997 Federal Amtrak "reform" mandate were "misguided," robbing Amtrak and the public of "long-term capital investment in favor of short-term bond shell games."

Leading the opposition to Amtrak revitalization in the Senate Commerce Committee hearing was Sen. John McCain (R-Ariz.), the ranking Republican. Complained McCain, "In my view, the source of most of Amtrak's problems is Amtrak's status as a government-owned monopoly." He is backing a privatization bill, S. 1958 (the Rail Passenger Improvement Act). Meanwhile, McCain's model—the privatized rail system in Britain—is collapsing spectacularly.

The "National Defense Rail Act" begins with "Findings," of which the most crucial is the first: "Financial investment in passenger rail infrastructure is critical, and Federal leadership is required to address the needs of a reliable, safe, secure passenger rail network." The Hollings bill is explicitly deadopposite to the recent privatization recommendations of the Amtrak Reform Council, and to deregulation in general. In Finding (8), the bill states: "The Amtrak Reform and Accountability Act of 1997, and preceding statutes, resulted in creating conflicting missions for the National Railroad Passenger Corporation, of both serving a public function by operating unprofitable long-distance routes, while also attempting to operate at a profit." And further, (11), "In order to attempt to meet the mandate of the Amtrak Reform and Accountability Act of 1997, Amtrak has been forced to delay capital improvement projects and other projects which would produce long-term benefits."

Instead, the Findings point to a full-scale, high-tech capitalization program, as in (20): "It is in the national interest to preserve passenger rail service in the United States and to maintain the solvency of the National Railroad Passenger Service (Amtrak)"; and (24), "The Nation should be afforded

FIGURE 1
High-Speed Rail Corridor Designations



Eleven of the 12 high-speed rail corridors required in the United States, as designated by the Secretary of Transportation. Senate hearings were held March 14 on a new bill which would re-federalize Amtrak, and give immediate Federal direction and large-scale funding to the establishment of the corridors.

the opportunity to receive safe, efficient, and cost-effective rail passenger services, taking into account all benefits to the Nation as a whole."

In addition to the General Welfare importance of passsenger rail in peacetime, S. 1991 states, in (4): "Passenger rail service has been a vital instrument in the transportation needs of our Nation. For instance, during World War II, the privately owned, operated, and constructed railroad industry transported 90% of all defense freight, and 97% of all defense personnel transported to points of embarkation for theaters of action. By the end of the war, railroads accounted for threequarters of the common carrier share of intercity traffic, with airplanes and buses sharing the remaining quarter of traffic."

As to funding, the 1950s highways buildup is cited: "Federal funding [was] required to construct the Eisenhower System of Interstate and Defense Highways. The Federal Aid Highway Act of 1956 established a Highway Trust Fund based upon Federal user taxes in order to finance up to 90% of the costs of the \$25 billion highway construction plan."

#### **High-Speed Corridors**

Hollings' initiative emphasizes both new railroad security systems, and new *high-speed rail* systems, and would create greater flexibility in route-planning for an Alaska-Lower 48 rail corridor.

The 12 designated high-speed rail corridors are: California Corridor (San Francisco Bay area to San Diego); Chicago Hub Corridor Network, with "spokes," including to Detroit, Minneapolis/St. Paul, Milwaukee, Kansas City, Louisville, and Cleveland, and also Cleveland to Cincinnati via Columbus; Empire State Corridor to Buffalo; Florida Corridor, from Tampa to Miami, through Orlando; Gulf Coast Corridor (Houston to Atlanta); Keystone Corridor (Philadelphia to Pittsburgh); Northeast Corridor (Washington, D.C. to Massachusetts); New England Corridor (Boston to Maine); Pacific Northwest Corridor; South Central Corridor (Texas, Arkansas, Oklahoma); Southeast Corridor (many interconnections covering Virginia, the Carolinas, Georgia, and Florida); and Southwest Corridor (Los Angeles to Las Vegas).

#### Documentation

### EIR Testimony Tells Senate: Pass Rail Act

Excerpts from EIR's testimony to the Senate Committee on Commerce, Science and Transportation on March 14.

Standing in the way of needed anti-depression policies, are the continued pronouncements and delusions about "recovery" just ahead. In a forthcoming special report by the LaRouche in 2004 Presidential campaign committee, Lyndon LaRouche "lists a number of typical actions to be taken to halt the depression and launch a self-sustaining recovery:

- "1. We must a.) put the international monetary-financial system into immediate, governments-dictated reorganization; b.) restore a fixed-exchange-rate system; c.) establish exchange, capital, financial controls, trade controls, and fair-trade forms of protectionist measures internally and externally; d.) increase drastically rates of taxation on financial capital gains, and substitute production- and technology-oriented medium- to long-term investment tax credits to entrepreneurs; e.) generate large masses of government-created credit at rates between 1-2% for, chiefly, a combination of entrepreneurial investment production and infrastructure investment; and f.) implement a general bank-reorganization program, which keeps needed banks performing essential functions for the community while under even drastic financial reorganization.
- "2. We replace 'free trade' with the promotion of protected hard-commodity international trade, as part of the promotion of a global, long-term economic-recovery effort.
- "3. We must introduce the economic equivalent of a hightechnology-oriented 'arsenal of democracy' recovery program, both in the domestic economy and in world trade, to provide the qualitative dimension needed to reverse the monstrous loss of technologically progressive, physical-productive capacity and potential—a loss which has accumulated in the world as a whole during the recent thirty years, especially the recent quarter-century.

"We had better take such measures, to stop that process of collapse before it hits with irresistable, crushing force."

The steel tonnage requirements implied in the S. 1991 bill, show the right kind of follow-on action to the new steel import tariffs decision. The U.S. domestic steel industry needs to be rapidly rebuilt to supply the millions of tons of steel for expanding rail and other needed categories of capital consumption, in an overall infrastructure-building program. . . .

# U.S. Nuclear Doctrine Is Madder Than MAD

by Jeffrey Steinberg

On Jan. 14, *EIR Executive Alert Service* published an exclusive English-language account of Russian Col. Gen. Leonid Ivashov's harsh criticism of the United States' new nuclear war-fighting policy. General Ivashov, who served until the Summer of 2001 as Chief of the Department for International Military Cooperation of the Russian Defense Ministry, gave an interview to the Russian internet publication Strana.ru, in which he warned of the Malthusian character of the new doctrine:

"The Americans are trying to accustom the world to the necessity or possibility of a U.S. battlefield use of nuclear weapons.... If we read the documents on U.S. national security strategy for the coming century, we find that the Americans see the exhaustion of natural resources and the rapid growth of world population, as one of the main, priority problems. They project that already by 2015, world population will increase by 1.1 billion people. And this growth will occur in the East and the South, not the West. Therefore, what the United States is doing in various regions of the world, is being done, obviously, in order to force the nations of those regions into a mode of regressive development. As a means to ensure this, they, perhaps, are considering the possibility to solve at a single blow, the problem of reducing consumption and population. If my conclusion is correct—and I am sure of its correctness—then in that case nuclear weapons will really become a battlefield weapon. They are preparing us for it."

General Ivashov's comments to Strana.ru were directed at the Bush Administration's *Nuclear Posture Review (NPR)*, a classified report which was submitted to relevant committees of the U.S. Congress on Jan. 8. It is not known whether the Russians were also provided a copy of the document by the Bush Administration, or whether General Ivashov's comments were based on background briefings provided by American officials, or merely on leaks that appeared in the U.S. media around the time of the *NPR* release.

The charge that the United States was abandoning a long-standing, albeit informal policy of non-use of nuclear weapons against non-nuclear states, was then confirmed on Feb. 22. John Bolton, Undersecretary of State for Arms Control and International Security, and a card-carrying member of the "Wolfowitz Cabal" inside the Bush Administration, gave an interview to the *Washington Times*, in which he said that the United States "would do whatever is necessary to defend America's innocent civilian population. . . .

We are not into theoretical assertions that other administrations have made."

The very same day that the Bolton interview appeared, State Department spokesman Richard Boucher tried to put the genie back into the bottle, by denying that there was any change in U.S. nuclear weapons-use posture. "The United States reaffirms that it will not use nuclear weapons against non-nuclear-weapons-state parties to the Treaty on the Proliferation of Nuclear Weapons (NPT), except in the case of an invasion or any other attack on the United States, its territories, its Armed Forces or other troops, its allies, or on a state toward which it has a security commitment, carried out or sustained by such a non-nuclear-weapons state in association or alliance with a nuclear-weapons state." Boucher, while attempting to say there was no policy change, did, however, add that the United States might use nuclear weapons, in the event of an attack involving the threat of other weapons of mass destruction.

#### A Leak and a Confirmation

This was where the matter stood until March 10, when the Los Angeles Times published a story by nuclear weapons expert William M. Arkin, featuring leaked portions of the secret Nuclear Posture Review. Under the banner headlines "Secret Plan Outlines the Unthinkable," Arkin revealed that "the Bush Administration, in a secret policy review completed early this year, has ordered the Pentagon to draft contingency plans for the use of nuclear weapons against at least seven countries, naming not only Russia and the 'axis of evil'—Iraq, Iran, and North Korea—but also China, Libya, and Syria."

Arkin continued: "In addition, the U.S. Defense Department has been told to prepare for the possibility that nuclear weapons may be required in some future Arab-Israeli crisis. And, it is to develop plans for using nuclear weapons to retaliate against chemical or biological attacks, as well as 'surprising military developments' of an unspecified nature. These and a host of other directives, including calls for developing bunker-busting mini-nukes and other nuclear weapons that reduce collateral damage, are contained in a still-classified document called the *Nuclear Posture Review*, which was delivered to Congress on Jan. 8."

Arkin charged that "the Bush Administration plan reverses an almost two-decade-long trend of relegating nuclear weapons to the category of weapons of last resort. . . . Now, nuclear strategy seems to be viewed through the prism of Sept. 11."

On March 11, *USA Today*, in a lead story promoting a U.S. military attack on Iraq, observed that the *Los Angeles Times* article had just made Vice President Dick Cheney's tour of the Middle East that much more difficult—given that four of the countries named as prospective targets of U.S. nuclear attack—Iran, Iraq, Syria, and Libya—were Muslim countries. Cheney's tour has been widely promoted as a diplo-

matic mission to arm-twist Arab states into giving support to the planned invasion of Iraq, scheduled to begin as early as the Autumn of this year.

Yet, the Vice President, during a joint press conference in London with British Prime Minister Tony Blair, on March 11, confirmed that the *NPR* does indeed name Iran, Iraq, Syria, and Libya as possible targets for future use of tactical nuclear weapons. And his comments came just moments after Blair had blathered about British "proof" that Saddam Hussein already has an arsenal of weapons of mass destruction.

#### Dr. Strangelove, I Presume

It is not irrelevant that Arkin is a senior fellow at the Johns Hopkins University School of Advanced International Studies, a graduate program where Paul Wolfowitz served as Dean prior to joining the Bush Administration. While many people presumed that the *Los Angeles Times* leak was aimed at exposing and stopping the change of nuclear warfighting doctrine, Lyndon LaRouche presented an opposite view, in discussions about the *NPR* on March 11.

LaRouche charged that the contents of the new doctrine had been leaked by the proponents of the mad "Clash of Civilizations" doctrine, associated with Samuel Huntington, Zbigniew Brzezinski, Bernard Lewis, and Henry Kissinger. These lunatics, LaRouche said, are playing a "nuclear chickengame" with the rest of the world, attempting to scare nations, including America's European NATO allies, into capitulating to the drive to provoke a new world war, beginning in the Middle East. Like all utopian warfighting schemes, LaRouche charged that the talk of new mini-nukes and nuclear "bunker busters" has as much scientific credibility as do the U.S. government claims that we are close to deploying a viable National Missile Defense System. After years of disinvestment in real science, and decades of take-down of the industrial infrastructure of the United States, these wet-dream schemes of "super-weapons" are more utopian psy-war than reality.

The real danger is that the Huntington-Brzezinski-Wolfowitz-Pearl madmen are steering the United States toward precisely the kind of Clash of Civilizations war that was the strategic-policy objective behind the attacks of Sept. 11. Anytime such wanna-be Dr. Strangeloves insinuate themeselves into positions of power in Washington—particularly in the area of military and national security policy—the danger of war skyrockets. However, that danger does not really center on a future generation of field-operational tactical nuclear devices. The war danger is far more immediate, and the agenda of the Kissingers and Brzezinskis is, as General Ivashov correctly warned, a Malthusian nightmare of a war, of each against all, aimed at mass population reduction, raw material piracy, and global imperial power. The countdown for that war is already on, as the insane talk of an Autumn invasion of Baghdad, and the Nazi-modeled Israeli Defense Forces' assault on the Palestinian civilian population of the West Bank and Gaza Strip, demonstrate.

# Military Chiefs Show Sanity at Hearings

by Carl Osgood

While utopian madness reigns in some quarters of the Pentagon, some strategic sanity can still be found in the regional commands, at least those represented before the Senate Armed Services Committee on March 5. Adm. Dennis Blair, Commander of U.S. Pacific Command; Gen. Thomas Schwartz, Commander of U.S. forces in Korea; and Maj. Gen. Gary Speer, acting Commander of U.S. Southern Command, appeared before that committee to deliver their commands' annual posture statements.

Committee chairman Carl Levin (D-Mich.), in his opening statement, raised the key issues in each of those regions. With regard to the Philippines, he said, "I am concerned that our operations... could unintentionally expand beyond training the Philippine Army to fighting the Abu Sayyaf terrorist group." On the Korean Peninsula, Levin raised the possibility that "the lack of negotiations between the United States and North Korea, and between North and South Korea, is turning back the clock on some of the diplomatic advances that have been made over the last several years." And concerning Colombia, Levin raised the implications for U.S. policy, of Colombian President Andrés Pastrana's decision to evict the FARC narco-terrorists from their "demilitarized zone."

#### **Limited Deployments**

Admiral Blair told the committee that the U.S. operations in the Philippines are limited "to ensure they meet the objectives that we seek." The Philippines government only wants assistance, not replacements in this fight, Blair told the committee, and said that he has instructed his commanders that "we will advise our Philippine counterparts. We will not be doing the fighting for them." Blair said the current U.S. deployment to Basilan Island is limited to six months, although longer-term projects are not precluded. Finally he told the committee that his command has made a clear distinction between the Abu Sayyaf, and the MNLF and MILF groups. "We know who they are and how they work," he said, "and we can keep it separate." A related point that Blair made is that the U.S. advisers will be operating at the battalion level of the Philippine Army force deployed in the south (a battalion is about 600 soldiers), and that the advisers would be advising only in the battalion headquarters.

In his statement, General Speer said, "The Colombian military has done a good job in protecting civilians as they move to reoccupy the population centers" in the DMZ. How-

ever, "the Colombian military and the Colombian police lack the resources to fully re-establish a safe and secure environment throughout the country." Speer did report, however, that the training and equipping of a counter-narcotics brigade under Plan Colombia was completed last year, and has been very successful in terms of operational results.

Sen. Pat Roberts (R-Kan.) asked Speer for his assessment of neighboring Venezuela. Speer said that "there is certainly cause for concern on the company" President Hugo Chávez has been keeping. He added, "What we have seen in Venezuela is, the FARC moves with ease across the border into Venezuela, as it does in northern Ecuador to some extent, and Panama. We have seen weapons shipments arriving to the FARC and the [narco-terrorist] ELN that originated in Venezuela." He said there wasn't any evidence of an official government tie-in with those shipments, "but there are certainly some implications that it could be there."

General Schwartz said that "North Korea remains, without a doubt, the major threat to stability and security in Northeast Asia." But he added, "We need a road map, if we're not at peace, to a peaceful solution," to include "confidence-building" measures. Pointing to the obvious—that the dialogue with the North is not going well now—Schwartz said, "We'll wait patiently, but we're ready to engage."

Schwartz said that the agreed framework, under which the United States is facilitating the construction of two lightwater reactors in North Korea in return for the North Koreans freezing their own nuclear program, "is viable," is the "road map to the future," and is "in the best security interest of the United States, and [of] vital interest to that area, absolutely." He noted that the agreement stopped the North's nuclear development, and "it gave us a monitoring capability that we want to have." General Schwartz called it a "stepping stone" to the missile test moratorium. "So, in all," he concluded, "I think the agreed framework has served us well."

The tenures of both Blair and Schwartz are due to end this year, and Speer is only in an acting capacity. General Speer took over for Marine Gen. Peter Pace, when Pace was selected to become vice chairman of the Joint Chiefs of Staff.

Secretary of Defense Donald Rumsfeld has indicated that he is withholding any announcement of replacements for these commanders until he is ready to submit a new unified command plan to President Bush. That plan is expected to include the formation of a new Northern Command for homeland defense; some realignment of the existing command structure; and the nominations for all of the new regional commanders, except for Central Command, where Gen. Tommy Franks has been commander only since October 2000. The way Pentagon Spokeswoman Victoria Clarke put it on March 12, was that Rumsfeld wants "the right kind of people" in those, and related, positions. It is possible that the "right kind of people" would have outlooks like those of former Undersecretary Richard Perle, current Deputy Secretary Paul Wolfowitz, and other crazed utopians.

### Congressional Closeup by Carl Osgood

#### Parker Firing Engenders Anger on Capitol Hill

Members of the House Transportation and Infrastructure Committee vented angrily against the Bush Administration, during a March 7 hearing of the Water Resources and Environment Subcommittee. The issue was the firing, the day before, of Mike Parker, Assistant Secretary of the Army for Civil Works. Parker had testified before the same subcommittee, and the Senate Budget Committee, a week before and had reportedly had been less than enthusiastic in his support of the proposed budget cuts for the Army Corps of Engineers. In fact, a Feb. 28 memo sent by Office of Management and Budget Director Mitch Daniels to the White House, and published in the Washington Post on March 8, complained that Parker, Corps Commander Gen. Robert Flowers, and Senate Budget Committee chairman Kent Conrad (D-N.D.) "reached convivial agreement that the President's budget is unacceptable and probably just a cynical ploy on our part."

The proposed budget cuts the Corps' construction account by almost \$300 million, the Mississippi River flood control program by \$65 million, and the general investigations account by \$51 million. Overall, the Corps' budget is reduced by \$460 million or about 10%.

The anger displayed at the March 7 hearing was bipartisan in nature. Subcommittee chairman John Duncan (R-Tenn.) said he was "disappointed" that Parker, a former member of the committee, was forced to resign because of his honesty. He said that the cuts will result in termination of many projects and pointed out that "98% of our trade moves through ports maintained by the Corps of Engineers."

Ranking member Peter DeFazio (D-Ore.) said that stopping projects will result in huge termination costs.

Rep. James Oberstar (D-Minn.), the ranking Democrat on the full committee, said, "They may be one of the Corps' darkest hours." He castigated the administration for proposing a \$276 million cut in the construction budget at a time of recession, and added that "water transportation is the most efficient means of transportation."

On the Senate side, Bob Smith (R-N.H.) introduced a bill to "reform" the Corps of Engineers, on March 5, the day before Parker's firing. Smith's major complaint was that many of the Corps' projects only have to meet a 1:1 cost-benefit ratio. "No one would invest in the stock market at such a return," he said. He added that "in these times of war and deficit spending, the taxpayers should not be asked to fund such projects." Smith's cosponsors include Russ Feingold (D-Wisc.) and John McCain (R-Ariz.). McCain is well known for his campaigns against "pork," which makes the Corps of Engineers a natural target for him.

#### Senators Spar Over Missile Defense Oversight

On March 7, the Strategic Subcommittee of the Senate Armed Services Committee held the first of two hearings on missile defense since the Pentagon reorganized the Ballistic Missile Defense Organization into the Missile Defense Agency. That reorganization has generated some concern on Capitol Hill that missile defense programs will no longer be subjected to the tight oversight that has been in the case up until the recent past.

Subcommittee chairman Jack Reed (D-R.I.) expressed that concern, when he said in his opening statement that "spending vast amounts of money doesn't guarantee anything," and warning of the consequences if the money is not spent wisely. He added that every \$1 billion spend on missile defense is \$1 billion taken out of other programs. Robert Byrd (D-W.V.) asked a long series of questions to MDA director Lt. Gen. Ronald Kadish and Undersecretary of Defense for Acquisition Pete Aldridge, to ensure that Pentagon internal oversight over the program would be as tight as it always has been, and to ensure that the Pentagon would provide all of the information that Congress requires in order to evaluate it effectively.

On the other hand, the subcommittee's ranking Republican, Wayne Allard (Colo.), sounded like a lobbyist for the Bush Administration, repeating all of the arguments that have recently come out of the Defense Department for missile defense, and against arms control. He complained that there has been "less than enthusiastic support" for missile defense from the Senate, and that the two planned hearings "are diverting us from other important issues."

#### Scaled-Back Stimulus Bill Signed by Bush

On March 9, President Bush signed into law a scaled-back economic stimulus bill that finally brings to a close five months of wrangling on the issue. The bill extends unemployment benefits up 13 weeks in states where the unemployment rate stays above 4%, and includes a package of business tax cuts that amounts to about \$94 billion over five years.

The bill was actually the result of backing down by the House GOP leadership, which had been pushing a much larger tax cut package. The House bill kept dying in the Senate, however, where agreement could not be reached on anything other than a simple extension of unemployment

benefits. The House leadership gave in sometime during the evening of March 6, but could not completely let go the idea tax cuts—hence the package that made its way into the bill. It passed the House by a vote of 417 to 3.

On March 8, the Senate took up the House bill and passed it 85 to 9, with most of the dissent coming from Democrats. Jay Rockefeller (D-W.V.) complained that the stimulus package received from the House left out two of the three provisions that Democrats had agreed on: health benefits for the unemployed and money to help the states with their Medicaid costs. He also complained that the bill included \$86 billion in corporate tax breaks and left out the rebates for low-income tax-payers who were not eligible for them, last year.

Another complaint was that the bill came "too late," since Federal Reserve Chairman Alan Greenspan has declared the economy in "recovery." Rockefeller asked the Senate, "Why are we ignoring the clear consensus among economists and our Federal Reserve chief?" Though Rockefeller did not say it, the reason was that the hundreds of thousands of workers who lost their jobs in the aftermath of Sept. 11 were about to exhaust their unemployment benefits, a key consideration in an election year. Furthermore, not everybody-even on Capitol Hillbelieves Greenspan's fairy tales.

#### Energy Bill Focuses on Environment, Free Market

On March 5, Senate Democrats brought to the floor their answer to demands for a comprehensive national energy policy. The bill, as described by Senate Energy and Natural Resources Committee chairman Jeff Bingaman (D-N.M.), has three major goals: "to ensure a diversity of fuels and technologies for adequate sup-

plies of energy"; "to improve the efficiency and productivity of our energy use"; and "to be sure that whatever we do in the energy area is done with an eye toward protecting the environment." The bill places heavy emphasis on renewable sources of energy, such as solar and wind power, and provides incentives for so-called intermittent generators to provide power into the electricity grid. It also provides incentives for domestic production of oil and gas, outside of the Alaska National Wildlife Refuge, and partially reauthorizes the Price-Anderson Act, dealing nuclear plant liability issues.

And, in a paean to the free market, the bill repeals the 1935 Public Utilities Holding Company Act (PUHCA), though, in the aftermath of the Enron disaster, it allegedly provides for "consumer protections" in its absence. (The PUHCA was one of the hallmark pieces of legislation of Franklin D. Roosevelt's New Deal. See "Regulation: The Fight Which Saved the Nation," *EIR*, Aug. 18, 2000.)

GOP complaints about the bill are as much about procedure as they are about substance. Sen. Frank Murkowski (R-Ak.), the ranking Republican on the Energy and Natural Resources Committee, called the process by which the Democrats had bypassed the committee to bring the bill to the floor "severely flawed." Senate Majority Leader Tom Daschle (D-S.D.) replied that he had not done anything that had not been done by Sen. Trent Lott (R-Miss.) when he was majority leader.

In his opening statement, Bingaman noted that there were a lot of issues in the bill that would be cause for controversy, among these, the automobile fuel efficiency standards, hydropower dam relicensing, and the climate change provisions. Murkowski said of the climate change provisions that there were so many conflicts in the bill "that need to be sorted out that it is

going to take a lot of time."

The bill has been moving at a glacial pace, given the number of unresolved issues surrounding it.

#### McConnell Seeks Changes To Campaign Reform Bill

The campaign finance reform bill remains stalled in the Senate over a number of what Sen. Mitch McConnell (R-Ky.) describes as "technical" issues. McConnell has proposed to Sen. John McCain (R-Ariz.), a key architect of the legislation, 13 changes to the bill before he agrees to take it up on the Senate floor. McCain agreed that six of the proposals are purely technical in nature and he sees no problem with them. He views the remaining seven as "substantive," however, and he fears that incorporating any of them would force a conference with the House, thereby killing the bill. McCain is going to great lengths to avoid a conference, because the House GOP leadership, which opposes the bill, would pick the House conferees.

Senate Majority Leader Tom Daschle (D-S.D.) tried to move the bil by unanimous consent, on March 5, but McConnell objected. He said that the bill "almost certainly" would become law on Nov. 6, 2002, and so "I think to take a little time and consider technical changes that will benefit both sides is a good idea." He had told reporters, earlier, that he had no intention of trying to force the bill into conference.

After McConnell's objection, McCain complained that there was still no agreement on how to proceed. He noted that the bill's opponents were already planning a filibuster, and "it is time we plan for that and move forward with cloture motions." He said that "if the Senate decides not to get 60 votes, then we will wait until the next scandal."

#### **Editorial**

# Zimbabwe's Mugabe's Re-Election— Over Blair

The British oligarchy, trying to install opposition Presidential candidate Morgan Tsvangirai to take control of the government of Zimbabwe, has suffered a defeat with the victory for President Robert Mugabe of the ZANU-PF party, in the March 10-11 national vote. Mugabe received 1,685,212 votes, with 56% of the 2,998,758 votes cast, trouncing Tsvangirai, the candidate of the Movement for a Democratic Change (MDC), who garnered 1,258,401 votes, with 42%. Three other candidates received a total of 55,145 votes; voter turnout was 3,130,193, or 60% of registered voters. The opponents of Mugabe and Zimbabwe, will contest the vote, complaining that it was tainted; but the margin of over 400,000 votes should dispel, for honest and intelligent observers, any notion that the election does not represent the will of the Zimbabwean people.

Contrary to the British government of Tony Blair—who announced in advance that he would not accept the election results unless his man Tsvangirai won—the Organization of African Unity and Zimbabwe's neighbors have endorsed the results. Gertrude Mongella, leader of the OAU observers, said that "in general the elections were transparent, credible, free and fair." The Southern Africa Development Community Ministerial Task Force said: "Despite the reported incidents of preelection violence and some logistical shortcomings during the voting, it is the considered opinion of the SADC Ministerial Task Force, that the elections were substantially free and fair, and were a true reflection of the will of the people of Zimbabwe."

On March 12, the South African Federated Chambers of Commerce also pronounced the view that the elections had been free and fair: "The Zimbabwean elections proved to be similar if not better than the elections in other countries."

As Zimbabwean Ambassador to the United States Simbi Mubako pointed out a week before the election, this was turning out to be one of the most closely observed elections in history.

In the weeks leading up to the election, the British

government and royal family did all they could to incite violence, and to prevent a free election. Not satisfied that no major violence erupted, and that Zimbabwe remains calm, the BBC (which had been banned from Zimbabwe) went fishing for post-election riots. On March 13, when the results were announced, BBC's lead story was that President Mugabe should expect his victory to be short-lived; the broadcast called for street protests like those in Yugoslavia and Ivory Coast, which "might succeed, where the elections failed, in unseating him."

At the (British) Commonwealth Heads of Government Meeting (CHOGM) in Australia over the March 2-3 weekend, Prime Minister Blair became furious when the heads of government refused to condemn the Zimbabwe elections in advance. This prompted South Africa's usually diplomatic President Thabo Mbeki to respond to Blair with his own modest proposal: "Those inspired by notions of white supremacy are free to depart [the Commonwealth] if they feel that the membership of the association reduces them to a repugnant position imposed by inferior blacks."

Prince Charles, unable to control himself, flew off the handle when he heard of how the Commonwealth leaders had treated Blair at their meeting. He said that the Commonwealth was "drinking in the Last Chance Saloon," and, "If the Commonwealth could not stand for liberal democracy and human rights, it deserved to be treated with international contempt."

The road ahead for Zimbabwe will be hard. One should not rule out further destabilizations inspired by the British, who have suffered one of their severest setbacks in Africa since Zimbabwe's independence in 1980. Zimbabwe's enemies will no doubt focus on the economy, which is in bad shape, and will apply great pressure on Mugabe to rejoin the International Monetary Fund, if they fail to overthrow him. Nonetheless, since President Mugabe has become a strong IMF opponent, this election adds a potentiality for Africa's development.

72 Editorial EIR March 22, 2002

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- "Norbert Wiener: Cybernetics and Social Control in Cyberspace"
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