

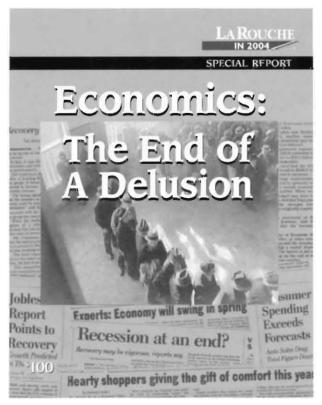
It Did Not Start, or End, With Spy Jonathan Pollard Shakespeare's George I: How Bush Lost Re-election LaRouche Report: Science and Infrastructure

Korea Breakthrough: Victory For the Land-Bridge Policy



Economy in Crisis:

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—Lyndon H. LaRouche, Jr.

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From the Associate Editor

When North and South Korea decided to act on their desire for national reconciliation and a future for their posterity, they did the sensible thing: They opened up the railroad links that had been closed for 50 years.

Compare that to the shutdown of the railroads of the United States, as illustrated in the maps in our *Feature*. In the latest update, Amtrak's president told the press on Sept. 18 that the proposed FY 2003 Federal budget will mean personnel cuts, an end to freight service, delays in necessary repairs of track, and delay or termination of all new projects.

The Koreans have it right. Backed by the major Eurasian powers, they are doing their best to intervene into a world economic-strategic situation that is heading for disaster. Their breakthrough is also a victory for Lyndon LaRouche and *EIR*, whose efforts made it possible for the "Iron Silk Road" to come into being, as a vital component of the Eurasian Land-Bridge.

President Bush and the Congress should be addressing how we can do the same thing here, before the shards of the U.S. physical economic infrastructure are swept away.

In his article "Science and Infrastructure," LaRouche tells how it must be done: how we can build on the experience of Franklin D. Roosevelt's reforms, introducing necessary improvements. He emphasizes that in mass transportation policy, the moral and economic effects are two faces of the same coin. "The 'bloodstream' of mass transportation," he writes, "also transmits ideas and their application, as expressed in the form of technologies spun from the thread of scientific discovery, and expressed in the forms of products and techniques."

This article, supplemented by documentation of the infrastructure crisis and specific proposals to rebuild, will soon be issued as an *EIR* Special Report, for widest possible circulation.

Also of great urgency is our new intelligence (see *National* section) on the "Pollard network" in the Bush Administration: the "mole hill" of Anglo-American/Israeli agents who are responsible for the insane drive to war against Iraq.

Susan Welsh

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South Korean troops at Dorsan Station on Sept. 18 begin their work to clear mines from the Demilitarized Zone.



48 Koreas Open DMZ at Last: 'Silk Road' Rail Construction Starts

The historic breakthrough sets the stage for rebuilding the "Iron Silk Road"—the trans-Korean rail and road links severed for 50 years. A key component of Lyndon LaRouche's conception of a Eurasian Land-Bridge, this was the work of all Eurasia, to help the Koreas toward reunification, and to fend off the threat of war and economic collapse.

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We now face a form of global financial-economic crisis far worse than that of 1929-1933, writes Lyndon H. LaRouche, Jr. "The most urgent of the immediate, specifically physical-economic U.S. reforms required by this crisis, involves immediate adoption of policies for rebuilding the U.S.A.'s basic economic infrastructure. Sweeping measures for rebuilding the systems of power generation and distribution, water management, land reclamation, health-care, and education, must be fully under way during the 2003-2004 interval. There are two aspects of the United States' basic economic infrastructure which desperately require even more immediate attention, even prior to the November 2002 mid-term elections: saving and rebuilding both the national railway system and the complementary airtransport system."

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The Hand in the Glove

EREconomics

Imports Keep Moribund U.S. Economy on Life-Support

by Richard Freeman

Led by a surging trade deficit, the U.S. current account deficit leaped to \$129.59 billion during the second quarter of 2002, the Commerce Department reported on Sept. 12. This not merely sets a record, but is a larger deficit in one quarter, than any other nation in the world has ever had in an entire year.

The deficit shows conclusively that U.S. economy's collapse is accelerating. Unable to physically produce the means of its own existence (for example, machine-tool consumption is nearly one-quarter lower than last year), the physical economy is increasingly dependent on imports, and the current account deficit is mostly driven forward by the trade deficit. This is paid for by an inflow of dollar-denominated funds from foreigners.

To accomplish this, the Anglo-American financiers set up the biggest speculative bubble in the world, and an overvalued U.S. dollar—itself propped up by the speculative bubble—to attract foreigners to bring their money into the United States. But what happens, with the U.S. speculative bubble teetering, as foreigners no longer wish to hold dollar-denominated assets inside the United States, and choose to disinvest from America? Two processes will unfold in an interconnected, self-feeding way: First, the United States will no longer be able finance the trade deficit portion of the current account deficit. This will crumble the weakened, import-addicted U.S. physical economy. Second, as investors bail out of the dollar, it will fall, not by small increments, but likely by 40-50%. This will shatter the over-leveraged, cancerous financial system.

This process has already started, reflected in the dollar's 7-9% depreciation against major currencies since Jan. 1.

This is the reality that the Bush Administration, led by Treasury Secretary Paul O'Neill, and supported by Federal Reserve Board Chairman Alan Greenspan, wish to deny. But as this reality intersects the growing Federal budget deficit, and the further contraction of the U.S. economy, it will assert itself in the most forceful way.

Components of the Current Account Deficit

The growing problem is shown by the current account deficit's trajectory (**Figure 1**): In the fourth quarter of 2001, the deficit was \$95.09 billion, and rose to \$112.45 billion in the first quarter of 2002—which established a record—before leaping to \$129.96 billion in the second quarter. Thus, it increased by \$35 billion over the course of two quarters. For the first half of 2002, the deficit totalled \$242.41 billion, but given its quarterly rate of increase, it is likely to soar past \$500 billion for the year 2002.

An evaluation of the U.S. current account, which is composed of three components—the balances on goods and services; on income; and on unilateral current services—must focus on trade.

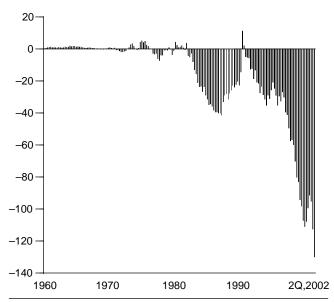
During the second quarter, the U.S. trade deficit on goods and services soared to a record \$110.61 billion, accounting for 85% of the current account deficit. In fact, the United States ran a trade deficit on physical goods alone of \$122.64 billion; this was partially offset by a trade surplus on services of \$12.03 billion. The economy is suffering from a potentially lethal addiction to imports: As long as the dollar has been strong, the economy has been able to suck in a huge amount of physical goods imports, mostly because it has impaired or permanently destroyed the capacity to produce these goods through its own productive facilities.

An additional force played a secondary, but important role in increasing the current account deficit: the "balance on income," which is the cumulative amount of income that Americans earn on their holdings in foreign nations, minus the income that foreigners earn on their holdings in the United

FIGURE 1

U.S. Current Account Deficit Grows: On Quarterly Basis, 1960-2002

(\$ Billions)



Source: EIRNS.

States. Throughout its history, America generally ran a positive balance on income, based on the fact that America owned a greater amount of foreign assets than foreigners owned of U.S. assets, and thus earned more income in foreign countries than foreigners earned in the United States. But foreigners have been induced to bring dollars into the United States by increasing their investment holdings of U.S. assets, dramatically changing the relationship.

The U.S. Commerce Department gives the name of "America's net international investment position" to the difference between Americans' holdings in foreign nations (stocks, bonds, etc.), and foreigners's holdings in America. In the second quarter of 2002, Americans owned \$6.02 trillion of assets in foreign nations, and foreigners owned \$8.48 trillion of assets in America. Therefore, America built a net international investment position of a staggering –\$2.46 trillion.

During the second quarter 2002, the U.S. ran a "balance on income" deficit of \$5.34 billion. This contributed to swelling the current account deficit.

Lure of the Housing Bubble

A primary mission to prevent disaster, involved drawing in sizeable foreign funds into the United States to cover the \$129.59 billion current account deficit of the second quarter. It appears that the sale of secondary housing market-related paper was the principal lure to draw foreign funds in.

According to the Commerce Department's report on in-

ternational transactions during the second quarter, "foreignowned assets in the U.S. increased \$221.2 billion," representing an inflow of \$221.2 billion during that quarter, while they had increased by only \$113.5 billion during the first quarter. During the second quarter, foreigners purchased net \$11.4 billion in U.S. stocks (down from \$25.0 billion during the first quarter); net \$1.4 billion in U.S. Treasury securities (up from -\$7.3 billion during the first quarter); and an unprecedented net \$92.3 billion in U.S. corporate and agency bonds (up from \$46.1 billion during the first quarter). (There were other means and instruments by which foreign funds flowed into the United States.) The combined inflows covered the \$129.59 billion current account deficit.

Foreign purchases of U.S. stocks and Treasury securities combined, totalled a rather meager \$12.8 billion, as the stock market was rather depressed.

The key category was that of "corporate and agency bonds." Agency bonds represent, principally, the bonds of the giant secondary housing market agencies known as Fannie Mae and Freddie Mac. These two agencies are engaged in building and maintaining the giant U.S. housing bubble (see *EIR*, June 21), and to do so, issue bonds. An initial report is that foreigners bought a significant amount of agency bonds, investing in the U.S. housing bubble. But that super-hot bubble is on the verge of bursting, and when it bursts, few alternate gimmicks exist to suck in foreign funds. The funds to cover the current account deficit may soon not be there.

Federal Budget Deficit

On Aug. 13, the U.S. Congressional Budget Office released a report, entitled, "Where Did the Revenues Go?" which reported that whereas earlier this year, "experts" had predicted a balanced Federal budget for fiscal year 2003, now the CBO is predicting a \$157 billion deficit, as a result, mostly, of collapsed revenues. In fact, the deficit is much larger. The fiscal 2003 Social Security Trust Fund surplus of approximately \$150 billion was illegally mixed into the so-called "unified Federal budget." Were it properly removed, the fiscal 2003 general revenue budget deficit would be closer to \$307 billion.

On the surface, the U.S. Administration is intent on ignoring reality. While the current account deficit threatens the U.S. financial system, Treasury O'Neill pooh-poohed it as "not very significant," and Fed Chairman Greenspan said it is "not, in and of itself, a measure of anything bad, because what that means, is that that much money is coming into the U.S. on the part of those who want to invest here."

Still, behind closed doors, the consequences of issues such as the current account deficit are causing hysteria in the Bush Administration, and fueling the lunacy of the "perpetual war" faction. Either this matter is addressed, through such measures as bankruptcy reorganization of the global financial system, or, with the disinvestment from the U.S. dollar, it will shatter this system.

Even the IMF Is Warning Of a Systemic Crisis

by Rainer Apel

In its Global Financial Stability Report, published on Sept. 12, the International Monetary Fund (IMF) draws—after all its previous cover-ups of reality—a comparison between the present situation on world financial markets and the days of the hedge-fund meltdown in September-October 1998. In that highly dramatic situation—as even then-IMF Managing Director Michel Camdessus later admitted—the global financial system was teetering on the brink of a "true world catastrophe."

In its first chapter, the IMF report states:

"During the period under review, a sharp erosion of investor confidence, heightened risk aversion, and growing concerns about the strength and durability of the global recovery and the pace and quality of corporate earnings had repercussions in all of the major equity, credit, and foreign exchange markets. Market adjustments occurred against the background of the bursting of the telecom, media, and technology (TMT) bubble. . . .

"First, major equity market indices declined significantly and by early August were near or below levels not seen since the Autumn of 1998, when global markets were unsettled by Russia's default and the near-collapse of the global hedge fund, Long Term Capital Management.

"Second, as U.S. corporate bankruptcies hit records, institutional investors and banks discriminated more clearly between classes of borrowers and reduced lending to high-risk borrowers. As a result, corporate credit spreads widened, and speculative grade borrowers faced dramatically higher borrowing costs. The credit deterioration also created a record number of 'fallen angels,' whose outstanding bonds were downgraded from investment grade to junk status.

"Third, the dollar continued to depreciate against the other major currencies, reflecting reductions in foreign portfolio flows into U.S. equity markets and in foreign direct investment. The dollar's decline, together with the continuous stream of accounting irregularities in the United States and the relative absence of them elsewhere so far, intensified concerns about how much further the major currencies would be realigned and doubts about the sustainability of capital flows needed to finance the U.S. current account deficit."

The IMF report, in unusually drastic language, then points to "considerable downside risks" in the "imminent future":

- "The possibility of further equity price declines, and in the worst case scenario, panic selling by both institutional and retail investors:
- "A further weakening of financial institutions' balance sheets and profit outlooks, in particular among banks and insurers in Europe; and
- "An accelerating slowdown in net capital inflows to the United and the associated potential for substantial exchange rate movements."

Effects from a War on Iraq

There were also warnings from inside the IMF staff, in mid-September, pointing to disastrous effects upon the world economy from a new war on Iraq. This was immediately taken up by the German government in its reiterated criticism of the American war plans on Sept. 14; Germany said that a war, with oil prices being driven up, would hit the developing sector even harder than the industrialized countries. The developing nations could definitely not afford war-linked increases for crude oil prices—there is speculation that prices could hit \$100 per barrel—and an instant collapse of the developing sector economies should be feared.

This theme had already been touched upon prominently by German Chancellor Gerhard Schröder in a Sept. 5 interview with the *New York Times*. Leading establishment economists, too, have realized that such a war would not only have incalculable military and poltical consequences, but that it will mean a global economic and financial catastrophe.

War and 'World Recession'

In Germany, the chief economist of the Federation of German Industry (BDI), Hans-Joachim Hass, warned on Sept. 9 that an Iraq war would lead the world into recession. Already now, he said, the German economy is "just above zero growth"; no longer are there "any reserves left." The mood among German corporations and consumers has been bleak for months; their hoped-for export-led recovery, in particular a "recovery of demand in the United States," is turning out to be non-existent. A war against Iraq would therefore mean that Germany "is stuck in recession," Hass said. But he concluded that the prime victim of a war against Iraq would be the American economy.

Deutsche Bank chief economist Norbert Walter said in a radio interview on Sept. 13 that a war against Iraq would cause a new global recession, and the German Association of Wholesale and Foreign Trade (BGA) and the Association of the Chemical Industry (VCI) jointly forecast that the oil price would shoot up and remain for some time at above \$40 per barrel, causing another world recession.

A City of London financial insider told *EIR*'s Wiesbaden office on Sept. 13, that the "direction things are now headed, is that the United States will plunge into a very severe depression. Confidence is now fragile, and a war would shatter it completely."

Russians Debate Sustainable, 'Stable,' Or 'Self-Sustaining' Development

Without investment in infrastructure, technological development for industry, and social protection for the population, there can be no "sustainable development," said Russia's official document for the Earth Summit in Johannesburg. The report, prepared by Russia's Ministry of Economic Development and Trade, was summarized in the daily Kommersant on Aug. 27. The authors, including specialists from Russia's Foreign Ministry and Natural Resources Ministry, wrote that in order to achieve stable growth, Russia would need at least \$2 trillion of investments. "Stable" is the meaning conveyed by the term, used to translate into Russian the phrase "sustainable development."

The Ministry of Economic Development and Trade is headed by liberalizer German Gref, but its paper for the Johannesburg meeting reflects the continuing high, reality-based pressure from many quarters within Russia, to address the plight of the real economy.

The document of Gref's Ministry contrasted spectacularly with the subject of the speech prepared by Prime Minister Mikhail Kasyanov for the Earth Summit: "Conservation of Biodiversity in Russia." This contradiction apparently irritated Igor Chestin, head of the Worldwide Fund for Nature (WWF) Moscow office. This angry "biodiversifier" told Kommersant that the Russian delegation was as unprepared for the discussion at the summit, as it was in 1992 at the Rio Earth Summit. Chestin blamed Gref's Ministry for not inviting representatives of non-governmental organizations (NGOs) to the delegation. Chestin was also dissatisfied with the fact that the Russian delegation was partly represented by "diplomats." "With such a level of preparation, Russia should not send any delegation at all," grumbled the WWF asset.

The most productive public debate of development policies in Russia occasioned by the Johannesburg event, is represented by a major, three-part article by Prof. Yuri Gromyko, appearing in the daily on-line publication Russky Zhurnal (also known by the name of its English edition, The Russian Journal). The installments are in the Aug. 26, Aug. 29, and Sept. 3 issues. Under the title "Problems of Sustainable Development: Are We Prepared for This Discussion?" Gromyko took up the theme Lyndon LaRouche has established in his dialogue with the Russian intelligentsia during recent years: what Russia's mission should be in the current world crisis. We offer excerpts of this important contribution to the discussion, translated from Russian by EIR. Subheads have been added.

Problems of Sustainable Development: Are We Prepared for This Discussion?

by Yuri V. Gromyko

One specific aspect of the topic of sustainable development is of interest to us—Russia's ability to formulate goals for world development, in its own name and from its own standpoint, and to define its mission and role in a world undergoing transformation and change. So far, we have to say that Russia is not prepared for this discussion. It is unprepared, despite certain work done by Academician N.N. Moiseyev and the ideas of Academician D.S. Lvov, not to mention their predecessors, particularly Vernadsky, whose scientific program prepared Russia for this discussion at least 70 years ago. . . .

Why do I consider Russia unprepared? Because we are incapable of proposing (or we don't want to) on behalf of Russia a new project for world development, a project that would require the consolidated efforts of the majority of nations, in order to construct a new world order. . . . As a world power, Russia cannot simply follow some home-grown isolationist strategy. Being already part of the world and having inherited world-scale resources, it cannot suddenly start to view itself as a small European country, just because envious and territorially greedy outsiders demand that the feeble proprietor of these resources hand part of them over in payment of its bills.

We emphasize that arguments of precisely this type, based on an alleged inability to manage life properly, will be used as the main justification for territorial pretensions against Russia, beginning with Kaliningrad.

Russia Must Propose Planetary Solutions

Therefore Russia has always been in a position, where it had to propose extravagant, unexpected solutions of a planetary nature and scale. If Russia tries to act from a position of mediocrity, it will be destroyed by circumstances, the rest of the world, and its own population. . . . Russia today, whether we like it or not, lays claim to the heritage of Tsarist Russia and the Soviet Union. . . .

Before integrating ourselves into the world community and accepting its rules of the game, it wouldn't be a bad

EIR September 27, 2002 Economics

thing to find out what kind of shape the world community is in. Might it, for example, be financially bankrupt? Because in that event, an entity attempting to integrate into the world community will be assigned the sorry lot of supporting the world currency, the dollar, with its resources and reserves.

The only solution is to muster all the effects of sociocultural and technological development, to declare and demonstrate a phenomenon of development to the world community, and then transfer the technology for its implementation and construction to any other countries of the world, which desire to engage in such development. . . .

The disappearance of that ideological rivalry [between eastern and western systems, under which technology transfer to the developing sector took place, but was driven by considerations of military-strategic spheres of influence of the superpowers-ed.] means that the opportunity has arisen for the first time, to project zones and points of development and create development technologies, with the proportional participation of all the countries of the world. For Russia, this means the nations of the Arab and Islamic world, first of all. With the U.S.A. at loggerheads with the Islamic world, it would be stupid on Russia's part, not to build long-term investment relations with the Arab countries. But the main question is the purpose of building investment relationships. They should be built for breakthroughs into the future, for development.

The Phenomenon of Development

How many countries possess comparable, full-fledged productive forces, based on the integration and complex interorganization of these three sociocultural spheres of thought activity—scientific-design, educational, and production? Not so many, it turns out. The United States, Japan, unified Europe, and Russia are to be found in this field of possible comparisons. China is moving with tremendous speed toward the creation of full-scale productive forces, while the nations of the Maghreb want to obtain such forces of integration. Other countries lack them. And it is precisely on this point, that Russia finds possibilities for making a substantive and largescale gambit. Russian could, for example, help Malaysia to form a full-fledged scientific research and development sector, including joint basic research projects with our Academy of Sciences, just as Leibniz performed such work for Russia at the request of Peter the Great. Malaysia has established university science, but university science is not the same thing as fundamental research and development science. Such a scientific development project would not mean the transfer to Malaysia of already explored or obsolete research topics from the Russian Academy of Sciences, but should rather be based on the following elements:

1. Creation of a fundamentally new institutional structure for the organization of science, but using the almost 300-year experience Russia has in this area.

2. Design of programs for new, breakthrough research and design projects, on the basis of a certain kind of breakthrough-research institution, in such sectors as aircraft design and construction, space exploration, nuclear energy, and biophotonics. Obviously, a project of this type would require that Malaysia make some investments, but it could be an investment package, which would also provide for the reconstruction and reorganization of the Russian Academy of Sciences, which, in turn, would make it possible to advance in several directions of fundamental research.

LaRouche: Leadership for the Land-Bridge

The problem of development is necessarily bound up with the organization of spaces and territories, including the consciousness of the people living in a given area and conceptualizing it. The geometry of such "spatial" development turns out to be a very important factor for analyzing problems and setting goals for development. Thus, it is no accident that the well-known economist and Democratic Party Presidential candidate Lyndon LaRouche argues that Russia's mission, which should be the basis for the national leadership to define strategic goals, is connected with mastery of the expanses of Eurasia. Russia, uniquely, could take on the function of building a geostrategic land-bridge between Europe and the expanses of Central Asia, making possible the transport of innovative technologies from Europe into the territories of Asia. This transportation of inventions, discoveries, and technological innovations could be organized through the creation of so-called corridors of development, along the transport arteries.

As L.G. Ivashov, vice president of the Academy of Geopolitical Studies, has emphasized, the circulation of freight flows along transportation arteries is a supplementary support factor for security in this part of the region. The idea of creating development corridors in Eurasia, not only on the westeast axis, but also north-south, which will make it possible to revive the economy of Russia's North, is extremely important from the standpoint of the otherwise threatened amputation of enormous, undeveloped continental expanses. To develop this area will allow not only Russian manufacturing to work at full capacity, but also the production capacities of Germany and France, many of which are bankrupt at the present time and are being shut down.

'We Cannot Halt Production'

It might be objected, that the Rio and Johannesburg forums were dedicated precisely to the task of lowering the industrial and utilization load on nature. And, that all these development corridors and full-scale productive forces would be aimed at increasing that load, or, at least, not at lowering it. This is true, and here is where we approach a formulation of the problem. If we want to ensure even relative equality for the entire population of the planet, we cannot simply halt production. That would mean inevitable famine and unem-

ployment for the population of a huge number of countries, and an intensification of inequality. The ostensibly neutral ecological standards, formulated by the developed countries, serve the political and economic purpose of suppressing competitor nations. An example is the standards for processed lumber. Without adopting the relevant measures in the timber industry, Russia will be squeezed out by the Swedes, Finns, and Koreans. On the other hand, continuation of the exploitative practices of a number of industries, including extractive industries, is ruthlessly destroying nature, depriving future generations of vitally important resources.

Here, we confront two irreconcilable positions. The first is Malthusianism in its various forms. The key theses of this position are that population growth must be stopped, the birth rate must be controlled, there are not enough natural resources, and growth has limits.

Posed as the alternative to Malthusianism is the position of the advocates of naive technological progress. The key theses of this position are that the exploitation of natural resources should be continued, natural rent should be divided among nations, raw materials processing should be increased, and new areas of industrial development should be created, allowing the derivation of ever more profit-yielding commodities.

Both these positions lead to a dead end and are destructive for mankind. The Malthusians propose to sacrifice a huge group of countries to inequality and deprive them of any possibility for development, including simple demographic reproduction, in order to maintain the standard of living and consumption of the "golden billion." The naive technocrats, in turn, propose the pitiless destruction of natural resources. But both of these positions deny the possibility of a breakthrough in scientific methodology, which would make it possible to master a fundamentally new class of technologies, which use fewer natural resources and are more efficient. These define a new technological development phase. To get beyond these two positions requires the introduction of completely different notions about the development of humanity as a whole. Setting goals for the development of humanity as a whole and defining the rights of mankind as a whole, together with the rights of the individual, should be the tasks of the Johannesburg summit.

Developing Humanity as a Whole

Do groups exist, capable of conceptualizing the problem of the development of humanity as a whole? How should this problem be conceptualized? Such groups do exist, both in Russia and abroad—in particular, the above-mentioned L. LaRouche, author of physical economy, as opposed to the alchemy of finance. In Russia, Pobisk Grigoryevich Kuznetsov—called a modern Leonardo da Vinci by a number of foreign scientists—explored this problem in a consistent and highly interesting fashion. The basic ideas of P.G. Kuznetsov, in the view of his student and close collaborator,

member of the Russian Academy of Natural Sciences Prof. B.Ye. Bolshakov, may be called "anti-genocidal," in that they aim to overcome the terror inflicted by one small section of humanity upon humanity as a whole. . . .

It is the task of humanity, to prevent the destruction of the planet. This requires raising the level of utilized capacity, while reducing losses, lowering the inefficient expenditure of living bioresources and organic substances. This concept implies the important task of ensuring that the power of created and utilized sources of energy approximate the power of the natural sources of energy that provide for life on Earth in particular, the Sun. The reproduction of conditions for life on Earth requires the reproduction, within a certain limit, of all existing sources of power. Thus we have the idea put forward by P.G. Kuznetsov's close friend, the remarkable Soviet philosopher E.V. Ilyenkov: "It is the task of humanity to light a sun in the universe." What this means in the language of technology is to achieve, at last, the first industrial results from thermonuclear fusion power, and to follow the extraterrestrial imperative of Krafft Ehricke—to move on to the colonization of space.

It was the genius of P.G. Kuznetsov, to define beforehand the class of systems, in which humanity's breakthroughs to the future should occur. This class of systems is defined on the basis of the identification of types of laws and regulations, which may be used in organizing development. Through analyzing types of laws and the invariants they determine, P.G. Kuznetsov was able, using the table of spatio-temporal dimensionalities for all magnitudes in physics, proposed by the famous Soviet aircraft designer R.L. Bartini, to construct a sort of "Mendeleyev Table" of development situations. This table has some cells filled in, but also some empty ones, which may orient the scientific community to the discovery of new physical laws. . . .

New Financial Institutions Are Needed

If we undertake such a review, we should also go back and analyze the term "sustainable development," and look again at the problem of translating the phrase "sustainable development" as "ustoychivoye" [in Russian, "stable" or "sustained" development]. In our view, the philosopher P.V. Malinovsky was right to propose, earlier, to translate "sustainable" as "samopodderzhivayushcheyesya" [Russian, "selfsupporting" or "self-sustaining"], and to link the idea of development, understood in this way, with the Aristotelian concept of autopoiesis—a sort of responsible self-action, ensuring the reproduction and build-up of certain principles of life in a community or a nation. If we look at the idea of "sustainable development" as autopoiesis, it becomes possible to bring humanist approaches to the analysis of the forms of organization of mentation, closer to the philosophical-scientific and technological approaches connected with "breakthroughs" and the transition to a new techno-sociocultural phase. For it is mentation, organized on the basis of the appro-

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priate highly effective type of education, which becomes the resonating system, capable of responding to new ideas, long before they are fully implemented. . . .

At the Johannesburg summit, Russia could declare its intention to build a new, humanistically oriented civilization. ... Russia is prepared to formulate and propose large-scale projects for joint international implementation, including the organization of development corridors in Eurasia, the reconquest of territories with extreme climatic conditions (Russia's North, the arid deserts), and the exploration and development of near and outer space, including the colonization of Mars and the creation of an artificial atmosphere on that planet. It is precisely projects like this, which could become the engines of new breakthroughs in the electric power industry, and in air, space, and rail transport systems, and could be directed toward the discovery and mastery of new physical principles.

The proposal of large-scale projects, with the participation of many countries, makes it possible to resituate the questions of the condition of finances and the possibilities for investment in such projects. The world financial system is in a state of high instability. In order to provide investments for large-scale projects, there must be a project for new financial institutions, which work in the interests of development for all humanity.

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Controlled Debate on Famine Kills Africans

by David Cherry

The environmentalists' campaign to persuade African countries now facing starvation, to reject American donations of genetically modified (GM) maize, is "revolting and despicable," U.S. Agency for International Development (AID) chief Andrew Natsios said in Zambia, after its government was persuaded to refuse the U.S. food aid. The green groups, he said, including Greenpeace and Friends of the Earth, "are using big-time, very well-organized propaganda, the likes of which I have never seen before" in 12 years of Americanled famine relief efforts, according to a lead article in the Washington Times on Aug. 30.

An estimated 14.2 million people in Zimbabwe, Malawi, Zambia, Mozambique, Lesotho, and Swaziland are suffering from famine, according to the UN World Food Program's September figures. This estimate is an increase of 1.6 million since May; the famine is getting sharply worse. James T. Morris, executive director of the UN's World Food Program (WFP), addressed a press conference in Johannesburg, South Africa on Sept. 16, in which he said the crisis was of "incredible proportions" and was increasing faster than had been imagined. The WFP team had just completed a two-week assessment tour of Malawi, Zimbabwe, Mozambique, Lesotho, Zambia, and Swaziland.

Zambia's President Levy Mwanawasa told journalists at the World Summit for Sustainable Development (WSSD) in Johannesburg in the first week of September, "Simply because my people are hungry, that is no justification to give them poison, to give them food that is intrinsically dangerous to their health." His Minister of Health, Brian Chituwo, only days before, at a meeting of Southern African health ministers in Harare, Zimbabwe, reported that some Zambians even fear GM foods could facilitate the spread of human immunodeficiency virus (HIV). Hysteria of this kind was evident in Lusaka, the Zambian capital, at a public meeting Aug. 12, which the government convened to discuss the issue. There, Women for Change Executive Director Emily Sikazwe said, "I am a scientist by profession. . . . Yes, we are starving but we are saying no to the food the Americans are forcing on our throats. ... I hope our local scientists are not being used to commit crimes against their own people." Others voiced similar sentiments. President Mwanawasa has now sent representatives to other countries to study the question.

There is no danger from genetically modified foods. There is, of course, a difference between the modification of genes

that takes place in nature through cross-pollination, and the laboratory insertion of genes from unrelated organisms. But there has been too much varied testing of, and experience with each marketed transgenic foodstuff, to maintain that a hazard exists.

At least one leading environmentalist, Greenpeace founder Dr. Patrick Moore, has broken ranks, to write that "the campaign of fear now being waged against genetic modification is based largely on fantasy and a complete lack of respect for science and logic."

Kenyan scientist Florence Wambugu, on behalf of a coalition of African scientists, released a statement on Aug. 31 at the WSSD, identifying the safety of GM foods. The statement added, "GM foods have been eaten by millions of people in the U.S., Canada, China, Latin America over several years [eight years in the United States—D.C.] and there has been no documented evidence of any harm to human beings, animals, or the environment. To date, there are over 100 million acres of GM crops being grown globally and the acreage is increasing."

Greeks Bearing Gifts

While GM foods pose no dangers, their promoters do: The ancient Mediterranean world said, "Beware of Greeks bearing gifts!" Who is USAID Administrator Andrew Natsios, and what general policy is his agency promoting? One reason that Natsios and USAID bring the good news about GM foods is that doing so serves the interests of the food cartels and other multinationals, such as Cargill and Monsanto. We are no longer in the pre-1985 era, in which publicly and privately funded agricultural discoveries were made freely available. The "Green Revolution" in disease-resistant grains, was a product of that era. But a 1985 ruling of the U.S. Patent Office permitted the granting of industrial patents on plants and seeds, for the first time. The U.S. Department of Agriculture is also now *compelled* to sell the patent rights to its discoveries to the highest bidder.

The oligarchic families who control these food cartel companies, set their sights in the late 1960s on tight, world-wide control over raw materials and foodstuffs, as part of their intention to stop Third World population growth—an intention shared since the early 1970s by the International Monetary Fund, the U.S. State Department, and NGOs such as the Negative Population Growth organization. The loyalty of Natsios and USAID goes beyond the corporations to the grander oligarchic policy.

Will USAID food donations save lives in the current African famine? They will, but they have strong conditions attached, to induce African nations to accept the multinationals' food policy, as their own.

The relevant, politically acceptable measures in the case of USAID are eliminating national food sovereignty and self-sufficiency, and privatizing all government functions with respect to food production. Giving patent control over all

major advances in biotechnology to the multis is only one aspect of the process.

Natsios emphasized his and USAID's adherence to these ugly measures in his June 11 briefing on the Southern African famine at the World Food Summit in Rome. At the outset, he embraced the work of Nobel Prize laureate Amartya Sen, "the great famine economist" whose theory "is accepted by most of us in the famine discipline as the pre-eminent theory of famine." Sen's theory is that the privatization of food production and distribution, and the implementation of the Western model of democracy, are the keys to preventing famines.

In a June 16 commentary in the London *Observer*, "Why Half the Planet Is Hungry," Sen wrote that "Food self-sufficiency is a peculiarly obtuse way of thinking about food security"; it is "fetishist"; he insists on letting the "free market" solve the problem! In democracies, Sen says, famines do not occur: "The survival of the ruling government would be threatened by famine, since elections are not easy to win after famines." Sen is Master of Trinity College, Cambridge.

Natsios went further just two days later, on June 13, in an appearance before the U.S. House International Relations Committee. In his written submission, he promoted the sale of small financial derivatives contracts to African peasants as a way to achieve food security, an idea worthy of his Sen master. The idea is spelled out in full in Peter Hazell's 1999 paper, "Potential Role for Insurance in Managing Catastrophic Risks in Developing Countries."

Hazell, of the Rockefeller-backed International Food Policy Research Institute in Washington, D.C., says that microderivatives, triggered by extreme weather conditions averaged over an entire area, can protect the Africans from starvation. The derivatives would be "bundled" and sold as catastrophe bonds. Lloyd's of London, Munich Reinsurance, Renaissance Re (Bermuda), and Swiss Re—as associate members of the ProVention Consortium at the Disaster Management Facility of the World Bank—all stand ready to "help." Were high finance not at the end of its tether, such balmy ideas would not be considered, let alone foisted on African heads of state.

Sen's commentary in the *Observer* was answered in a blistering article by Vandana Shiva in the same pages on June 23. Shiva wrote that Sen is "offering the disease as a cure." She pointed out that "deregulated imports are a major cause of poverty and famine in countries like India. Globalization has dismantled the system which guaranteed domestic market access for farmers, a system which brought food security to the poor." Shiva is—surprise!—an internationally prominent environmentalist extremist. Her Research Foundation for Science, Technology and Ecology in New Delhi is close to Greenpeace and Friends of the Earth. It is a controlled debate, and it played well at the WSSD: One side promotes scientific advances wrapped in economic strychnine; the other appeals to Africans' opposition to this economic poison, with an antiscience gospel to keep Africa backward.

Build Infrastructure To Defeat Huntington

"Huntington's forecast has come true—there is now a clash of civilizations, that of the West against the Islamic civilization," said Malaysian Prime Minister Dr. Mahathir bin Mohamad, speaking at the Asian Global Leadership Forum on Sept. 8 in Malaysia.

But Dr. Mahathir did not simply denounce the current descent into chaos. As the war-party within the United States, Britain and Israel attempts to ignore all reason, and all opposition to the mad pursuit of war against Iraq, Dr. Mahathir posed a solution: Attack the mounting depression conditions and poverty in the world—which, he insists, are the actual cause of terrorism in the first place—through great infrastructure development programs, as a means for building the peace.

EIR Founder and U.S. Presidential candidate Lyndon LaRouche would agree. As LaRouche has repeatedly warned, it is not terrorism, nor weapons of mass destruction, which are driving the "Clash of Civilizations" policy sought by Samuel Huntington, Henry Kissinger, Zbigniew Brzezinski, and their clones within the Bush Administration. Rather, it is the ongoing collapse of the International Monetary Fund-centered financial-monetary system. Without creating a new, development-based financial agreement to replace the bankrupt global banking system, the Utopians' policy of "perpetual war" to sustain their power, will carry us into a New Dark Age.

Although Dr. Mahathir poses a restructuring of the current financial system, rather than a new arrangement altogether, as the means for financing his infrastructure development plan, Malaysia's New Straits Times reported on Sept. 16 that has proposed the preparation of a "concept paper" to address the "nature of the organization to manage world infrastructure development" among sovereign nations. This kind of discussion among world leaders is an urgent measure, required to end the collapse and prepare for reconstruction of the world economy. As Mahathir emphasized, the passion to develop the human potential is the duty of man before God.

'Building and Sharping Prosperity: Giving a Human Dimension to Globalization'

Here are excerpts from Dr. Mahathir's speech to the Asian Global Leadership Forum, held in Malaysia on Sept. 8, 2002.

. . . While we all accept and agree on Globalization, I am afraid we differ, and differ widely, on the interpretation of Globalization...

Globalization at the moment is not about egalitarian sharing, about common good. Presently Globalization is about competition, the competition of the marketplace. It is about the dominance of the most efficient. Ostensibly it is about the efficient giving the best at the lowest cost. But in reality it is about establishing the monopoly of the strongest and the biggest....

[W]hy are we so critical of Globalization? Well, it is because globalization is interpreted simply, and almost exclusively, as the free movement of capital into and out of a country. Free movement means no rules, no regulations, no conditions and no controls. While admittedly, inflow of capital benefits a country, but outflows, especially sudden and massive outflows, can seriously damage the economy and even the social and political life of a country.

That was what happened in 1997. Devaluation of our currency impoverished us, and caused a fall in the price of shares. To avoid losing money the shares were dumped by foreign investors and the index plummeted. Banks and companies were left breathless and distressed. They were all going to go under, taking the whole country down with them.

If Globalization, including FDI [foreign direct investment], is to bring benefits to the poor countries, then it has to be regulated, taking into consideration the weaknesses and the sensitivities of these countries. Total freedom of inflow and outflow of capital cannot be allowed. Manipulation and speculation in the stock market and currency trade must be banned. We have seen how much damage the manipulation of share prices can do even for the powerful economies.

Now, when the whole world becomes our country, the place that we do business in and make profits from, surely we should accept the need to pay a world tax. It should not be much. Even a half-percent of the profits after taxes should be enough. And the world tax should be used exclusively for building the infrastructure so much needed by the developing countries in order to develop, indeed to become more attractive to foreign investors.

We can build roads, bridges, railway lines, airports, ports, power plants, water supply facilities, etc., which will raise the standard of living for the people, create jobs, support local suppliers and contractors and cause a real inflow of funds. It does not matter who builds. It is not a matter of providing funds to the governments. It is a matter of actually building the infrastructure as indeed some countries have done by building bridges of friendship, for example. The difference is that the recipient countries will not be obliged to any particular donor[s] who very often exert too much influence on the country and its people.

Think of how much can be contributed towards the elimination of poverty in this world if the poor countries are able to exploit their resources and even become attractive to investors because they have all the necessary infrastructure. Think of the lower cost of their imports and the higher earnings from their exports. Think of the job opportunities created during the construction, the supply of local construction materials, the little businesses selling food and other needs of the people involved in the construction. . . .

The world had once agreed on a voluntary contribution of 0.7% of the donor country's GDP [Gross Domestic Product] to help poor countries. But most countries had reneged on their undertaking. Besides, the funds provided may not be used properly. But an international tax is legally enforceable, and the infrastructure projects will be specific and the construction internationally supervised, or indeed be constructed by reliable international companies.

This way, much of the world poverty can be eliminated and the anger and frustration of a large segment of the world population diminished. . . .

'There Is Now a Clash of Civilization'

Then there is terrorism, a result of the frustration and anger and bitterness in a world that tolerates oppression and all kinds of injustices. People, innocent people, are being deliberately starved through sanctions imposed actually by the very rich, the overfed and most wasteful of consumers.

Weak countries are being militarily attacked, their people killed and their land seized. They are punished for not accepting Western cultures, values and systems. Despite all the talk about freedom of choice, about democracy and human rights, the fact is that the only choice permitted is liberal democracy. Failure to accept democracy results in sanctions, even bombing attacks, and blatant attempts to change governments by force of arms. . . .

In Palestine today the killings go on. Yes, the Palestinians too are guilty of terror attacks, but what recourse have they? No one is helping them or restraining their enemies. Indeed the Israelis are being financed and armed to the teeth in order to systematically kill more Palestinians. Yet the Israelis are not blamed. They are said to be defending themselves. That they occupy Palestinian land and kill more Palestinians than the number of Israelis killed is considered as justified. Palestinians wanting to free their land and retaliate in the only way they can against the Israelis are regarded as terrorists.

I need not mention the sanctions against Iraq, Iran, Libya, and Sudan—all Muslim countries. Is it any wonder that Muslims everywhere feel oppressed, feel angry, bitter, and frustrated? They cannot go to war in the conventional way. They did that before against Israel but they were defeated, largely because Israel is backed by the great powers. The only way they can retaliate is through acts of terror, hitting out blindly at the innocents as well as the guilty.

Today the world lives in fear of Muslim terrorists, not other terrorists, but Muslim terrorists. Because terrorists cannot be easily identified or located, all Muslims are considered as potential terrorists and are so treated. Because the majority of the people of Malaysia are Muslims, all Malaysians are being penalised. They are denied visas, are checked and rechecked, and are humiliated when they go to certain countries.

[Clash of Civilizations author Samuel] Huntington's forecast has come true. There is now a clash of civilization, that of the West against the Islamic civilization. And typically the Western solution is to physically fight against the enemy, the Islamic civilization, the Muslims.

But unfortunately, short of total genocide, the terrorists cannot be militarily defeated. The West refuses to acknowledge this and will continue this costly war without end. . . .

There is practically no effort to win the hearts and minds of the Muslims. In fact, everything is being done to alienate them further, to anger and frustrate them, and to ensure there will be a constant and probably increasing supply of recruits to terrorism.

The West does not care to find out the causes of terrorism and to remove them. The faint voices protesting from among them are ignored. The powerful are bent on revenge rather than solutions. And so there will be no end to Muslim terrorism.

The world is today less peaceful than it was during World War II. The world lives in fear. The world believes that this fear can be dealt with by raising high walls around it. Yet the world talks about a borderless world, about Globalization. That just cannot happen. And when that cannot happen, the rich resort to force, the only thing that they believe in.

Just as force cannot remove the fear, force cannot create a richer world. The rich may colonize the world once again but history has shown that colonization did not work. There will be constant rebellion and turmoil. Many will die as people struggle to free themselves.

The answer does not lie in confrontation, in force, in a war to end all wars. The answer lies in justice and fair play, in being sensitive, in being willing to step back and to admit mistakes, and to banish the idea that any one race has a monopoly of the right values, the right systems and the right solutions to all the human ailments. . . .

If we want to restore normalcy to this planet, the first thing that has to be done is to stop thinking of revenge and begin to think of justice and fair play. Pride does not have a role in solving human problems. Humility has. Only humility can bring the kind of justice and fair play to reduce the causes of the turmoil, political, economic and social that the world is facing. The arrogance of power must be eliminated. Until then there will be no prosperity for the globalized world.

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ERPolitical Economy

Special Report: Science and Infrastructure

by Lyndon H. LaRouche, Jr.

August 23, 2002

During the recent two years, the Americas, Europe, and most of the world at large, have come to the fag-end of a decadeslong, popular delusion about economics. The present world monetary-financial system is already teetering at the brink of a collapse, a collapse which has been caused by nothing but that delusion. Now, during the Summer months of 2002, it has become clear, even to many among what had been the

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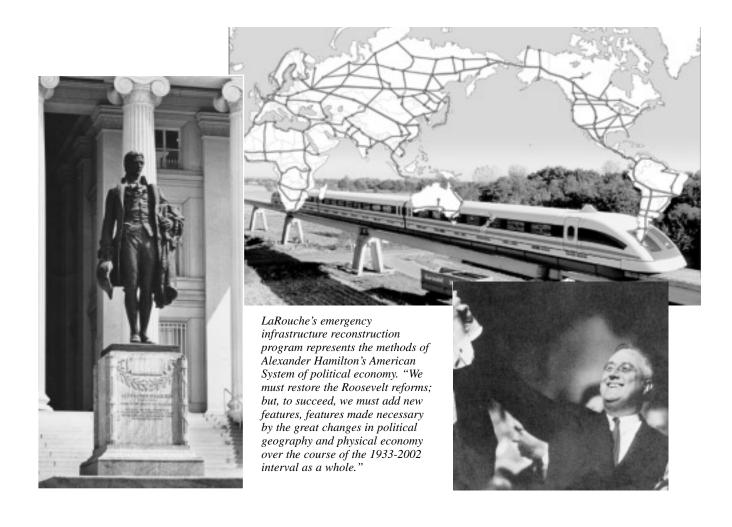
world's stubbornly wishful dreamers, that the world at large is gripped by the terminal phase of economic collapse of the present world monetary-financial system, a collapse of the 1971-2002, International Monetary Fund (IMF) system. No recovery of that "floating exchange-rate" monetary-financial system, will ever occur, neither during the months ahead, nor over the years to follow.

What we are experiencing, is a form of global crisis far worse than that of 1929-1933. Nonetheless, it is a crisis which we could overcome. It must be conceded, that were we to do no more than repeat the measures of recovery used successfully by President Franklin Roosevelt et al., we would fail to meet the present challenge adequately. We must restore the Roosevelt reforms; but, to succeed, we must add new features, features made necessary by the great changes in political geography and physical economy over the course of the 1933-2002 interval as a whole.

The most urgent of the immediate, specifically physical-economic U.S. reforms required by this crisis, involves immediate adoption of policies for rebuilding the U.S.A.'s basic economic infrastructure. Sweeping measures for rebuilding the systems of power generation and distribution, water management, land reclamation, health-care, and education, must be fully under way during the 2003-2004 interval. There are two aspects of the United States' basic economic infrastructure which desperately require even more immediate attention, even prior to the November 2002 mid-term elections: saving and rebuilding both the national railway system and the complementary air-transport system.

I explain those needed immediate measures, first describing the crisis-setting, and the national mission-orientation in which such actions are to be understood.

What the U.S.A. is experiencing now, is the closing act



of a Classical tragedy: a self-inflicted ruin. This is a ruin deeply embedded in the habits acquired, over several decades, habits acquired by our leading institutions, and tolerated by the overwhelming majority of the population in general. If, and only if, we, as a nation, can come to recognize the error in those presently widespread opinions and habits, we can find a way out of the crisis.

To escape from this crisis, we must abandon so-called "free trade" and "shareholder value" follies, to return to what our republic's first Treasury Secretary, Alexander Hamilton, outlined as an "American System of political-economy," a system entirely unlike the so-called capitalist and socialist systems of Europe. The great German-American economist Friedrich List named Hamilton's outline *The National System of Political-Economy*. It is a system sometimes identified as the "American historical exception": the system of such anti-Locke followers of Europe's Gottfried Leibniz as our Benjamin Franklin, Washington, Hamilton, Mathew and Henry Carey, Henry Clay, Abraham Lincoln, and avowed "American System" follower Franklin Roosevelt.

Solving the present crisis means warning every foolish American populist to stop blaming Washington, and "the politicians" for every actual or alleged suffering of our people, from taxes to head lice; whereas, our more intelligent citizens rightly blame the menace of West Nile killer-virus on the silly popular opinion which allowed the fraudulent banning of DDT. No nation was ever threatened by destruction from within, except as a consequence of its prevalent popular opinion. In fact, the greatest source of present danger to the United States from our so-called politician class, is a prevalent whorish desire to be found attractive by what that class perceives to be popular opinion. So, we might speak, at times, of "Madam Government," and, often, of "Hollywood Madam Government."

We must accept the reality, that no recovery of the present financial system is possible, unless our minds be freed from the deadly, suicidal, "free trade" and "shareholder value" delusions of current popular opinion about economics. So freed, we were then able to act on the fact, that the hopelessly bankrupt, failed present system must be replaced by something like the successful 1945-1964 Bretton Woods system. Once that is accepted, a solution to the present crisis is possible. However, we can not simply wish for such a change; you must help me, now, to cause it to happen.

The kinds of monetary, financial, and economic reforms which we should remember as the experience of the 1933-

1945 Franklin Roosevelt recovery, are a model of the types of recovery measures which will work, once again, today. Now, as during 1944-1945 monetary deliberations, there are two general steps which can bring about a general recovery. First, a concert of nations must apply the methods of financial-bankruptcy reorganization, to replace the presently failed IMF system with a fixed-exchange-rate system. This must be a system modelled on the 1945-1964 period of post-World War II reconstruction. Second, those Franklin Roosevelt-like monetary and financial reforms, must be matched by new economic programs, programs of economic recovery installed as law by governments.

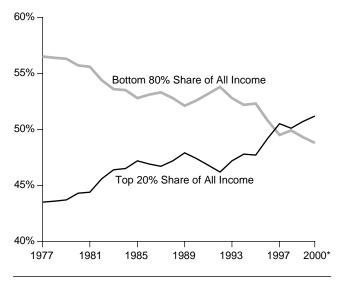
As was done under Franklin Roosevelt during the 1930s, some part of those economic measures, including some expanded infrastructure programs, should be introduced by the U.S. President and Congress right now, before the November 2002 mid-term elections, without waiting for the completion of the needed international monetary reforms. However, today, we can not postpone the new monetary system for more than a matter of months. The continued success of the immediate economic measures, will depend upon an early agreement to a 1945-1964 type of international monetary reform.

Hoover, Roosevelt and George W. Bush

Against the background of the present economic crisis, the use of the term "vacation" to describe President George W. Bush's recent retirement to Texas, has an embarrassing double meaning. Instead of wasting precious time on vacation amusements, such as that propaganda side-show described as the Waco economic summit, President Bush should have pushed his administration and the Congress into two emergency measures to save the core of the nation's public transport. He should have led actions to stop the virtual free fall of both the presently disintegrating national railway system, and the gravely endangered commercial passenger-airlines system. Were there no immediate action to protect these systems, action along the lines of the Franklin Roosevelt precedent, to save and rebuild those two imperilled elements of our nationwide transport system, the U.S. economy would soon cease to exist as a viable form of national economy. If we let those rail and air-traffic systems collapse now, it would take years to rebuild up to even the level of those systems today. The danger of such disintegration is an immediate national, economic-security emergency.

I repeat my warning: Were we, now, to allow a further round of that shutdown of our nation's public transport, power, and water-management systems, a shutdown which began under the direction of President Jimmy Carter's National Security Advisor Zbigniew Brzezinski, the United States would cease to have a national economy in fact. Since Brzezinski came into that position of power, in 1977, there has been a persistent, accelerating decline in the real (physical) standard of living of Americans in the lower 80% of family-income brackets (**Figure 1**). Recently, with the 2000-2002 collapse of the so-called "new economy," the lower half of the

FIGURE 1
Top 20% of Population Have More Than Half
of All After-Tax Income



* = projected

Sources: Congressional Budget Office; EIR

upper 20% of family-income brackets has been increasingly hard hit with loss of financial assets. That collapse is now about to become much, much worse, unless drastic and sudden changes in national policy and practice are introduced now.

With the looming collapse of Federal Reserve Chairman Alan Greenspan's mortgage-inflation bubble, areas of apparent real-estate booms, such as the greater Washington, D.C. area, are threatened with giant waves of foreclosures, and catastrophically deep collapse in nominal value of the mortgages which had been bundled for processing by Fannie Mae and Freddie Mac. Meanwhile, the international valuation of the U.S. dollar had been propped-up by foreigners' subsidy of the mushrooming U.S. current account deficit, and floods of flows of money, from sources including the OPEC states, as subsidies of the U.S. financial system. Those subsidies are now drying out, as President Bush's support for Prime Minister Sharon's Middle East war, and Bush's pushing for a war against Iraq, is accelerating flight out of the U.S. monetary and financial systems.

As long as the present system persists, no general form of economic recovery will ever occur. The so-called economic fundamentals are hopelessly unsound.

Our nation's situation is broadly comparable to, but far more menacing than that under President Herbert Hoover, during 1929-1933. Hoover did not cause the Great Depression of the 1930s, but he refused to reverse the accumulation of policies which had been introduced under Presidents Theodore Roosevelt, Woodrow Wilson, and, especially, Calvin Coolidge. These foolish policies were the accumulated

changes, such as the Federal Reserve Act, which, combined with the world-wide reign of the British Nineteenth-Century gold standard, had dominated the 1901-1929 trends in the U.S. and world economy. These were the policies which had ultimately produced the two depressions in the 1922-1933 U.S. economy. It was this trend, continued under Wall Street's Andrew Mellon, which was the primary cause for the 1929-1933 crash.

Now, like Hoover before him, President George W. Bush, "Number 43," has been induced to make some terribly bad decisions. Worst, has been the lie spread by that Administration and also some leading Democrats, that "the fundamentals are sound" and a "recovery on the way." In fact, the U.S. situation today is, as I said, far more dangerous than that of 1933. The first step toward overcoming an economic depression, is to cease denying the fact of the onrushing collapse. There is no recovery, George; Dracula will not be flying tonight, or any night.

Contrary to rumors, Hoover's reelection was not ruined by the Depression; he was ruined by refusing, as Number 43 has done so far, to admit that a genuine depression was in progress. Like Hoover before him, Number 43 did not cause the present U.S. depression; but, like Hoover, he adopted it as his child. That mistake is what ruined Hoover's hopes of reelection. Hoover was not to be blamed for the Depression; he was justly blamed by Franklin Roosevelt for allowing it to become worse. The same blunder would doom Number 43, and most of our citizens, too, unless the President were turned around, to adopt a new set of advisors who might persuade him not to repeat President Hoover's politically fatal blunder.

I repeat a crucial fact. The chief difference between 1929-1933 and today, is that today's crisis, while similar to the Great Depression of the 1930s, is far more serious. Nonetheless, the same principles which Franklin Roosevelt used to save the U.S. then, are key sources of insights, for defining the cure of the epidemic of accelerating collapse presently under way.

1.0. The Present National Crisis in Transportation

Compare the portions of the U.S. national railway system which are in service today, with the system in service prior to 1977 (**Figure 2**), and also look back to an earlier time, prior to the late 1950s merger negotiations between the Pennsylvania and New York Central railways (**Figure 3**).

Now, referring to the 1977 map, ask: Which intercity rail routes would be more efficient ways of transporting passengers than passenger air-transport? In making the comparison, assume that modernized rail systems, comparable to France's high-speed intercity system, or the German design for a magnetic-levitation (magley) system were used.

For example, look at the Northeast corridor from Boston,

Massachusetts, down to Washington, D.C. (**Figure 4**). Start from the South Station in Boston, and proceed through Pennsylvania Stations in Manhattan and Philadelphia, through Baltimore, and Washington, D.C. Starting from downtown Boston, through downtown Manhattan, Philadelphia, Baltimore, to Washington, compare the in-travel time of passengers by rail, with the lapsed time required for travel from the city center to the airport, processing to board the aircraft, and so on, to reach a downtown destination in each of the cities en route.

Now, compare the incurred costs to airlines, of maintaining intercity passenger service, with the total incurred costs and lapsed time for travel by modern rail or maglev (e.g., persons, man-hours, miles, lapsed time of movement, dollars of capital plus cost. Lapsed time of movement is calculated as average time, beginning with travel to mode of rail, or air transport, to reaching the ultimate destination for which the rail or air portion of travel is chosen.) (See **Table 1** on p. 24.)

Now, continuing to focus on the Northeast rail corridor as a point for comparisons, consider the unpleasant reality, that domestic airlines now in a state of actual or near-bank-ruptcy, are slashing intercity passenger service as a way of effecting needed economies. Now, consider the action of the Bush Administration, the Congress, and others, in continuing to destroy even the presently remaining national rail service.

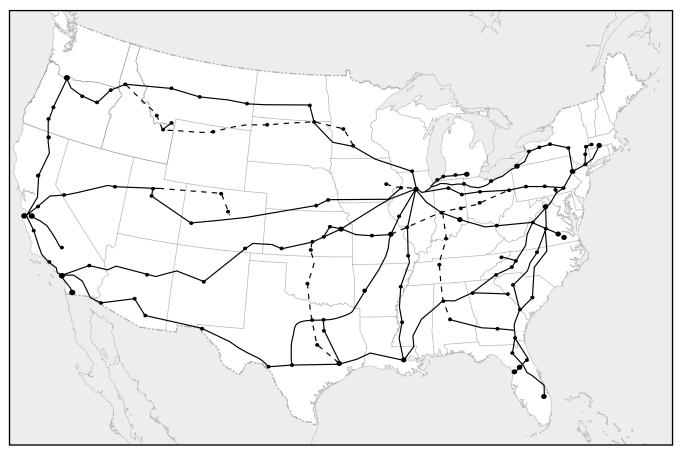
Now, compare the total cost to the national economy of moving passengers by highways, rather than rail types of intercity and local mass transit. Include all of the costs which society incurs by substituting highway transport for rail-type mass transit, including bigger highways, traffic jams, and so on. That far, we have only sampled some of the most direct costs of the changes in work- and life-style for both the population in general, and the national economy.

Now, shift attention to a related matter. This time, study the 1977-1980/2000 changes in economic relations among intercity and national rail corridors, on the one side, with collapsing levels of industrial activity in population centers, and with the amounts of passenger travel and freight-tonnage along lines connecting these urban centers. Compare these changes with 1971-2000 changes in the percentiles of the total labor force employed as operatives, engineers, and technicians, in capital-intensive forms of manufacturing and farming (Figure 5). Compare these U.S. data to the case for the agro-industrial economy of Germany over the interval 1971-1989 (**Figure 6**). We have reduced the percentile of the labor force employed in production of physical goods, while increasing the percentile employed in such forms of overheard costs as unessential low-skilled services and administrative routines: no way to run a railroad!

Ask: What is the meaning of those changes to which these selected statistical benchmarks point?

Beginning approximately the time coinciding with the U.S. entry into its official 1965-1972 war in Indo-China, the U.S. economy underwent a profound change. It turned away from its tradition as the world's leading agro-industrial na-

FIGURE 2
Amtrak Rail Lines Lost Since 1971



Source: EIRNS.

Since its creation in 1971, Amtrak has eliminated passenger service on thousands of rail miles, while opening up service on just two routes. There has been a significant overall contraction in America's passenger rail service. Moreover, there was already at least one-third less passenger rail mileage in 1971 than in 1945. Here, hatched lines designate eliminated corridors; heavy lines are those remaining.

tion, to become an increasingly decadent culture, to become what has been called a "post-industrial," or "consumer" society. I have compared this 1965-2002 plunge into economic and cultural decadence, to the degeneration of ancient Italy which characterized Roman civilization and its tradition, from approximately the close of the Second Punic War, until the emergence of modern European civilization during the Florence-centered Fifteenth Century Renaissance of the anti-Romantic, Classical Greek tradition.

Those powerful political-financial forces which had hated President Franklin Roosevelt, seized the opportunity presented by his untimely death, to begin tearing up the foundations of those American constitutional traditions which Roosevelt had invoked to rebuild the U.S.A. as the only world power to emerge from the 1939-1945 war in Europe.

During 1933-1945, Roosevelt rebuilt the power and prosperity of the U.S.A. through his reliance on that principle of

the general welfare which is known as $agap\bar{e}$ in the Classical Greek of Plato and of the Christian Apostles John and Paul; rebuilt the ruined nation he inherited from President Hoover's failing fingers. His opponents preferred the contrary tradition of Presidents van Buren, Polk, Cleveland, Theodore Roosevelt, Woodrow Wilson, and Coolidge. Once the war had been surely won, those opponents used the occasion of the President's death, to begin the process of uprooting the constitutional foundations of that Roosevelt-led, capital-intensive economic reconstruction of the nation's physical productive powers, which had been built up during the 1933-45 interval.

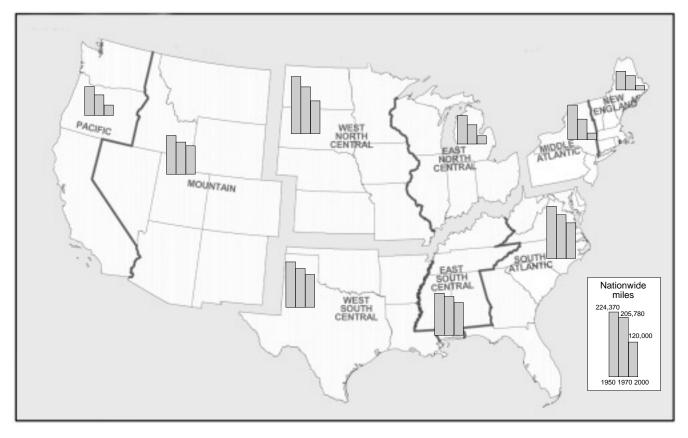
Nixon's 1971 Decision Undid FDR's Work

The primary target of this Roosevelt-hating, so-called "conservative" financier-led interest, was the popular base of Roosevelt's leadership. The objective was to begin the process of ripping the general welfare clause out of the U.S.

FIGURE 3A

Decline in Railroad-Track Mileage, 1950, 1970 and 2000, By Region

(Miles of Track)



Source: U.S. Dept. of Transportation.

This and following maps show total U.S. Class I track miles owned—a figure which counts multiple main tracks, railyard tracks, and sidings. America has lost 77,400 miles, or 35%, of the Class I track it had in 1970. The national and regional bar graphs show the steep reduction in rail miles—despite an 80 million population increase in the country—which has reduced economic productivity. (Note the different scales of regional and national graphs.)

Constitution, and gradually degrading and corrupting those portions of the population which had elected Roosevelt to an unprecedented four terms as President.

Until President Eisenhower's retirement from office, and the assassination of President Kennedy, the Roosevelt legacy was still so deeply embedded in the U.S. population, that the enemies of that legacy, the nuclear-utopian cabal, were limited to corrosive, but inconclusive victories in their determination to turn back the clock to Teddy Roosevelt, Wilson, and Coolidge. The case of the Suez Crisis illustrates that point. The assassination of President Kennedy and the launching of the official U.S. war in Indo-China, signalled the takeover of U.S. political and economic policy-shaping by a force which Eisenhower had denounced as "the military-industrial complex." That "complex" is what is otherwise known as the utopian financier/war-making interest, as presently typified by its sympathies for Israel's Ariel Sharon and the political

"chickenhawks' " foolish lust for a new war against Iraq.1

Under the growing influence of those wild-eyed utopians, who used their roles as caricatures of Roman imperial proconsuls, to control both the Nixon and Carter Presidencies, the United States underwent a fundamental change in outlook echoing the imperial impulse of post-Second Punic War Rome. Imperial Rome ceased to be a productive economy, and, instead, relied increasingly on looting those populations which it subjugated both within its empire, and on the Empire's borders. The crucial blow which brought about the transformation of the U.S. from a productive, to a degenerate, consumer society, was the launching of the anti-Franklin Roosevelt decision of August 15, 1971. That decision destroyed

^{1.} The term "chickenhawks" is currently used to point out the lack of U.S. military service records among those fanatics currently most zealous in their reckless demands a more or less immediate war against Iraq.

FIGURE 3b

East North Central Region: Abandoned and Existing Rail



In the East North Central region—Ohio, Indiana, Michigan, Illinois, and Wisconsin—one-third of the Class I rail trackage of 1970 had been shut down by 2000. The map shows abandonment of lines to such cities as Chicago and Springfield, Indianapolis, Toledo, and St. Louis, Missouri on the Illinois border. Rail ferries between northern Michigan and Wisconsin cities are also gone. The rail abandonment starkly reflects the manufacturing collapse of this vital industrial region.

that Roosevelt-designed Bretton Woods system which had organized the great post-war economic build-up of 1945-1964. President Nixon launched the so-called "floating ex-

change-rate" system which led into the presently onrushing collapse of the post-1971, global monetary-financial system.

The collapse of many of the former industrial centers of

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FIGURE 3c Middle Atlantic Region: Abandoned and Existing Rail



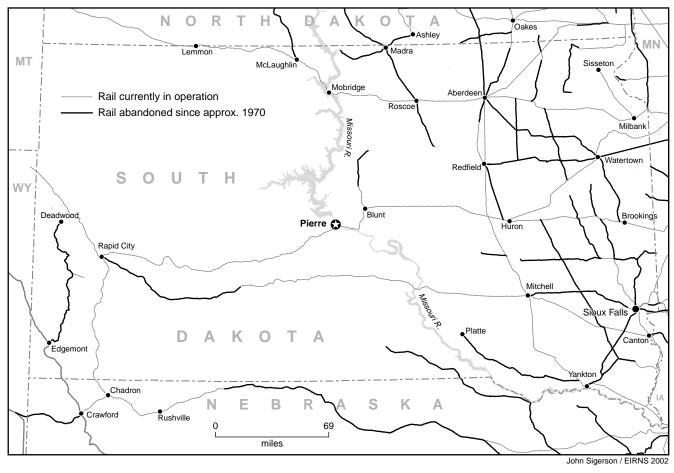
The Middle Atlantic region of Pennsylvania, New York, and New Jersey: Pennsylvania, the historic cradle of America's rail development, has seen extensive parts of its rail system abandoned.

the U.S.A., the collapse of the technologically progressive family-farm system, and the collapse of the U.S, rail system, are leading markers of a decadent United States driven now, like the fabled lemmings, to the waiting brink of the cliff.

From the time of the 1944 Democratic primary campaign, until the present, the utopian financier circles of the U.S.A. and the far-flung British Empire, were obsessed with the idea of building a post-war, English-speaking world empire, a uto-

FIGURE 3d

South Dakota: Abandoned and Existing Rail



South Dakota represents many farm states: More than half of the rail grid in the eastern half of South Dakota, connecting it to the East, has been abandoned.

pians' empire modelled on the widely publicized "Open Conspiracy" design presented jointly by the utopian nuclear-weapons fanatics H.G. Wells and Bertrand Russell and their followers.

Was It A 'Conspiracy'?

At that point in this report, one can hear today's wildeyed maenads and satyrs shrieking their protesting cries of "Conspiracy theory!"

Fools like those, when met among academics, are easily recognized as victims of those types of wild superstitions met among such followers of the Cathar cult as the empiricists John Locke, Bernard Mandeville, François Quesnay, David Hume, Jonathan Edwards, Adam Smith, and Jeremy Bentham. These cultists worship a god of the gamblers, whose "Invisible Hand" operates from under the floorboards of the universe, fixing the roll of the dice, so that some men, preferred by that "Maxwell demon," become rich, and others

poor. For such superstitious fellows, history is shaped by statistical accidents beyond the comprehension of the human will. For them, religion is a form of worship of an all-powerful, demonic croupier allegedly lurking under the floorboards of reality.

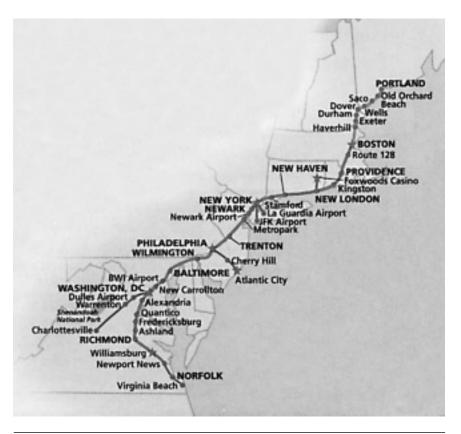
If one points out the existence of such rules of behavior promoted by those influential peddlers of superstition, worshippers of that demonic "Invisible Hand" may burst into mindless, repeated chanting of "Conspiracy theory!"

Contrary to such superstitious fellows, history is actually shaped in the way the German Classical military doctrine of *Auftragstaktik* implies. I explain.

History is shaped as Johannes Kepler, the original discoverer of gravitation, and first founder of a comprehensive form of modern mathematical physics, defined the organization of the Solar System. God, says Kepler, governs the lawfully ordered orbit of the planet by an *intention*, an intention which Kepler identifies as a *knowable universal physical principle*,

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FIGURE 4
The Amtrak Northeast Corridor



Source: Amtrak.

the principle of gravitation. God is no gambler's bookmaker, no statistician. He is a God of truth, not mere opinion; He is a God of universal physical principles, principles which, as Kepler shows, express His *intention*.

In society in general, as in government itself, government can, at best, choose a course of national action based upon proven universal principles. However, that knowledge of principles is not perfect forewarning of what will actually occur. We poor mortals never know all of the principles which are operating; therefore, the field commander, or corporal will probably find that the combat or analogous situation he faces, is not exactly the situation which he, or his superiors expected. His challenge, therefore, is to discover how to fulfill the specific mission to which he is assigned, by using his professional skills and powers of creative leadership, to develop the needed tactic on which successful leadership in the mission depends. In the extreme case, as "old" Moltke illustrated the principle for a specific case, the local assigned task may even be cancelled and replaced, on the judgment of the trusted local commander. In German: Auftragstaktik.

Therefore, success of the mission often depends on what

is best termed "flanking" the opposition. Often, this means recognizing an exploitable flaw in the opponent's tactical expression of his intention. Since the definition of the principles of *strategic defense* by France's great engineering officer Lazare Carnot, superior skill in development and use of logistics, rather than kill-power, is a crucial margin of difference in warfare, or comparable mission-oriented enterprises. The example of Gen. Douglas MacArthur's direction of the Pacific War, is an example of the preeminent role which strategic defense assigns to logistics.

It is the same in all important missions in life.

In peace, or war, the laws and customs of a society combine in their effect, to form what scientists term a system, as a specific form of mathematical physics is a system. By "a system," we should understand something comparable to Euclid's geometry, his *Thirteen Books* of the Elements. The system is based upon an approximately fixed set of definitions, axioms, and postulates. That system is filled out by adding an accumulation of theorems and related impedimenta, each and all of which are presumed to be not-inconsistent with the set of definitions, axioms, and postulates. A body of popular opinion, for ex-

ample, has many of the characteristic features of such a system. For example, the culture of Belshazzar's Babylon was such a system, in approximation. The notion of such a system is the point of Percy Shelley's poem "Ozymandias."

The point to be emphasized, is that virtually all such systems encountered in scientific practice, or the prevalent practice of a society, are flawed. Most social systems known from history have been exposed as tragically flawed. The rational study and criticism of such mathematical and social systems, is the branch of science known as *epistemology*. A body of religious belief is such a system. The doctrine of Karl Marx's four-volume *Das Kapital*, represents such a system. Any current body of popular opinion has the qualities of such a system.

For example, when a fanatical adherent of the system known as empiricism or logical positivism, screams "Conspiracy theory!" he is denying the fact that empiricism is a system. That means the empiricism common to such as Sir Francis Bacon, Thomas Hobbes, Lord Shaftesbury's John Locke, Bernard Mandeville, David Hume, Adam Smith, Jeremy Bentham, and their imitators. The respective, competing,

Rail Is Faster in Northeast Corridor

Travel by rail is at least as fast or faster than air travel, in trips between most cities 350 miles (564 kilometers) apart or less. As magnetic levitation is built, it becomes the best mode of transport by far.

Table 1 shows lapsed times of travel, downtown to downtown, from Boston to the leading cities in the Northeast Corridor. Since the Amtrak stations in these cities are located in the downtown areas, they are easily accessible from the city proper as a starting point for travel; whereas reaching an airport requires travel from downtown, usually involving several different vehicles.

The trip from Boston to Baltimore exemplifies the process. Start in downtown Boston and take the Blue Line subway to Logan Airport Station, and then the Massport Shuttle bus to the airline terminal (total transit/ride time for the two vehicles, including a short wait, is 40 minutes). A commuter must now arrive 2 hours before plane departure. The flight to Baltimore will take 1 hour, 28 minutes, and deplaning, another 15 minutes. Then the commuter must take the shuttle bus to the MARC train station, and the MARC train to downtown Baltimore (total transit/ride time for these two vehicles, including average waiting, 1 hour and 15 minutes). From departure in downtown Boston, the traveller arrives at downtown Baltimore 5 and 45 minutes later—assuming no baggage is checked.

Compare train travel, and then the more revolutionary magnetic levitation (maglev) train. In each instance, the point of departure is downtown Boston's South Street station, proceeding to New York's Penn Station, etc. From Boston to New York, Amtrak's normal train service is an hour faster than the airline trip; its higher-speed Acela Express train is an hour and a half faster, although the poor condition of Amtrak's tracks holds the Acela below its top cruising speed. The Acela Express also beats plane travel to Philadelphia, and is comparable in the case of Baltimore.

It may appear anomalous that a trip by air takes less time from Boston to Washington, D.C., than it does from Boston to New York City, only half the distance. It is ground transport to and from the airport that consumes much of the time in the trip to downtown New York City, whereas Washington's Reagan Airport is a short subway stop from downtown. Thus, the Boston to Washington trip is the only one, in which the lapsed time of travel is appreciably less by air than by rail.

But once the United States develops maglev rail, as LaRouche recommends, the situation changes dramatically. Maglev cuts the transport time by 60-85%, depending on the destination. In a maglev system, there is no steel wheel riding upon steel rail; rather, magnetic forces lift, propel, and guide a vehicle over, or under a guideway, so that it "floats" on a magnetic cushion. This eliminates the major source of friction, vibration, and wear on the vehicle, which slows all traditional modes of railroad transport. Maglev systems permit revolutionary methods of locomotion and control of the moving vehicles. Current generation maglev systems travel, in extensive tests, at top speeds of 280-300 mph (450-492 kmh). At that point, air travel becomes appropriate only for distances greater than 500-750 miles (805-1207 km).

—Richard Freeman and Anita Gallagher

TABLE 1

Northeast Corridor: Travel from Downtown Boston
(Hours in Transit, by Mode)

	Distance from Boston	Airline, No Baggage	Airline, Baggage Checked	Normal Amtrak	Amtrak Acela Express	Maglev Train
New York	208 miles (335 km)	5.50	6.00	4.25	3.65	0.90
Philadelphia	299 miles (481 km)	5.25	5.75	6.00	5.15	1.30
Baltimore	404 miles (650 km)	5.75	6.25	7.50	6.35	1.90
Washington, D.C.	434 miles (699 km)	5.00	5.50	8.10	6.90	2.00

Source: Amtrak; Airport Services; EIR.

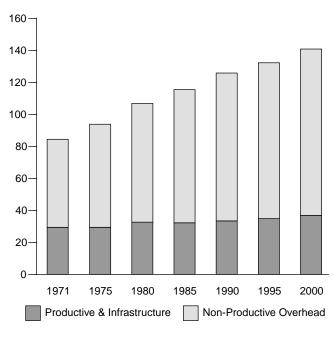
neo-Aristotelean outgrowths of the modified empiricist systems constructed by Immanuel Kant, G.W.F. Hegel, and Hegel's crony Savigny, and other post-1789 Romantics, are spe-

cific types of systems which are not only distinct sub-types of empiricist systems, but they can not be understood in a practical way, unless they are recognized as systemic outcroppings

FIGURE 5

U.S. Labor Force, 1971-2000: Non-Productive Overhead Grows

(Millions of workers)



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, "Employment & Earnings"; U.S. Department of Commerce, "Statistical Abstract;" U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professionals; U.S. National Center for Health Statistics; *EIR*.

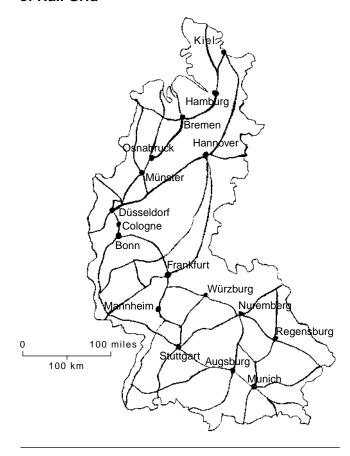
of both anti-Classical Romanticism in general, and empiricism in particular.

For example, the current form of combined economic and social philosophy of practice of the present United States, is a system. It is a system which has connections to the earlier systemic features of U.S. mass behavior, but which is functionally distinct from the dominant systemic features of pre-1965 mass behavior of the U.S. The change of the United States from its earlier character as a producer society, to its recent decadence as a consumer society, is typical.

For example, most among those Americans who passed through adolescence during the 1960s, often seem almost a different species than their parents' and grandparents' generations, chiefly because of the cultural paradigm-shift characteristic of the mid-1960s shift from a producer-oriented system toward a consumer-society system. There is an even more pronounced cleavage between the systemic outlook of the "Baby Boomers" and their children's generation.

It is such systemic cultural features of cultures, and such systemic differences among successive generations of the same culture, which are crucial in attempting to make any important forecast of the likely developments within a society as a whole, or a definable stratum of that society. My unFIGURE 6

West Germany 1989: Selected Routes of Rail Grid



equalled success as a published long-range economic forecaster, is due chiefly to my emphasis of the overlay among two kinds of systems: The system represented by physical science, and systemic features of the differentiated socialcultural systems of which a society is composed.

Whether in Classical tragedy, or current history, the crucial features of long-ranging social processes, are most clearly expressed by the effects of the breakdown of what had been previously well-established social-political systems. In such latter cases, the society's habitual adherence to customary rules of behavior has led, ultimately, to a loss of that system's superficially apparent, temporary appropriateness to the situation now confronting it. "The system doesn't work any longer as it was supposed to!" So, a generation or more after the rise of the ideology's influence, perhaps longer, reality has overtaken the system, exposing the fatal flaw embedded within it from the beginning.

The farcical "economic conference" recently performed at Waco, is an exemplary symptom of such a breakdown at the end-phase of a previously habituated system of mass behavior. President Herbert Hoover's pitiable folly, in his

response to the 1929-1933 crisis, is an example of the way in which what had been considered reliable beliefs, turn cruelly against the believers. Such are the evidences of what is accurately identified as a *systemic crisis*.

The following little example is noteworthy.

The occurrence of what had been the inevitable collapse of Enron, has triggered a hue and cry against alleged "bad apples" among prominent executives of corporate basketry. Foolish people now cry: "Weed out the bad apples, and all will be well once again!" In fact, the badness of those apples, the inherent moral corruption of those apples, is an inevitable product of the system launched by Federal Reserve Chairman Paul Volcker in the fourth quarter of 1979, a system continued by Volcker and Alan Greenspan ever since: the so-called "shareholder value" system. To clean up that system would require nullifying all of those relevant legislation and Federal court decisions since 1982, which favored the practices of Ivan Boesky, Michael Milken, the Keating Five, and George Soros. The rotten-apple system features the role and influenceof the Democratic Leadership Council (DLC), deregulation, "privatization," and so on, which went into building such edifices as the financial architecture and corporate practices of Enron, the dot.com bubble, and the Fannie Mae-led mortgage bubble. The problem is not the apples; the source of the rot in those apples is the tree. The rot is the decadence built in, axiomatically, to the consumer society as a species of political-economic system and legal philosophy.

When Men Conspire

The scrupulous epistemologist warns, that the uses of the term "conspiracy" have one meaning in common, but also three meanings which are explicitly contrary to one another.

Each of these uses of the term, signifies a sharing of intention among some, or even nearly all of the members of a society. In the term's common use, it signifies a plot, a scheme, to some purpose which is held secret from persons outside that particular association. In the more significant use of the term, it points toward a sharing of belief in a set of assumptions which have the implied character of a special set of definitions, axioms, and postulates. In the latter case, we may speak of "shared belief in a system." We speak of systemic, rather than ad hoc conspiracies.

All of the important features of the present U.S. economic

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and monetary-financial crises, are reflections of the effects of widespread sharing of what are chiefly the misguided beliefs (vox populi) of a large population. The center of the systemic conflict so defined within today's U.S.A., is the often embittered opposition between those who believe in the regulated, production-oriented American System of political-economy of President Franklin Roosevelt, and the opponents of that system, who prefer the decadent, consumerism-oriented system of deregulation and "free trade" currently preferred among anti-Roosevelt, American Tory ideologues. It is the latter system whose axiom-driven failure has prepared the way for, and unleashed the present world depression.

Today's relevant, *systemic conspiracies* are assorted among three outstanding types.

The first two types, represent, respectively, *ad hoc* or systemic forms of belief in a fixed system, the latter like that of both Aristotle and the empiricists; the definitions, axioms, and postulates of the system remain permanently constant within the limits of that specific system. The third type, expresses the Classical conception of man in the universe as typified by Plato, Kepler, Leibniz, Gauss, and Riemann. This latter view *rejects axiomatically* that notion of a fixed set of so-called "ivory tower" axioms, which we associate with Aristotle, Claudius Ptolemy, and empiricists such as Galileo, Descartes, Bertrand Russell, et al.

The third view is typified by the discoveries of mathematical physicist Bernhard Riemann, as Albert Einstein came around to accept, explicitly, that view—of a finite but unbounded universe—which had been defined by the discoveries of Kepler and Riemann. This third view is that which I have shared, with increasing efficiency, since adolescent wrestling with the leading Seventeenth- and Eighteenth-Century English, French, and German philosophers, including Leibniz and Kant. My choice is the view which corresponds in practice to what Alexander Hamilton defined as the American System of political-economy. This third view, explicitly that of Leibniz, locates the source of profit of national economies as a whole in the development of the physical productive powers of labor, a development originating in the discovery and application of new universal physical principles.

That American System has its explicit origins in two crucial aspects of Leibniz's discoveries in political-economy. First, Leibniz's founding and initial elaboration of that branch of physical science known as *physical economy*, over the interval 1671-1716. Second, as the U.S. 1776 Declaration of Independence attests, Leibniz's definition of "Life, Liberty, and the Pursuit of Happiness," in his exposure of the fraud of John Locke's Cathar-like, pro-slavery definition of "Life, Liberty, and Property."

In the third view, the only source of actual profit of an economy as a whole, is the application of discovered universal physical principles to the effect of creating new states of nature, states of nature which could not have existed prior to making those discoveries of what are provably universal

physical principles. *The proof must be physical, not mathe-matical.*² The typical effect of such policies of science-driven practice, is to increase what I have defined as *the potential relative population-density of society,* as measurable per capita and per square kilometer of the Earth's surface.

Three Characteristics of the American System

The meaning of the term "ideas," as defined by Plato and his followers, is restricted to the implications of such a definition. Such discoveries of principle (ideas) are of two forms. First, the discovery of ideas concerning nature, as by an individual discoverer of a principle of abiotic physics or of biology. Second, discoveries of social principles bearing upon mankind's increased power to acquire, and cooperate in realization of such ideas. The latter ideas, respecting the intellectual organization of social relations, have distinct physical effects. Therefore, such ideas respecting the social organization of mankind around ideas, also qualify efficiently as universal physical principles, in the same sense as any other experimentally validated discovery of a universal physical principle.³

Therefore, the ability of society to generate a true profit, depends absolutely on the discovery and application of man's discovery of both classes of new universal physical principles, as I have included among physical principles, certain types of ideas respecting social organization. With that important qualification, we might say that the only source of sustainable true profit of a society, is the quality of scientific and technological progress driven by an ongoing process of an individual's voluntaristic discovery and application of an expanded store of such combined types of universal physical principles.

Thus, we should rightly regard the influence of the doctrines of the neo-manichean Cathars, as echoed by Locke, Quesnay, Mandeville, Adam Smith, et al., as intrinsically evil, since those doctrines define a social order in which the prosperity of a few, is premised upon the subjugation of the many to the status of dumbed-down virtual human cattle. In opposition to such wicked doctrines as those of such neo-Cathars, the American System of political-economy is premised upon the efficient sharing of participation in a system based upon increasing the productive powers of labor, an increase effected through fostering and employing increasingly capital-intensive investment in scientific and technological progress; through fostering the universal increase of the productive

powers of labor.

Such progress confronts us with three leading propositions. First, progress as expressed by the individual's economically efficient relationship to the state of affairs of the existing society; second, the physical condition of the society in which that individual is acting; and, third, the care for the welfare of the individual member of society, including the transmission of the store of knowledge of principles, culture per se, to the development of the individual, especially the immature, new individual.

Therefore, the primary function of government is *to conspire* to provide and maintain the system which responds to those requirements. This intention is best served by the American System of political economy.

That *system* has three leading components: *basic economic infrastructure*, the economic responsibility of government; *economic entrepreneurship*, the economic function contributed by the individual proprietor; and, *culture in the Classical sense of that term*. These characteristics of the American System of political-economy are expressed essentially in the Preamble of that U.S. Federal Constitution which is everywhere subject to the controlling principles expressed by the Preamble.

Three essential principles are expressed by that Preamble, two primary, one an important corollary. First, the principle of perfect *sovereignty*; second, *the principle of the general welfare*; and, third, that *the general welfare is defined as including that of posterity*, not only those presently living.

The significance of that Constitution, as defining an historically exceptional quality of U.S. accomplishment, is best demonstrated by looking at the axiomatic folly embedded in the European models of parliamentary systems.

To begin, we should stress that anyone who regards U.S. constitutional law as rooted, in any sense, in the English Magna Carta, is a hoaxster or a fool. The Magna Carta was intended and applied to defend the form of baronial anarchy characteristic of a feudal system of virtual slavery. The intent was to protect the privileges of "serf-holder value" from any attempt to establish a sovereign nation-state accountable for the general welfare of the nation and its people. The imposition of that Magna Carta typifies the order of Europe during the brutal near-millennium of domination of Europe, and other parts of the Mediterranean region, by the imperial maritime power of Venice's financier oligarchy. Throughout most of the centuries during the interval from the death of Charlemagne until the death of England's Richard III, Europe and the adjoining Mediterranean region were dominated by a partnership between Venice and the brutish Norman heritage of William the Conqueror and his Plantagenet/Anjou successors.

The Norman conquest of England, and all of the Crusades, were a continuing expression of this Venice-orchestrated alliance of so-called "ultramontane" interests against recurring efforts to establish sovereign states. The efforts to "globalize"

^{2.} Cf. Carl Gauss's 1799 announcement of the discovery of the fundamental theorem of algebra is the Classical refutation of the axiomatically "ivory tower" mathematics of d'Alembert, Euler, and Lagrange, and also of Laplace, Cauchy, Clausius, Grassmann, Felix Klein, Ernst Mach, et al. Gauss's argument echoes those of Archytas, Plato, Eratosthenes, et al., showing that there exist only physical solutions for the doubling of the square and cube.

^{3.} Lyndon H. LaRouche, Jr. *The Economics of the Noösphere* (Washington, D.C.: EIR News Service, 2001).

the world economy today, are an attempt to resurrect the depraved conditions of life under medieval Venice's imperial sway. The rise of Venice-orchestrated religious warfare within Europe, from 1511 through 1648, was a product of this same ultramontane interest.⁴

With the decline of the temporal power of the city of Venice, following the 1648 Treaty of Westphalia, the Venice model of financier-oligarchical forms of imperial maritime power, was adopted by the rising financier oligarchy of the Netherlands and England. The cases of William of Orange and the Eighteenth-Century British East India Company, typify this development. It is fairly said, that the parliamentary systems of Europe since 1648, owe most of their axiomatic characteristics to the legacy of either Venice's traditional asset, the Habsburgs, or the Anglo-Dutch imperial maritime form of oligarchical model.5 The axiomatic difference between the United States' constitutional American System of political economy, and British capitalism, and also Marx's principled opposition to the U.S. economy and Constitution, are rooted, respectively, in the Venetian characteristics of Anglo-Dutch financier-oligarchical models and Marx's scientifically illiterate defense of the British model against the contrary American system.

Thus, the most characteristic feature of governments derived from the Venetian imperial-maritime model, is the establishment of a private corporation, a "central bank," as a separate, ruling financier power: a virtual power over governments, as Presidential candidates Gore and Bush agreed in their 2000 campaign debates. The U.S. Federal Reserve System, created at the direction of the personal banker of England's Edward VII, Ernst Cassel, through Cassel's New York agent Jacob Schiff, is such a Venice-style echo of Venice's medieval Lombard banking system of Bardi, Perruzzi, et al. The new form of International Monetary System (IMF), launched on August 15, 1971, has since shown itself, as in the cases of Argentina and Brazil, a faithful heir of that Lombard banking-system which wiped out one-third of the population of Europe during the mid-Fourteenth-Century "New Dark Age."

Lacking a form of Presidency specified by the U.S. Federal Constitution, the parliamentary systems of modern Eu-

rope have been the lawful prey of either foolish monarchs, such as Edward VII, Kaisers Wilhelm and Franz-Josef, and Czar Nicholas II, or of those central banking interests which act in concert to topple elected parliamentary regimes almost at whim.

The root of the centuries-long conflict between the American patriots, such as Lincoln and Franklin Roosevelt, on the one side, and the American Tories, since Judge Lowell and Jeremy Bentham's agent, the Bank of Manhattan's Aaron Burr, on the opposing side, is this issue of central banking. It is a matter of principle, that a government which is unable to exert sovereignty over its credit, currency, and banking system, has no real sovereignty at all. Only as under a Presidency as powerful as Franklin Roosevelt's was, can the Venetian-style oligarchical insolence inherent in an existing central banking system be held in check. The appropriate measure for all times, is typified by Treasury Secretary Alexander Hamilton's design for a U.S. National Bank.

What Was LaRouche's Conspiracy?

At this point, for the sake of clarity, I shall now shift for a while, to referencing myself in the third person singular.

That axiomatic conflict between sovereign government and central banking, has been the uninterrupted issue of a LaRouche Presidential candidacy since 1975. As official FBI documents and comparable sources have documented repeatedly, since 1973, the combination of Lyndon LaRouche's uniquely vindicated long-range forecast of what happened on August 15, 1971, combined with LaRouche's humiliating defeat of Professor Abba Lerner, in a celebrated public Autumn 1971 debate at Queens College, marked LaRouche as an intellect to be feared by the financier interests which had launched the new, floating exchange-rate monetary system on August 15, 1971. LaRouche's 1975 announcement of his 1976 Presidential candidacy, his launching of a Middle East peace initiative in April of that year, and his simultaneous proposal for an emergency international, gold-reserve-based monetary reform, produced vivid, often even paranoid expressions of intellectual fear from relevant quarters, such as then Secretary of State Henry A. Kissinger.

The problem has been, that since the assassination of President Kennedy, no President has challenged the post-Roose-velt arrogance of the Federal Reserve System. Since 1976, no currently prospective U.S. Presidential candidate but Lyndon LaRouche has shown the indispensable combination of knowledge and commitment to principle, required to challenge those reigning American Tory interests (including traditional organized-crime interests) which presently exert jointly, top-down control over the political parties and many parts of the Executive and Federal Court. The issue has been: Will the leading parties, and the voters generally, continue to support only Presidential candidacies acceptable to the Tory forces controlling the Federal Reserve System? If we continue to support that system of selection even now, the United States

^{4.} Much credit for ending that war belongs to Pope Urban III and his special diplomat, France's Jules Cardinal Mazarin. Mazarin was key in bringing about the Treaty of Westphalia. For that reason, Mazarin's Jean-Baptiste Colbert has been bitterly hated and libelled by the Netherlands and British followers of the Venetian oligarchical model, ever since. The development of what became the American System of political-economy owes much to Leibniz's alliance with the circles of Colbert.

^{5.} In modern history, the Spanish and Austrian branches of the Habsburg monarchies are expressions of a broader *Fürstentum* assembled from a recurring alliance of feudal princes often operating under the title of "Holy League." This body was usually more powerful than the monarch himself, and usually ran the secret police agencies (e.g., *Geheimpolizei*) through the *Fürstentum*'s control over Chancellors such as the famous Prince Metternich.

is probably doomed to an early end of its existence in its present constitutional form, and to a hopeless plunge into something far worse than a mere depression, into a general breakdown crisis.

President Reagan had some of the essential qualities of a President, and, beyond reasonable doubt, Bill Clinton was, personally, the most intelligent of the Presidents since Jack Kennedy. However, if the President of the United States lacks the combination of intelligence, knowledge, and guts, to take on the American Tories' financier oligarchy, directly, consistently, without vacillating as all political opportunists do, "He ain't worth shucks" in today's crucial moments of existential crisis

Suppose a candidate now qualified for the Presidency is presented. Would the majority among citizens support that candidacy? Offhand, most observers would agree, "Probably not." If they are right, what happens to the U.S.A.? Therefore, as was the case with the self-doomed citizens of Italy under ancient Rome, the greatest source of danger to the people of this nation is their own current popular opinion. That popular opinion is also a system, the system which is, in fact, the greatest single threat to all of them today.

Such was always the cause of a nation's doom, on the stage of Classical tragedy, or real-life tragedies of actual nations or cultures. The root of a self-inflicted national tragedy lies in the smallness of the mental life of the people; tragedy is what a people, a popular culture, does to itself.

If you have not been working to change popular opinion, as candidate LaRouche is doing, you were not qualified to become President in 1976, 1980, 1984, or any later time, up to the present. A real crisis requires real leaders, like Athens' Solon, even if the only such available are wise-cracking old geezers. Real leaders, in such a time, are those who challenge the authority of the foolish popular opinion which got us into the mess; the cowards appeal to the very prejudices which they seek out and to which they appeal; they have created the disaster. Otherwise, the cowards and bunglers reveal themselves to be such, by their attacking isolated, so-called individual "issues," usually local or special-constituency issues, rather than the actually determining role of influential personalities in all crucial historical matters. Real leaders for a time of crisis are those who act for relevant, competent, axiomatic changes in the existing system. Such is the lesson which history had already taught to those wise enough to have learned.

1.1. Where Transportation Fits In

The chief feature of the general division of labor in a healthy form of modern nation-state, is the distinction between what are distinguished from one another as, on the one side, basic economic infrastructure and, on the other, the role preferentially assigned to private entrepreneurship in such categories as agriculture, manufacturing, and relevant learned

professions and useful crafts.

Essentially, speaking in broad terms, that which pertains to the relative universality of all the general area of land and sea, and to the entire population occupying that territory, is the responsibility of the sovereign nation-state and its agencies of government. That which pertains to the particular individual, family, or to persons associated in some closely held private enterprise, should be usually treated as within the province of private enterprise. General transportation, by sea, ports, inland waterways, rail, and also public highway systems, typifies the government's unique responsibility and authority for creation, maintenance, and direction of basic economic infrastructure. General land-maintenance, development and management of water resources, related functions of public sanitation, the general production and distribution of power, are also typical subjects of the inalienable responsibility of government to promote, protect, and regulate for the benefit of the general welfare.

Such typical elements of hard infrastructure, are complemented by essential elements of universal social welfare, principally education and the health-care and sanitation systems which support and complement the private role of the medical profession.

The principal other aspect of a national economy, is the application of the sovereign creative powers of individuals, such as private entrepreneurs, to a local part of the whole territory and population. The technologically progressive farmer is typical, as is the technologically progressive variety of closely held entrepreneurship in manufacturing, or skilled technical services.

Thus, the essence of real economy (*physical economy*), is defined by the distinction between the two interdependent elements of the economy as a process, as a *system*: the physical economy of the territory and population of the nation as an indivisible whole (the relative *universal*) and the role of the *particular*, sovereign individuality within the process as a whole. The function of transportation can not be competently defined, except by addressing that subject in terms of that relationship between the universal and particular.

For purposes of first approximation, start from the late Professor Wassily Leontief's contribution to developing a system of accounting for the U.S. national economy in linear

^{6.} Today's publicly held joint-stock corporation, is, typically, a different order of species than an entrepreneurship. The latter functions under the intent of the right to hold and use personal property under the protection and rules of government, and within the bounds of the "general welfare clause." Although this is specific to the U.S. Constitution, the notion of a commonwealth was the principle of natural law underlying the practice of post-feudal, modern European civilization since France's Louis XI and England's Henry VII. The moral inferiority of the Wall Street-controlled variety of large corporation to the entrepreneur has gone to extremes, for the worst, under the impact of the recent thirty-five years cultural paradigm-shift, especially since Zbigniew "technetronic" Brzezinski's 1977-1981 reign as National Security Advisor.

terms of approximation. Actually, a linear input-output model describes only an economy at the first moment of its death; a viable economy is intrinsically a non-linear system of a Riemannian type, as I have defined this. Nonetheless, the Leontief model illustrates some crucial facts about the economic function of mass transportation, After that fact is presented, we can proceed to address the way in which transportation functions in a healthy, non-linear economy, rather than an implicitly dead, linear-mathematical model of the axiomatically pathological John von Neumann, systems-analysis type.

The 'Worldwide Cup of Coffee'

The particular production of a product at some particular location in the world's economy as a whole, depends, today, upon inputs to the location of that production from many parts of the world. This input includes labor, materials, power, and so on. The analysis of local production, requires estimates and management of items listable on what are termed "process sheets" and "bills of materials." The items so listed, as supplied from other production, include production from various parts of the world as a whole.

In teaching a course in economics, at various college and university locations during the 1966-1973 interval, I included the concept of "a world-wide cup of coffee." I situated the class's attention on the idea of sitting in a diner where they are presented with a cup of coffee. I asked them to back-trace the ultimate origin of everything represented by that cup of coffee. This included not only the coffee beans, but the water, the cup, the spoon, the milk, and the sugar; but also the diner within which it was being served, including the stool and other fixtures of the diner; and also what was required to produce and support the families of those employed there. I asked them to consider not only the quantities from each source, but also the cause-effect time-sequences involved. Thus, the students found themselves staring at that imagined cup of coffee, and seeing much of the history of world-wide mankind reflected in that object before them.

All of the ingredients transmitted, to be expressed by that cup of coffee, involved a system of transportation. Think of certain similarities between that process of transportation and the interdependency expressed among cardio-vascular, lymphatic, digestive, respiratory, and nervous systems. At each interval along each of those pathways of movement, things are happening, entering and departing the conduit represented by the system as a whole. The existence of every process through which these conduits are leading, is essential to some aspect of the adjacent activity at each point along the pathway. The system is no mere "pipeline," no mere conveyor belt; it is an active organism.

Compare the development of the railway system in the United States, from the work of German-American economist

Friedrich List through the completion of the first transcontinental link, under the influence of Abraham Lincoln. The transcontinental system transformed land-area from a relatively primitive economic state into regions of rich agricultural and other development along the flanks of the right of way. The railway was creating physical economy within the region through which it moved, and the railway became the mode through which the resources of relatively remote areas could be accessed, and then combined, to produce the explosive growth of agro-industrial power of the U.S.A.

Actually, the railway system was developed at no net cost to the U.S. economy. Even if that railway system produced nothing else, the production facilitated by such mass transit increased the per-capita productivity to such effect, that this benefit exceeded greatly the actually incurred capital and operating, physical costs of the transportation system. The ability to effect the assured delivery of passengers and freight, from any locality within the nation, to any other locality within the nation, was a principal source of the growth of national productivity, from the time of the Lincoln Presidency, until the wrecking of the agriculture and other essential parts of national economy, under the 1977-1981 direction of National Security Advisor Zbigniew "Technetronic" Brzezinski's program of "deregulation."

It was not the operating costs of that rail system which ruined it. It was the cannibalistic looting of almost everything by Wall Street's and London's parasites, combined with the catastrophic effects of deregulation, which virtually destroyed a railway system whose contribution to net national physical income exceeded the actual combined depreciation, maintenance, and operating costs incurred. In a rational system, long-range truck transport's inherent costs borne by the national economy, are far greater, per ton mile, than a technologically modern form of well-managed, integrated national rail system.

By a rational system, one means one in which freightrates and schedules provide a local community with a quality of service at a cost per ton to the shipper no higher than available for major markets. Entire regions of the U.S. national economy have been murdered economically by Brzezinski-led, cannibalistic "deregulation" of transportation and other categories of basic economic infrastructure. Brzezinski and his accomplices destroyed precious physical capital; their looting operations down-shifted the U.S. economy as a whole to a qualitatively lower level of national productivity per capita and per square kilometer.⁸

When the economy is examined in axiomatically nonlinear terms, rather than the linear input-output models of Leontief et al., the most crucial features of the national railtransport network become clearer. Refer to my description of

^{7.} LaRouche, op. cit.

^{8.} U.S. government and Federal Reserve reports published since 1982, have been dominated by an increasingly massive ration of willful accounting frauds, conducted under the rubric of "hedonic values."

"the third view," the Riemannian view, earlier.9

To the degree the individual or society acts according to stubborn tradition, he or that society is behaving as an animal, not a human being. An animal can learn, but the limit of its learning is defined by what we may term loosely, and fairly, as the creature's genetic heritage. The creature can adapt to its environment through learning, but its powers of adaptation are limited by what are ostensibly the outer limits determined by its (his, her) biological heritage. Similarly, to the degree that the members of society act according to sense-certainty, the same kind of limitation prevails. It is only as the person goes outside habitual, or customary belief and behavior, that a culture is qualified to continue to survive more or less indefinitely.

The only existing physical proof, that the human individual is better than a mere animal, is the ability of the individual member of the human species to generate the discovery of an experimentally valid universal physical principle, such as Johannes Kepler's uniquely original discovery of the principle of universal gravitation. 10 The discovery of those types of universal physical principles, or the re-enacting of such a discovery, as by a student, is the act which distinguishes the man and boy from the monkey. 11 Through the discovery and application of such discovered principles, society is able to burst the kind of biological limits which impose an approximately fixed upper limit on the potential relative populationdensity of the higher apes, thus raising the potential population of the human species from mere millions of individuals, to billions today. Such efficacy of universal physical principles of those characteristics, serves mankind as a standard of

10. The New Astronomy (1609).

knowable truth.

The fostering and application of such discoveries, to the effect of increasing the potential relative population-density of society, is the proper physical definition of *economic profit*. Without such profit, the marginal depletion of currently employed natural resources would result in a lowering of the effective per-capita physical income of society, resulting in an economic loss through technological attrition. The watchword becomes, thus, "progress or die!"

All known cultures existing prior to Europe's Fifteenth-Century Renaissance were thus either doomed, like ancient Babylon and Roman culture, or collapsed into a prolonged relative dark age. The cause for this collapse was either intellectual scientific and moral bankruptcy of the culture, as in Babylon and Rome, or, in the case of the relatively superior culture of Classical Greece, the subjugation of a large part of the population to the abused condition of human cattle, even slavery. So, the hegemonic culture of medieval Europe, as typified by that Venetian-Norman abomination, the Thirteenth Century's Holy League, plunged all of Europe into the genocidal New Dark Age of the Fourteenth Century, the dark age from which the Italy-centered, Fifteenth-Century platonic Renaissance not only rescued the previously shattered Papacy, but also gave birth to that modern European civilization which the Venice-led, Sixteenth-Century anti-Renaissance sought to drown in religious warfare.

The only assurance of continued prosperity, is the fostering of the intellectual development of all of the people of society, the practice of the common good, the promotion of the general welfare. This requires the collection and transmission of the truthful discoveries of other societies, as well as those of our predecessors. The reliving of those inherited discoveries of principle, combined with the devotion to effecting and sharing new discoveries of universal principle, ensures the optimal moral development of the character of the young. This provides the climate in which an optimal ration of the members of society will participate in the promotion of progress. This fostering of such participation by the individual, is the reality for which the use of the term "freedom" should be allowed.

Such are the rightly included goals to be served by aid of mass transportation. The moral and economic effects are two faces of the same coin. The "bloodstream" of mass transportation also transmits ideas and their application, as expressed in the form of technologies spun from the thread of scientific discovery, and expressed in the forms of products and techniques. Thus, the development of the U.S.A. through highways, canals, improved river courses, and rails, was more than the transport of things; it was the transmission of ideas, and of the means needed to express those ideas in forms of physical practice conducive to the fostering of accelerated rates of scientific and technological practice. The innovative spirit of the progressive farmer and mechanic, transformed such objects into, not merely objects of consumption, but

^{9.} A truly non-linear view bans all ivory-tower mathematics, such as that of Euler, Lagrange, Laplace, Cauchy, et al., from physical science, and replaces the space-time assumptions of a Cartesian model with a system in which only experimentally proven universal physical principles are accepted as mathematical "dimensions." See Riemann's 1854 habilitation dissertation, Über die Hypothesen, welch der Geometrie zu Grunde liegen; (New York: Dover Publications reprint, 1953). For example, in his 1761 Letters to a German Princess, Newton doctrinaire Leonhard Euler premises his attack on Leibniz's infinitesimal calculus, on the assumption that infinitesimals do not exist, arguing that straight lines can always be drawn between two points along a line of the shortest possible distance. Hence, Euler, like Lagrange, Cauchy, et al., degrades physics to a mathematics based upon linear systems, in opposition to the definition of the catenary as a physical curvature expressing universal least action. The latter, as shown by Leibniz and Jean Bernouilli, is the basis for the definition of the infinitesimal calculus. This notion of physical geometry, as opposed to the "ivory tower" geometries of Euler, Lagrange, Cauchy, Grassmann, et al., is expressed by Gauss's 1799 definition of the complex domain, as opposed to the delusion of Euler, Lagrange, et al.'s assertion that the square root of minus-1 is merely an "imaginary" number. The complex domain expresses the efficient existence of a physicalgeometric domain, as distinct from an essentially arithmetic one. The catenary is the typical physical curvature of the complex domain.

^{11.} As I have already specified, a principle of social cooperation which enables society to apply such physical principles, is also an experimentally provable principle.

stimulations of the innovative potential of the users of those products. Henry Ford's Model T, is a celebrated example of this. The development of the integrated generation and distribution of electrical energy in cities, characterized the upward leap of the industrial revolution during the early decades of the Twentieth Century; rural electrification launched under Franklin Roosevelt produced similar effects in agriculture.

Not only is a national railway grid like a living tissue; it is a living tissue, a living interaction among the cognitive powers of the people who are participating in the activity organized around that economic bloodstream. What is being transmitted is the combined maintenance and increase of the productive powers of labor.

2.0. Hard and Soft Infrastructure

All competent teaching and practice of economics for today's world conditions incorporates the concept of the *Noösphere* presented by Russia's Vladimir I. Vernadsky, as combined with two corrections borrowed from my own original, parallel contributions to the science of physical economy. This use of Vernadsky's work is crucial for defining global and national infrastructural policies for today's circumstances. I summarize the relevance of this point.

The pivotal feature of Vernadsky's successive definitions of the *Biosphere* and *Noösphere*, is his work in founding the branch of physical science known as biogeochemistry. The first phase of his discoveries led to the definition of the Biosphere. The same method led subsequently to his definition of the Noösphere. The only two crucial shortcomings I find in those published achievements reported to me by relevant specialists, including translations of relevant writings by him, are that he did not live to complete his intended mastery of Riemannian physical geometry, and that his presented conception of the human intervention creating the Noösphere, does not include explicit recognition of those elements of Classical principles of artistic composition which provide society the ability, in the words of Shelley, to promote the power "of imparting and receiving profound and impassioned conceptions respecting man and nature."12

A very brief summary of relevant features of his development of the conception of the Biosphere, will probably be sufficient for the discussion of our present topic, the policy which must underlie a modern notion of basic economic infrastructure.

Since Kepler's successful discovery of gravitation and related matters, Kepler's discovery and proof of that principle has been the standard of reference for building a competent form of systemic mathematical physics, one based on experimental proofs of discovered universal physical principles.¹³ The discovery of a valid universal scientific principle, begins with evidence which stubbornly defies current methods of systemic interpretation of some aspects of sense-perception. The experimental validation of the hypothesis which overcomes that paradox, defines a working scientific principle. The suitably exhaustive further experimental work may, then, refine and define that as a *universal* physical principle, such as Kepler's definition of universal gravitation.

The work of Louis Pasteur and his followers presented geologist Vernadsky with crucial evidence of mathematical-physical differences of universal physical principle between the chemistries of living and non-living processes. Vernadsky, as a geologist, took into account the evidence of fossils provably products of the activity of living processes. These fossils included the Earth's oceans and atmosphere, and included the outer surface of the planet down to a considerable number of kilometers below sea-level. The resulting picture of the geological evolution of the planet, including its atmosphere, defined a *Biosphere*.

From the vantage-point of that same method, Vernadsky defined a higher state of existence, called the Noösphere. In the case of defining the Biosphere, his experimental method focussed upon physical effects *systemically* incongruent with physical chemistry's known classes of abiotic processes. In examining the impact of human activity on the Biosphere, he defined a universal physical principle, which he termed *noësis*, which corresponded to effects beyond the *systemic* capacity of all known living processes excepting human activity. Noësis signifies the class of mental activity which generates the discovery of those hypotheses which qualify experimentally as universal physical principles.

So, as the Biosphere presents us with life stubbornly taking over the outer regions of our planet, so the action of noësis exhibits itself as, in the longer run, superior to merely living processes in general. Hence, the *Noösphere*.

The resulting image of our planet, is of an evolving entity, within the Solar System, and, thus, the universe. Three mutually distinct categories of action are constantly transforming this planet, interacting with one another, and who knows what else besides. These processes, the abiotic, the living, and the cognitive (or, noëtic), are distinct, but interacting, and, in that sense, also interdependent. Let us say that they are *multiply-connected* processes, or "*multiply-connected phase-spaces*."

Now, since the scale and impact of man's impact on what are called "natural resources," has become relatively large,

^{12.} LaRouche, op. cit.

^{13.} Kepler's scientific method was derived, ultimately, from Plato's Socratic dialogues, but Kepler's immediate predecessors were, as he emphasized, the founder of modern experimental science, Nicholas of Cusa, and Cusa's followers Luca Pacioli and Leonardo da Vinci. It was the challenge of Kepler's work which prompted the work of Fermat, Pascal, Christiaan Huyghens, Leibniz, et al., through the completion of the foundations of mathematical physics by, chiefly, Gauss and Riemann.

especially when compared to the situation during earlier centuries, it were inevitable that mankind must now think of giving a helping hand to those planetary abiotic and living processes of our Biosphere. If we presume that we are going to continue, and accelerate, scientific progress in discovery and use of universal principles, we must develop ways in which to assist the Biosphere in producing those preconditions which expanding human life will require, if we are to maintain and also improve the average conditions of life for a growing human population throughout the planet. We must do things in the sense of making the deserts bloom, and must apply principles of public sanitation in a richer sense than during earlier generations.

In this vein, we must consider what has been termed "basic economic infrastructure" as the relatively "hard" form of basic economic infrastructure, as man-made improvements in the Biosphere. This includes nationwide and continental systems of transportation, regional systems of integrated generation of power, national and international systems of water management, extensive systems of land reclamation and maintenance, and the rational design and management of cities and the relationship of urban life to, and integration with countryside of field, mountains, and forests. These are matters which come under the special domain of government; private entrepreneurship may play an important, even indispensable helping role, but the responsibility and authority for the outcome lies primarily with government.

Now, to the matter of "soft infrastructure."

Classical Humanist Education

From the standpoint of even ordinary schoolbook physical science, the provable distinction of the human species from all other forms of life, is expressed by comparing the potential relative population-density of the human species, with that of the higher apes. The human potential is expressed in the millennia-long span of an increase from a few millions, to present billions. This is an increase of a type which occurs in other species only through genetic "evolution." For us, it is a potential for increased potential which occurs equally, and universally, among all branches of the human family; it occurs, for example, in the same degree, among children of what are falsely called "aboriginal" stocks of persons in Australia, as anywhere else.

This point defines the axiomatic quality of difference between a competent form of general education, known historically by such names as "Classical humanist education," and the monstrously corrupt forms of education prevalent in U.S. practice and doctrine, including that of universities, today. The need for our return to the conception of a Classical mode of humanist education, corresponds to an indispensable element of the improved economic infrastructure which must be built into the U.S.A.'s public life today.

To make this point comprehensible, I must now summarize a crucial scientific argument I have made repeatedly in

earlier locations, an argument which is axiomatic in all of my contributions, over five decades, to the development of the science of physical economy.

Famously, Plato emphasized that what human beings experience with their senses, as usually perceived, are merely shadows, as on the walls of a dimly fire-lit cave, as the Apostle Paul warns famously in *I Corinthians* 13. Our sense-apparatus is an integral part of our biology. The world acts upon that sense-apparatus; it is the reactions of those sense-organs, the *shadows* of the real universe, which are immediately conveyed to our consciousness. Plato's Socratic dialogues, and *Laws*, taken as a whole, are a special quality of outgrowth of Classical Greek drama, a collection of spiritual exercises, by aid of which the human mind is aided to sort out the paradoxical relationship between the shadow-world of sense-certainty, and the real universe which those shadows imperfectly reflect.¹⁴

In modern physical science, the most important opponents of a competently scientific practice include the René Descartes whose misconceptions of space, time, and matter, degrade mathematical practice to the kinds of crudities which polluted the work of such otherwise able mathematicians as the "ivory-tower" formalists Euler and Lagrange.

On that pivotal point: In my current choice of pedagogy, I emphasize five points of pedagogy as the elementary basis for a comprehension of the way in which the issue of appearance versus reality arises: a.) Kepler's actual process of discovery of universal gravitation, as elaborated in his 1609 New Astronomy; b.) the comparison of Classical Greek treatment of such problems as the doubling of the square and cube, with Gauss's 1799 publication of his discovery of the fundamental theorem of algebra, in which he exposes the relevant axiomatic follies of D'Alembert, Euler, and Lagrange; c.) the Leibniz-Bernouilli proof of the coordinate principles of the infinitesimal calculus and universal least action, in their exploration of the implications of the catenary; d.) the emergence of Riemann's 1854 definition of physical geometry on the basis of Gauss's earlier development of the notion of general principles of curvature, a notion of curvature emergent from Gauss's 1799 report on the fundamental theorem as point of departure.

The typical fallacy in contemporary discussion of the paradoxical character of sense-certainty, is most efficiently shown by indicating the intrinsic incompetence of efforts to derive a physics from either a Cartesian view of geometry, or the even cruder basis of a counting arithmetic. Since the Classical Greece of Archytas and Plato, the essential progress of scientific thinking has been premised on defining and solving those ontological paradoxes which arise in the misguided effort to degrade physical science to the status of a mere hod-carrier for an "ivory tower" mathematics of

^{14.} Plato's method is reflected in the work of Leibniz, from whose writings I was originally educated in these matters.

the type presented by Descartes.

Back to Kepler.

During the Sixteenth Century, doctrines on the subject of astronomy had reverted from the Solar hypothesis of both Aristarchus and founder of modern science Cardinal Nicholas of Cusa, to the medieval dark-age's mysticism of Aristotle, as typified by common features of the work of the ancient Claudius Ptolemy, and also Copernicus and Tycho Brahe. All three were in accord with the gnostic, ivory-tower dogma of Aristotle, insisting that man could not know the efficient causes of action, but must accept the appearances judged in terms of presumably unchanging principles expressed by what was assumed to be "perfect" uniform motion. Kepler's more precise calculations showed not only that the orbit of Mars was elliptical, but that motion along the orbital pathway was never uniform. This signified what Kepler defined as a controlling "intention," embedded in the universe, evidence which discredited Aristotle's dogma absolutely. Thus, Kepler defined that efficient intention as a principle operating on the universe from outside Aristotle's dogma. This intention was identified as a universal principle whose effect is observed

One can not perceive gravitation as an object; yet it is an efficiently acting universal physical principle. Gravitation is *real*, and perceived evidence of its effect is the shadow of reality. With Riemann's announcement at the outset of his 1854 habilitation dissertation, all ivory-tower conceptions of space, time, and matter, were, speaking figuratively, thrown into the waste-basket, as unwanted relics of a superstition-ridden past. Among literate and honest scientific opinion, only experimentally proven, universal physical principles could be accepted as the geometric "dimensions" of a universal physical geometry.

This was not entirely a new discovery. Already, during the interval from Archytas and Plato, through the work of Eratosthenes and Archimedes, Plato and his associates had recognized that the physical differences among the notions of line, surface, and solid, were not consistent with a naive conception of linearly extended space and time; the difference among these species of physical existence represented the action of specific powers, as Plato emphasized in his Theatetus dialogue. This notion of powers, is that employed by Leibniz for defining a science of physical economy; it is the use of the notion of powers employed by Gauss in defining the fundamental theorem of algebra, the same notion Gauss employed in number theory, in defining the significance of residues. The appearance of the falsely named "imaginary numbers" in number theory and geometry, is a reflection of the efficient existence of such physical powers for defining all mathematics suited for the practical requirements of physical science.15

Science does proceed from a critical attitude toward preexisting notions of the organization of action in physical space-time. Thus, it does proceed, in fact, from describing, from an historical perspective, a naive conception of space, time, and matter, a conception more or less consistent with sense-certainty. It is by uncovering the fallacies of sensecertainty, by discovering the principles required by encounter with ontological paradoxes, that mankind overcomes a childish faith in the shadow world of sense-certainty, to discover those universal principles, by means of which we act to increase man's power in and over the real universe. Examples of the pathway of scientific progress, include: the ancient discovery of the doubling of the cube, like Gauss's similar discovery of the fundamental theorem of algebra, and Leibniz's and Bernouilli's kindred discovery of the meaning of that curvature—the catenary—known as expressing both the principle of the infinitesimal calculus and universal least action. The catenary, so understood, is a specifically physicalgeometric existence, and is the most typical expression of the physical reality of the complex domain's universality.

The term *knowledge* were, therefore, rightly restricted to the cumulative progress away from the merely learned crudities of sense-certainty, through successive discoveries of universal physical principles. These discoveries have the form of that principle of *hypothesis* typical of Plato's Socratic dialogues. Thus, as illustrated by the successes of nuclear microphysics, we become able to act efficiently upon the unseeable reality beyond the reach of the senses; we become able to manipulate the unseen reality which controls the shadows.

So, experimentally valid physical science assumes the form of a special quality of latticework. The unfolding of that lattice of increasing knowledge of reality, describes the freeing of mankind from the darkness of sense-certainty. Discovery by discovery, as typified by ancient Greek science's still durable discoveries, the light of reason guides our hands into the real universe, beyond the shadows of perception. Man's power in the universe increases. The study of the cumulative benefits of this process of discovery of such knowledge, a process leading upward and away from simple sense-certainty's systems, is called the *epistemology* of what is recognized today as the subject-matter of physical science.

Vernadsky's distinction among the powers of the respectively abiotic, living, and cognitive domains, is an example of the way in which physical science has, in fact, applied the principles of epistemology to itself. He applies the Classical method of experimental hypothesis and proof of principle, to the subject of physical science in general, including the generality of mankind's process of discovery of universal physical principles.

However, that experience of the progress of science, from the Classical Greek of Archytas, Plato, et al., through modern times, demonstrates the existence of a still higher principle

^{15.} Hence, Riemannian geometry is not a non-Euclidean geometry, such as those of Lobatchevky and Bolyai, but as Gauss's teacher Abraham Kästner had argued, an anti-Euclidean geometry, which scrapped the axiomatic onto-

logical assumptions of Euclid respecting space, and replaced these with nothing but a physical geometry of physical-space-time.

than any of those I have referenced here thus far. No lower form of life is capable of effecting the progress from an ontological paradox, to an hypothesis, to the proof of that hypothesis as a principle; this can be accomplished only by the sovereign cognitive powers of the individual human mind. This is the principle, the *power*, which distinguishes humanity absolutely from all lower forms of life.

The proper function of education, is to afford the developing young individual the means to become assured of his or her command of that higher principle which sets the human being above all other species, the principle of hypothesis as I have just described it. This is accomplished by creating the circumstances, including education, in which the developing individual re-enacts important discoveries originally made in the past. This includes physical principles of the type I have just illustrated, above. It also includes principles which belong to the category of principles of Classical artistic composition.

Classical Artistic Composition

As indicated above, the two crucial omissions in Vernadsky's definition of the Noösphere, were the absence of reflection on that anti-Euclidean quality characteristic of all competent representation of modern European science since the work of Leibniz, Gauss, Riemann, et al.; and lack of attention to those social processes, on which society depends for the transmission of valid discoveries of principle as actual knowledge. I mean knowledge, rather than forms of classroom learning associated with rehearsals for the monkey-seemonkey-do performances known as responding to computer-scored multiple-choice questionnaires.¹⁶

The history of the transmission of valid discoveries of universal physical principle, provides a relatively obvious, more readily understood approach to the principled feature of social relations which must be taken into account. The significance of the principles of artistic composition in both plastic and non-plastic art-forms is rarely recognized today. On the latter account, the reader might reference C.P. Snow's *Two Cultures*. The relevant issue of education is: Is there a principle of *truthfulness* in Classical artistic composition, as experimental method provides a standard of truthfulness in assessment of proposed universal physical principles of science? Classical humanist education is premised on the evidence that such a principle of truthfulness applies. Actually,

the same principle of truthfulness applies to principles of Classical artistic composition, as to the history of knowledge in physical science, as I shall indicate summarily here.

For such reasons, the study of the principles of Classical humanist education properly begins with focus on the way in which valid original discoveries of universal physical principles are to become experiences replicated by present-day students and others. The picture is then broadened, to show the same "mechanisms" at work in transmission of ideas by methods of Classical artistic composition. The picture is completed, by indicating the relevance of Classical artistic composition, as for scientific knowledge, for the understanding of history, and for the practice of statecraft by leaders and others alike.

Like all physical reality, the act of discovering a universal physical principle, is not an object of sensory perception. Like the discovery of any physical principle, we are able to prove the presence of such an act of discovery by the efficiency of that action. Thus, the central problem of communicating what are actually ideas, rather than merely opinions, is that such acts of cognition (noësis) are products of a perfectly sovereign process within an individual mind.

As Plato's Socratic dialogues illustrate this fact, such an act of discovery has three principled phases:

1. The recognition of what is called an ontological paradox, a paradox which threatens one's confidence in previously accepted ways of thinking; 2. An hypothesis, which, if proven true, might overcome that paradox; and 3. A proof-of-principle test, such as an astrophysical observation or a crafted experiment, which disproves, or proves the hypothesis.

If an individual who believes he has discovered a universal principle wishes to communicate that discovery to another person, he must rely on the immediate fact that he can communicate two elements of that three-step discovery to a qualified second person. These two evidences are, the paradox and the experimental or equivalent evidence. This, of course, is exactly what should be the characteristic teacher-student relationship. Then, if the posing of the paradox by the first person produces a kindred hypothesis in the second, and if the empirical test bears that out, the generation of the hypothesis by the first has been replicated in the second. If the empirical tests do not substantiate the hypothesis, new tests must be made, and, possibly, more appropriate hypotheses.

That is the only way a valid hypothesis can be replicated in the mind of another. It can not be seen with the senses; its generation must be replicated. That may seem to be unfair; but, after all, to see the unseeable beyond the shadow-world

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^{16.} Compare education keyed to multiple-choice questionnaires with the educational practices described in the "Voyage to Laputa," from Jonathan Swift's *Gulliver's Travels*.

^{17.} C.P. Snow, *Two Cultures and the Scientific Revolution* (London and New York: Cambridge University Press, 1993 reprint).

^{18.} The most extreme opponents of a principle of truthfulness include the radical positivists, including the devotees of Bertrand Russell and the existentialists as typified by Theodor Adorno, Hannah Arendt, et al., in *The Authoritarian Personality*, (New York: Harper, 1950). Notably, Arendt traced her defense of the position, that there is no truth, but only opinion, from the reading of Immanuel Kant's *Critiques* by fellow-existentialist Karl Jaspers.

She reads Kant's intent correctly. The neo-Aristotelean reformers of empiricism, such as Kant, the ideologue of the fascist state G.W.F. Hegel, and Hegel's crony Savigny, used a neo-aristotelean denial of any comprehensive principle of knowable truth to, so to speak, bring their burglar friends in to loot the house. She makes one think of the *Pokémon* addict who responded to his mother's detecting his hand in the cookie jar by killing her with an axe. Before the court, the addict explained to the judge: "It was her fault. She peeked!"

of sense-perception, requires the help of an unseeable agency. That is the continuing importance of Plato's Socratic dialogues. The method of those dialogues is needed, to educate the cognitive powers specific to human individuals, which means to make the individual conscious of such activity within his or her own, sovereign mental processes.

A creative personality is one who has developed the ability to conceptualize his or her own cognitive processes as objects of intentional thought. The practice of epistemology is an example of such looking at the cognitive generation of hypothesis as an object of conscious attention. The development of such a capacity in the student, is the principal continuing objective of a Classical humanist curriculum. It is that self-development within the student, which fosters the moral development of the child and adolescent. That is the Classical humanist principle of education, if only in first approximation.

Look first at plastic, and then non-plastic art-forms, as I have now described an epistemological overview of physical science.

Classical sculpture. Classical Greece freed itself from the archaic practice of tombstone art, to produce off-balance figures with such refinement that the mind of the viewer saw not a static figure, but figures frozen in an infinitesimal instant of motion. This was applied not only to images of living figures, but to designs of products, architectures, even cities. I illustrate the importance of this Classical form of sculpture by an example from my personal experience.

During the middle to late 1980s, I was concerned with saving the famous cupola of the Cathedral of Florence from the effects of some ill-advised modifications brought about by a local government. I became involved with the work of an outstanding specialist in the matter. The crucial issue to be addressed was: what was Brunelleschi's physical principle of design of the construction of that cupola? I looked, and looked. It struck me: The hanging-chain principle, the catenary! Suddenly, it was all obvious; I looked at images of the cupola, and had the occasion to observe it again directly. I could see it all so clearly! My relevant scientist friend confirmed my discovery.

Brunelleschi had used the hanging-chain principle, explicitly, as his method of constructing the cupola. This was more than two and a half centuries before Leibniz and Bernouilli had settled the role of the catenary in defining both the proof of the infinitesimal principle of the calculus and the principle of universal least action. How was this possible? Look to the effect of such developments as the revival of Classical Greek culture, at the beginning of the Fifteenth Century, at Padua prior to the Aristotelean reaction there. A Classical humanist education produces an enriched state of the individual human mind, by means of which the principles of creative discovery common to physical science and Classical artistic composition, are reflected in a genius such as Brunelleschi, Nicholas of Cusa, and Leonardo da Vinci. Leibniz's

unrivalled genius reflects the post-1648 Classical renaissance which followed the awful "little dark age" of religious warfare, just as the developments around Padua at the beginning of the Fifteenth Century produced that florescence of genius largely crushed during the subsequent 1511-1648 little dark age.

The case of Classical sculpture and architecture shows the relatively obvious connection between Classical forms of plastic artistic composition and genius expressed in physical science. What of the non-plastic arts: Classical drama, Classical poetry, Classical musical composition—all in opposition to the Romantic and modernist?

In all poetry and prose deserving of those names, the function performed by paradoxes in mathematical physics, are accomplished by irony, including metaphor, and conjunction of moods. In spoken poetry and prose, meter, voice-registration, voice-coloration, and rubato effects, blended with gestures, transform a more flow of words from recitation of mere text, into the prompting of intended idea in the mind of the hearer. In written prose and poetry, the spoken intent is conveyed by marks of punctuation, such as commas, which warn the reader of an intended prosodic change of spoken utterance, to be heard in the mind of the reader.

In music, J.S. Bach's development of a system of well-tempered counterpoint, employs the natural prosody and registration of the *bel canto*-trained singing voice, to define ideas and the interaction among ideas, with an ability far beyond even customary Classical poetry. Classical instrumental music is performed by instruments singing *bel canto* under the control of the capable performing musician.

Classical drama is never arbitrary fiction, but is always a medium for use of paradox to bring into focus some principle of actual history. As for Classical Greece, the dramas of important writers, such as Shakespeare or Schiller, were never fiction, but were historical studies of principles of statecraft referenced to actually known history, or to legends, such as the Homeric, which expressed a reflection on some period of history in a way relevant to current problems of statecraft.

As Shakespeare's Chorus steps forward to describe the play, *Henry V*, about to begin, he says:

For 'tis your thoughts than now must deck our kings, Carry them here and there; jumping o'er times, Turning the accomplishment of many years Into an hour-glass....

In successful Classical drama, the matters on stage fade, like the smile of the fabled Cheshire Cat, and the parts being performed on stage give way to the reality being enacted on the stage of your imagination. And if the play were well performed, you are astonished at the close, to see the actors standing still on that other stage before your eyes. If you are wise, and the play were well composed by author and the company, what you have experienced in your imagination, is

not a fiction, but a true insight. The fiction is the illusion which appears on stage when the play has ended; those actors there, are not now what they seem to be. Such, are matters of cognitive substance and sensory shadow.

All Classical art has the form of play: play in the double sense, of playing and drama. Its function, as play, is to evoke a study of matters of principle, as paradox is used for the teaching and progress of mathematical physics. Discovery of principle, is intense work, as adequate performance of a musical composition is. But it is always dependent upon a spirit of playfulness, and richly exciting to the committed participant. It is always, in that specific sense, *fun*. A person who is not playful in that sense of the term, is going cognitively dead, as too many university graduates do, about the time they pass through the unhappinesses of orals, written examinations, and securing their employment in their chosen career. A man who considers himself already perfected, is already cognitively dead.

The physical progress of humanity is expressed in the form of accumulated discoveries of universal physical principles. The comprehension of history is accessed through science's partnership with progress of discovering and applying the principles of Classical artistic composition to the understanding of the passion on which society's cooperation in use of science depends.

Health-Care as Infrastructure

The fraudulent argument, of Rachel Carson and others, for banning DDT, led to the present situation in which West Nile Virus threatens the U.S. population today. Sanitation and health-care are inseparable partners in the defense of human life. If we do not restore DDT to use now, we as a people, and its government, are morally insane. The overriding authority of the Preamble of the Federal Constitution demands a return to the governmental policies of sanitation and health-care of the 1960s, such as the post-war Hill-Burton law. It demands a return of the legal authority for diagnosis, prescription, and treatment to medical professional, now. The law of sanitation must be to contribute to preventing the spread of the sickness, and of health-care, to allow the physician to treat the patient.

The policies expressed by National Security Advisor Henry A. Kissinger's mass-murderous 1974 National Security Study Memorandum 200 (NSSM-200), and National Security Advisor Zbigniew Brzezinski's kindred, 1981 *Global Futures* and *Global 2000* policies, must be reversed, on both the grounds of the Preamble, and according to the implied obligations of the post-war Nuremberg Code. Human beings are not human cattle, to be herded and culled at the pleasure of the self-anointed "shareholder" interest.

At about the time Kissinger was issuing NSSM-200, my

associates were presenting a research report on the calculable consequences of continuing the global trends resulting from the policies which utopian plotters Kissinger, George Shultz, and Paul Volcker set into motion, as President Nixon's ruinous monetary policy of August 15, 1971.²⁰ In our own report, which was the result of a study-project which I had set into motion during Spring 1973, we pointed to the likelihood, that if then-current U.S. policy-trends of the 1971-1974 interval were continued, we would witness a massive, early- to middle-1980s, epidemic eruption of then still relatively dormant pests and diseases in areas such as the Sahel region of Africa. During the early 1980s, it happened, as our 1973-1974 work had forecast.

Today, we must not overlook the fact that the evolution of the HMO-dominated system has been significantly shaped by the intent to cull the American "human herd," by means akin to Adolf Hitler's elimination of lives deemed by him "not worthy to be lived." Like the NSSM-200's intent to promote genocide in places such as Africa, we have the promotion of euthanasia in the U.S.A., as in the Netherlands and Belgium. "No code" is a related part of this. The use of "malpractice" suits, creating the pretext for insurance companies' driving physicians, financially, either into restricted practice, or out of the profession, has been part of this. Current trends toward "one standard disease, one standard treatment—and no more!" is part of the process of accelerating mortality rates. Pricing pharmaceuticals out of the range of ever larger portions of our senior citizens, and of others, is part of this. The creation of the pre-conditions for widespread food shortages, is part of this.

Now, under the impact of the floating-exchange-rate monetary system, with legislation such as the predatory U.S. HMO law, with the rampage of deregulation unleashed under National Security Advisor Brzezinski, by Garn-St. Germain—implemented by the Keating Five—by Kemp-Roth, and by the financial-derivatives bubble, the destruction of those safeguards of sanitation and health-care has already taken on the character of a more or less global mass-murderous effect. The legendary Four Horsemen of the Apocalypse must be prancing triumphantly, when they see the continuing folly of most of our governments and their people.

The central feature model for a national health-care system, is, like the system intended by the Hill-Burton law, the application of the system required for support of a U.S. military at war. Under Hill-Burton, the unit was the county. The private and other physicians were rallied around a set of private, voluntary, university, and public hospitals, which represented what was estimated as an adequate bed-capacity of various classes, representing hospitals and auxiliary facilities for both expected and, to a significant degree, exceptional situations. This array of capabilities was buttressed by the

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^{19.} Cf. Dr. Lawrence S. Kubie, *The Neurotic Distortion of the Creative Process* (Lawrence, 1958), and "The Fostering of Scientific Creative Productivity," *Daedalus* (Spring 1962).

^{20.} New Solidarity, Jan. 9 and 16, 1974, "Rockefeller's Ecological Holocaust."

functions of the Corp of Engineers, the Public Health Service, and the reserve which could be drawn from the military medical institutions. To the degree this development progressed in the respective states and counties, and to the degree in-time access to emergency hospital facilities was built into the public highway and transport systems, it worked; whereas HMO has been increasingly a failure. HMO law is not merely an inevitable failure, now becoming a national catastrophe; it is a predatory medical malpractice performed by shareholder value.

We must reverse the presently continuing, disastrous course.

Among the principal changes to be made, we must end the worsening trend toward basing the financial system of health-care on that usurious illogic, of using case-by-case accounting as an instrument of accountants' financial control of the medical practice, respecting the functions of diagnosis and care for the individual patient. It is ultimately as injurious to the U.S. national interest, to regulate the delivery of medical service on a patient-case by patient-case basis, as it would be to provide public sanitation for the sole benefit of one residence, but not the adjoining ones. My neighbor's disease is a disease of our neighborhood, or like epidemic contagious disease, or pollution, a disease of the nation as a whole. Health-care for a society is a matter of national-security interest.

The delivery of health-care by the medical profession is "entrepreneurial" in respect to its most essential characteristic: the application of the developed creative mental powers of the individual professional; public-health policy is a matter of the interdependency of the universal and particular role of the professional. The provision of available health-care is universal; the professional care for the patient, is a privileged action by the relevant individual professional's direct relationship to the patient. The arrangement under which quacks, guised as financial executives or accountants, engage in the malpractice of medicine, must be ended, and banned from future recurrence.

The leading edge of the process of rebuilding our national health-care system, will be the emphasis of public effort, by the Federal and state governments, on buttressing existing full-service general hospitals, and reestablishing them where closures of essential such institutions have occurred. Full-service general hospitals which function as teaching institutions, are crucial. Such an emphasis on general hospitals, and enhancement of their relations with the related research functions of universities, will provide the technological lever of reconstruction of the nation's health-care potential as a whole.

On the financing of health-care, we must return to the pre-HMO system. Health-care as a whole, is a bulk-purchase, not a retail sales outlet. The forecast payments from private patients, and from those under insurance or related programs, must be supplemented by the combination of contributions to hospital budget-requirements, and also capital improvements, by fund-raising, with contributions from agencies of

government as that last-resort amount which enables the institution to meet the requirements of relatively indigent patients.

3.0. A National Infrastructure Policy

Today, under the implied reading of the U.S. Constitution by Treasury Secretary Alexander Hamilton, government-directed building and maintenance of basic national infrastructure, should represent approximately half the economic throughput of the U.S. national economy. To reestablish a healthy national economy, we must understand and accept the functional basis which defines that relationship between basic economic infrastructure, as primarily the economic function of government, and the particular role of individual, private economic, or related initiative.

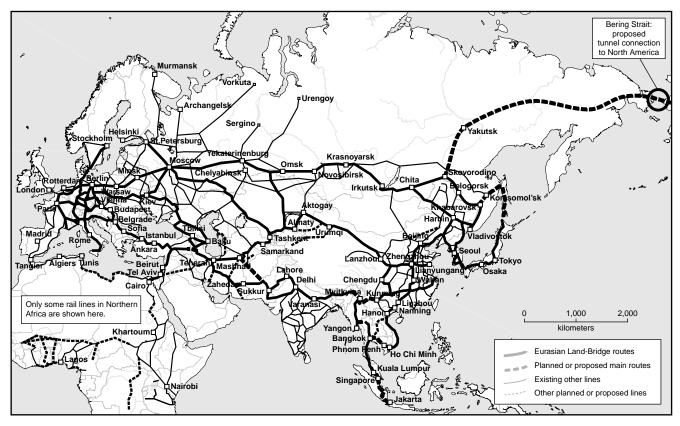
Admittedly, today, to achieve and maintain such goals, we must reverse the past three-decades shift in composition of the U.S. labor-force, to emphasize an increase in the ration of employment in technologically progressive physical output, a shrinking of unemployment, and a curtailing of dubious employment in such make-work activities as unskilled personal services and redundant aggregates of sales employment. This change in composition of employment of the labor-force, must be accomplished through increasing emphasis on increased capital investment in production of physical goods, per capita of the total labor-force. That means increase of physical capital, as distinguished from merely financial capital. To rebuild production, we must, like President Franklin Roosevelt, lay the foundation for that, by a relatively massive concentration on rebuilding basic economic infrastructure. We must build our way out of the current bind, in this twofold manner.

The essence of healthy politics, is the role of the sovereign initiative by the individual personality. As such among our founders as Cotton Mather and Benjamin Franklin emphasized, the essential basis for a healthy republic, is the shared commitment among sovereign individual personalities of *the intention to do good*. To this end, moral individuals create and shape the government of their republic, and entrust to that government the authority and duty to make such laws as are needed to foster cooperative intentions, or to conduct such necessary operations as are beyond the competent authority and scope of private individual economic action. This authority and obligation requires us to conduct common and related action to secure the sovereignty of the republic's powers to promote the common good, and ensure those powers, commitments, and benefits to our posterity.

Individual freedom does not tolerate anarchy, nor anarchy individual freedom. As our Solar System, like the movement of our planet, is governed by those *intentions* defined as universal physical laws, the enduring freedom of the individual,

FIGURE 7

The Northern Rotterdam-Seoul-Tokyo Land-Bridge Corridor



Current actions by the Koreas, Japan, China and Russia are moving the northernmost of the three Eurasian Land-Bridge corridors—the "world's longest railroad" from Rotterdam on the North Sea over the Trans-Siberian, down through the Korean Peninsula and over to Japan—closer to fruition.

requires that our free choices be governed by adoption of and submission to an appropriate choice of orbital trajectory for our society, as a whole. If we err, we shall correct our error. To this end, a republic must regulate the economy as a whole, to protect it from the follies of some or more of its own citizens, as from foreign errors which might spoil our national intention. In addition to those protectionist rules set forth by leading American patriots, such as Benjamin Franklin, Hamilton, Monroe, the American Whigs, Friedrich List, and Franklin Roosevelt, they showed that government must change the environment in ways which enable the common action of individual producers, to increase the productive powers of labor of the republic as a whole.

The primary responsibility of government for basic economic infrastructure, is among the principal vehicles to be used by government for its functions of protectionist and regulatory measures in shaping the direction of the U.S. economy. In the state of affairs associated with today's combined national and world crisis, concern for our nation's own infrastructure must now also figure, to a greater degree than ever before, in our nation's long-range foreign-policy.

U.S. Global Infrastructure Policy Today

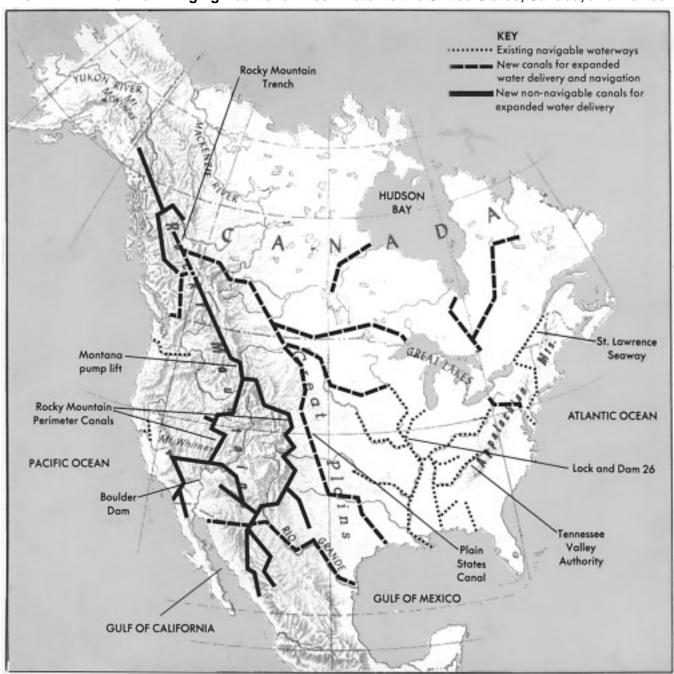
The U.S. system of infrastructure must be assessed as dovetailing with a now emerging global system of multi-continental economic-development corridors.

The spines of these corridors are defined by a combination of continental systems of blended friction-rail and magnetic-levitation transport, and water-corridors used for combined functions of extended inland waterways for transport, and for land-management—as for agriculture and human consumption of water. These corridors parallel the transport-lines with large-scale systems for generation and distribution of power and, often, distribution of water through pipelines. The corridors, which may be in the order of fifty to a hundred kilometers in cross-section, will incorporate presently existing or new urban centers, which will be linked to secondary urban centers within the same beltway.

In the case of one of these corridor-networks, the Eurasian Land-Bridge linking Pusan and Japan to Rotterdam (**Figure 7**), the included mission of these corridors, is to transform corridors running through large regions of Central and North Asia, into regions of development through which efficient

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The NAWAPA Plan for Bringing Additional Fresh Water to the United States, Canada, and Mexico



The North American Water and Power Alliance project, on the drawing boards since 1964, would provide a 20% increase in water supply to the United States, while making additional water available to Canada and Mexico.

access to the development of mineral and other resources becomes economically feasible. Thus, the transport of technology, from "fountains" of technological progress throughout Eurasia, to regions of Asia which have presently a large deficit in such capacity, defines the principal lines of future

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world trade throughout the interior of Eurasia as a whole.

In North America, the need for a nationwide water-management program, such as an expanded North American Power and Water Alliance (NAWAPA), implies a unified rail-water grid-system reaching, through cooperation among

FIGURE 9 Proposed Inter-American Railroad Line



Source: Hal B.H. Cooper, Jr., Cooper Consulting Co., Kirkland, Washington.

sovereign states, into Mexico and Canada (see **Figures 8** and **9**). Domestic infrastructure policy and related elements of foreign policy must now be seen as of greater importance to us than past practices imply.

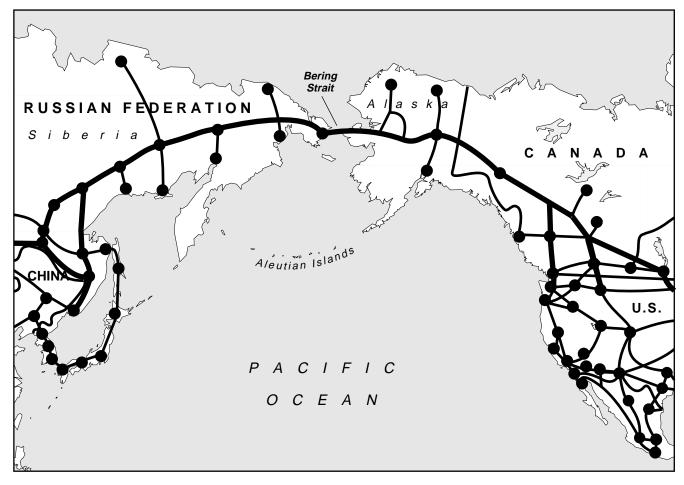
The Eurasian Land-Bridge system is to be linked with systems of the Americas through a rail/maglev link across the region of the Bering Strait (**Figure 10**).

The North American rail-water grid is to be extended

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FIGURE 10

Bering Strait Tunnel Connection for Rail Corridors



Source: Hal B.H. Cooper, Jr., Cooper Consulting Co.

through Central and South America (**Figure 11**). Within South America, the combination of wide-scale rail/maglev and water management systems, have an outstanding included importance, in doing for inland South America what the Eurasian Land-Bridge makes possible for Central and North Asia.

The Southernmost tier of the Eurasian Land-Bridge system enters Africa at Egypt, through a great railway bridge soaring above, and spanning the Suez Canal (**Figure 12**).

Within such a global grid of development corridors, the nations enter into a new phase of history, in which cooperation in effectively managing the Biosphere becomes as feasible as it is indispensable.

Our Space Program

However! The habitable portions of our planet occupy a relatively small, if crucially significant part of the planetary body as a whole. Moreover, the planet as a whole, including

its surface areas, are also subject to powerful influences exerted, not only by patterns of behavior of the Sun itself, but the Solar System as a whole. We have come into a recently new phase of human existence, during which we must now think seriously of space exploration as an essential part of the world's, and, therefore, our nation's essential economic infrastructure.

The known catastrophes heretofore suffered by peoples, have fallen into two classes, 21 man-made, and from so-called "natural" causes, the latter usually presumed, in earlier times, to be beyond man's power to prevent. As physical science progresses, we begin to imagine that we can either control some of the forces behind so-called "natural" catastrophes, or, in other cases—such as architecture for earthquake zones—at least mitigate the damage suffered. Also, through scientific progress, we become aware of new kinds of threatening long-

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^{21.} Cf. Plato, Timaeus.

FIGURE 11

South America: Great Water Projects



wave natural effects built into our Solar System, or perhaps from beyond. The sense of those dangers from natural extraterrestrial cycles, gives us a fresh sense of the frailty of the system of human life on Earth. Scientific progress provides the grounds for optimism about mankind's emerging power to gain control over these dangers.

Shall we then say to ourselves, "In a few billions years, or much less, human life on this planet will be crushed"? What of a large asteroid hitting Earth directly? So it goes. Shall we, then, resolve to squat pitiably on the surface of our planet, or shall we get out "there," seeking the knowledge by whose aid future generations might defend our planet from such things?

There are other, if related reasons for space exploration.

Modern civilization's technological progress has depended upon exploring in three directions: outward, into the astrophysical domain; inward, ever deeper into microphysics; and, toward the extremes of what is loosely termed "energy-flux density." It is sufficient, for the purposes of this report, to offer one illustration of this point, the matter of life.

As I have indicated earlier, the physical proof that life expresses a principle absent from our definition of abiotic processes, argues that the principle which life expresses is universally efficient. Therefore, are there fossils on Mars which attest not only to fossils of earlier life on that planet, but some active form of life today? This requires a multi-planetary experiment. To conduct that experiment in an adequate way, we must use probes, but we must, sooner or later, actually visit it.

Consider this matter from the vantage-point of my earlier, qualified emphasis on the conception of the Noösphere. The requirements development along the lines indicated by the accompanying figures showing development corridors and waterways developments, represent global undertakings, with global effects. We know enough in advance to be assured we can be successful in the explicitly stated intentions behind such plans. Nevertheless, we must also look ahead to consider the challenge of managing the long-range, global effects of what we are building. We must consider the Earth's own Noösphere within the Solar System of which it is a part, espe-

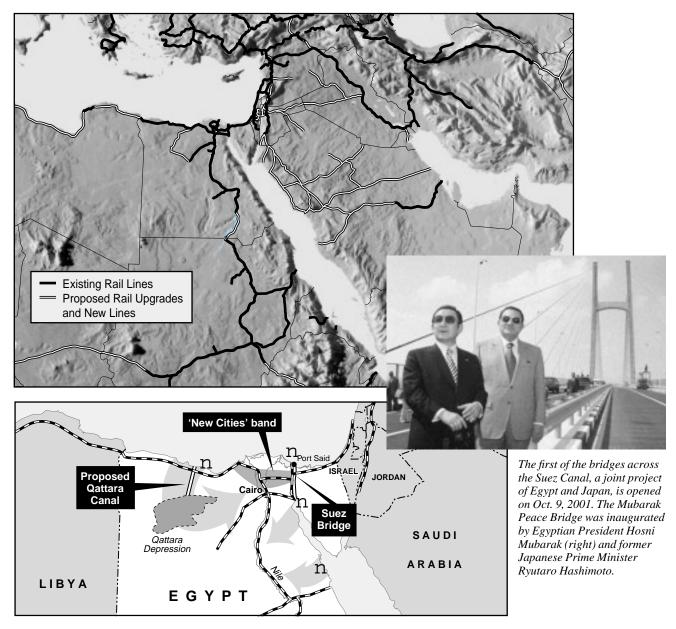
cially that inner ring of Sun and planets within which the Earth's own Noösphere is functionally situated. For this purpose, we must also look at our Earth from relevant viewpoints in nearby space.

I refer to a proposal for a Mars-oriented space program, which I developed, in memory of Krafft Ehricke, during 1985-1986. A reflection of that proposal was presented in a half-hour television documentary, "The Woman on Mars," which I broadcast in 1988. During those years, I concluded that *such a long-range program*, for placing a permanent science station, exchanging personnel by means of continuously powered flights of flotillas of partially Moon-manufactured spacecraft between Earth-orbit and Mars, should define the mis-

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FIGURE 12

Greater Middle East, Existing and Proposed Rail Development (Arab League)



sion-orientation of the organizational umbrella of our national science-driver establishment. Implicitly, virtually all of the frontier development and pilot implementation of scientific discovery would be situated with the greatest efficiency, in a organized effort built around a space-oriented mission of discovery and pioneering development.

Such a space-exploration program is no mere option.

As I have emphasized, once again, within the foregoing pages, man's ability to increase our species' per-capita and per-square-kilometer power on our planet, depends, unconditionally, upon the efficient intention to promote and rely upon

progress in discovery and application of valid notions of universal physical principle. As we progress, both the possibility and urgency of accelerating such progress are increased. To that purpose, we must choose one or several possibilities for achieving broad-based breakthroughs, each such loosely describable as a field of scientific breakthroughs.

The space-exploration mission-orientation which I have indicated fits such a requirement for the world's present level of its scientific-technological frontiers. A fuller appreciation of the implications of the concept of the Noösphere, points us in that direction.

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As I emphasized in the report sampled by my 1988 nationally televised "The Woman on Mars," any sensible scheme for man's scientific visits to Mars, must be a long-range effort, for which about forty years of development must be expected. The requirement must be flotillas of spacecraft, whose weightiest components will be produced from materials available on the Moon (including, probably Helium-3 fuel). These journeys will be made as continuously powered (accelerated, decelerated) flight, from a base in Earth's geo-stationary orbit, to a position orbiting above Mars. From materials in the latter position, assemblies will descend to the surface, and subsurface of Mars, thus establishing a station to receive and provide protective housing for working teams. This will require the development of technologies now known to be feasible accomplishments, but not yet available otherwise.

Although, back in 1986, I allowed about forty years for the completion of the initial manned-flight mission of the project, even allowing forty years means attacking the problems as a high-intensity "crash program" roughly broadly comparable to President Kennedy's Moon-landing mission. However, that does not mean that the pay-back begins forty years from now. Each and all of the technologies required for that mission, will be applicable ways of bringing great benefits to life back here on Earth. We need not wait the forty years for such benefits; we will be able to apply some of them to life on Earth in the years immediately ahead, and others at later stages of the initial program. As I emphasized in 1986, if we can design housing for a scientific station on Mars, we have thus the quality of technology needed to transform the Sahara.

Look at the U.S. Moon-landing program, which brought many times the cost of the program as economic benefits to our national economy. Science-driver modes of "crash programs," have been relatively the greatest source of progress in the productive powers of labor.

I emphasize my warning. In the universe, nothing good simply happens. The notion of universal physical principles can not be competently separated from intention. Without a will, there is no way. In general, it is the efficient intention to do good which creates and maintains a good society; it is persons committed to do good, who protect societies against the doom of decadence. Never trust programs, except as they express the unswerving intention built into the relevant political or other personalities. To save our imperilled nation, our imperilled planet, we must develop the institutions, including science-driver types of "crash programs" which are relevant to an intention for progress as such.

3.1. The American System of Political-Economy

As I have said repeatedly, here and in many earlier locations, the creation of the U.S.A. as a sovereign republic, is a

unique event in the past half-millennium of world history. During a time when it was still impossible to establish a true republic in Europe, the best minds of Eighteenth-Century Europe rallied to the hope of the establishment of such a republic from among the English-speaking colonies of North America. The exemplary result of that process, was the role of the energetic scientific and political genius of Benjamin Franklin, in steering his followers through the perilous 1763-1789 struggle to establish a Federal constitutional republic premised on the principle of $agap\bar{e}$ (the common good, the general welfare). As our friend, the Marquis de Lafayette expressed it, the newborn U.S. republic was a temple of liberty and beacon of hope, for all mankind.

The celebrated. London-orchestrated events of July 14, 1789 sealed the defeat of the effort of Bailly and Lafayette, to rescue France from its deadly crisis. They created a constitution which they had intended should transform France quickly into a constitutional monarchy echoing the draft U.S. Constitution. A break between the U.S.A. and its former ally France, was accomplished under such influences as British Foreign Office agents Danton and Marat, a break deepened by the London-steered Jacobin Terror, by the Napoleonic tyranny, and, then, by the Devil's own Congress of Vienna. These ugly events left the young U.S. republic imperilled throughout the ensuing period, until the crucial military victory of 1863 at Gettysburg. Throughout that period, from the Duke of Wellington's successful seating of Britain's puppet, France's disgusting Restoration monarchy, on France's throne, France, Britain, and the Habsburgs, and the Spanish monarchy, among others, were our enemies, through and beyond 1865: until those U.S. military victories of 1863-1865 which led to the expulsion of the fascistic puppet-regime of the tyrant Maximilian, which London and Napoleon III had imposed upon Mexico. By the role of leaders such as the American Whigs, such as President Abraham Lincoln, our republic survived, to emerge as a world model of agro-industrial development during the 1861-1876 interval.

During the perilous early decades of the emerging republic, 1763-1865, including the "four score and seven years" preceding the Battle of Gettysburg, the treacherous American Tories enjoyed the sympathies, and also support from our British and other enemies based in Europe. Under these difficult circumstances, the U.S. interior had become a battlefield between two forces: the American Tories, such as bankers Aaron Burr and Martin van Buren, controlled chiefly from London; and the patriotic tradition associated with the Whigs, Lincoln Republicans, and President Franklin Roosevelt's Presidency. That conflict persists to the present day.

As a consequence of that yet-unresolved internal conflict between the forces of good and evil—and, notably, because of the political conditions which developed during the post-Franklin Roosevelt decades—virtually none of our universities' economics, history, and political science departments today acknowledge, or even seem to know of the axiomatic, systemic distinctions between that American System of polit-

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ical-economy implicit in our Federal Constitution, and the model, often called "capitalism," established in Britain under the British East India Company and its Haileybury school of Bentham, Adam Smith, Malthus, Ricardo, et al. Still today, the political processes of our nation are polluted with the incompetence expressed by the often-babbled lie, that the U.S. Constitution is a testament to British Eighteenth- and Nineteenth-Century liberalism.

Again, as I have emphasized in these pages, the economic policy-shaping of today's U.S.A., is divided between two conflicting, axiomatically incompatible systems, the American System and its opponent, that presently extremely decadent form of the British Eighteenth-Century system. The irony is, that we have been invariably brought to the brink of ruin, as now, by the varieties of that British liberalism which President Franklin Roosevelt denounced, and the liberalism from which we were repeatedly rescued, as from the brink, by a turning back to the American System, as the case of President Franklin Roosevelt illustrates that point in practice.

Therefore, the principal intellectual obstacle to saving our republic from ruin, is the lack of competence in the economic opinions of not only most within our government and leading parties, but the citizenry in general. Unfortunately, only the smell of doomsday in the presently accelerating, global monetary-financial collapse-process, could shock parties and constituencies sufficiently to cause them to consider rethinking their recent opinions about the principles of economy. That shock is being delivered with increasing force right now.

To understand that conflict, we must look back to its roots in pre-Treaty of Westphalia Europe, in that period of a post-Renaissance, little dark age of Venice-orchestrated religious warfare in modern Europe's history, from 1511 to 1658.

Out of the Seventeenth-Century developments in England and the Netherlands, two varieties of tyranny emerged as leading powers in Europe. One, was typified by the advocacy of that absolutist, Hitler-like tyranny associated with Paolo Sarpi follower Thomas Hobbes. The other, that pro-slavery form of oligarchical tyranny more reflective of the tradition of Venice's financier oligarchy, was that of the followers of William of Orange and John Locke. As Irish recollection insists, there is, of course, no genetic difference between the brutishness of Hobbes and the Mephistophelean liberalism of Locke. The two are, like the slime-molds, two seemingly opposite appearances of the same species expressed in the form of what are merely alternating states of organization. In both political systems, the Hobbesian and Lockean, the oligarchy conceives of itself as a Cathar-like "elect," or "select." Under Hobbes, there is a dictator. Under Locke, the oligarch's hedonistic exercise of political and economic power, is typified by the principle of the slime-mold-like central banking system, a collective parasite which herds, loots, and lulls and culls the common herd of human cattle.

The more liberal approach to pillaging the poor, that of the followers of Locke and his like, usually prefers to rely chiefly on a combination of financial power and rigging the game of financial affairs greatly in favor of "the house," or the squabbling "houses," which are almost as much predators in their dealing with one another, as with their customary popular prey. They dispense their pillaging *liberally*.

The most concise expression of the axiomatic distinction between the American System and the axiomatic quality of the Eighteenth-Century British East India Company model of imperial financier-oligarchical maritime power, is the difference in policies of education.

The British Eighteenth- and Nineteenth-Century liberal model prefers not to cultivate "excessively" the mental powers of young members of the human herd. It prefers to degrade the mental powers of the many into a condition which the rulers have selected for each victim as his or her destined, future economic role and station in adult life. That tradition, which is an echo of the Roman imperial Code of Diocletian, and its echoes in U.S. educational policy-making today, measures education in terms of estimated fitness of the young for adult employment, as if one were expressing deep moral concern for the production of wool and meat, not human beings.

Our American patriotic model rejects that. The difference is reflected in the relative literacy of the two populations at the beginning of the Nineteenth Century. The level of literacy in Benjamin Franklin's America, was more than twice that of the British. Our republican education policy, as expressed by Benjamin Franklin's leadership, was always consistent with what German history should recall as the Schiller-Humboldt mode of Classical humanist education. Our tradition in education-policy, is the development of human beings, rather than households of employable human cattle.

If we are true republicans, we develop the economy and its opportunities for employment, in directions intended for the needs of human beings, rather than degrading human beings, as if there were wood or bone to be carved into the shape of employees. Since it is natural for human beings to be cognitive beings, we must require our economy to develop in directions of that scientific and related progress which expresses the essential distinction between human nature and the beasts. We must educate all of our young to become makers of a history of progress of the human condition, rather than species of human cattle.

In the great sweep of that European civilization, rooted in Classical Greece, which was originally the child of Egypt, the Classical humanist tradition has always been expressed as a struggle: first, to discover human nature and its requirements less imperfectly; and, second, to steer the process of change within society in directions which are compatible with the natural requirements expressed by the human power to discover, transmit, and apply discoveries of those universal physical principles of art and science, by means of which the human being acts as one made in the image of, and love for, mankind and the Creator alike.

Under such a policy, we do not foster technological progress for the sake of becoming rich; we choose technological progress as the way in which the living individual, caught between the brevities of individual life and death, can find a meaning of an individual life's work which shall become a necessary, useful part of the future of humanity. The dying man must smile, because he knows his life was not a waste; he must live and die, not as a pet or cattle do, but according to that essential nature of the human being which wise men know as a creature made in the likeness of the Creator.

The great scientist must be paid, but pay is not his motive. Rather, he must be paid because he must be enabled to do that work on which his contribution to future mankind depends. He must be paid such that his family and community will continue an upward course of human development. He must be educated for that role, the all-sided role which every person in a just society must be educated to perform.

The axiomatic root of the difference between the American System and Eighteenth-Century British liberalism, is that.

3.2. Infrastructure and Profit

Competent policy-shaping of a national economy treats the concept of financial capital as a fiction. To understand any of the essential mechanisms of a national, and world economy, we must rely on the notion of physical capital, rather than financial capital. It addition to the physical capital essential to production of products and essential services, we require, absolutely, two other categories of physical capital which are usually overlooked in recent decades of official and other U.S. estimates of national income and product. This defect in U.S. official accounting already existed even before the early introduction of the fraud known as the Quality Adjustment Index, during the early years of Paul Volcker's Chairmanship of the Federal Reserve System.²²

The two accumulations of physical capital which are, most often, either overlooked or greatly underrated, are governmental contributions to the development and maintenance of basic economic infrastructure, and the development of that artistic and scientific cultural development of the members of society which is to be best assessed by the comparative standards of strictly Classical culture.

Such infrastructure, like the capital development of the facilities of production of physical goods, performs an indispensable, if largely intermediate function in the relationship between the exercise of the individual human will and the Biosphere in general. It is the tool which amplifies the application of the human will and hand. It does this in much the same sense as the investment in essential physical forms of capital goods in manufacturing or agriculture. The connection between such notions of infrastructural and industrial productions' capital, is relatively more immediate, more obvious in the case of modern agriculture. These connections are best understood from the standpoint of the Noösphere, as I have summarized my view of the Noösphere earlier in this report.

The concept is even clearer, at least implicitly so, when we look at the development of the mind of the individual as a form of stored-up investment in physical capital. The accumulation of cognitive knowledge of valid universal physical principles, as distinguished from mere forms of learning comparable to textbook learning, brings the essential point into better focus.

Thus, the recent three decades of madness, in destroying capital through privatizing public infrastructural institutions; in substituting "blab school" qualities of instruction in mere opinion, in most aspects of public and higher education; in reducing techniques more and more to techniques to be learned by dummies; typifies a vast, systemic process of destruction of physical capital of the landscape and human minds alike, as the case of "The Keating Five" illustrates the point.

If we take those horrors introduced during the recent three decades into account, there is nothing properly mysterious about the fact that our economy is sliding deeply into a physical, as well as monetary-financial collapse.

The complementary point to be stressed, is that production costs far more than present accounting practices allow. By reducing the acknowledged costs of education, for the sake of "the bottom line," accounting practice of the recent decades has contributed much to bringing our economy to the bottom we are now experiencing. The perilous collapse of our capacity for generating electrical power, the decay of our investment in large-scale water-management systems, the intentional looting of the national railway system, and what deregulation of transportation did to our national trucking and air travel industries, illustrate the point.

We must regard standards for minimum wages, pensions, freight-rate schedules, protectionist approaches to defining fair prices of essential produced goods, and maintaining a repertoire of national production of most of the types of essential goods for our own internal use, as, admittedly, increases of the apparent accounting costs of marketed goods; but those price-floors are essential to the formation of essential productive capital, including the basic economic infrastructure, and levels of cognitive mental development of our young.

After more that three decades of qualities of folly often verging upon insanity, or worse, it is time to correct those mistakes, and rebuild.

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^{22.} Recently, the fraud of the early 1980s Quality Adjustment Index has been continued under the accounting fraud of "hedonistic" valuation. This fraudulent notion of a "hedonistic" principle was introduced into late-Eighteenth-Century British practice by Lord Shelburne's Jeremy Bentham, the latter the putative father, and stuffed dummy, of the "utilitarian" school. It persists today as a reflection of the dogmas of John Stuart Mill and the "marginal utilitarians" generally.

TRInternational

Koreas Open DMZ at Last: 'Silk Road' Rail Construction Starts

by Kathy Wolfe

At 11 a.m. on Sept. 18, North and South Korea cut open the Demilitarized Zone (DMZ) barbed-wire fences which have divided them for 50 years, in ground-breaking ceremonies to rebuild the "Iron Silk Road"—the trans-Korean rail and road links severed since the Korean War.

In the west, where the Seoul-Pyongyang Kyongui line is being rebuilt toward China, South Korean soldiers unlocked the ten-foot-high fence that runs the 250-kilometer length of the DMZ, at Dorasan Station in Paju, as thousands applauded. Simultaneously, 14.2 kilometers to the north, North Korea opened its fence at Kaesong Station. On the peninsula's east coast, where the Donghae-Wonsan line is being rebuilt toward Russia's Vladivostok, North Korean Prime Minister Hong Song-nam, Railway Minister Kim Yong-sam, and 3,000 guests cut the north fence of the DMZ at Onjong-ri at the foot of Mt. Kumgang (Diamond Mountain). Some 27 km to the south, South Korea opened its east coast fence in Kosung at the Unification Observatory, as crowds gazed north toward the revered Diamond Mountain.

At all four points, ceremonies with fireworks and music exploded. At the beautiful new Dorasan Station, a South Korean girl in white, symbolizing the North, emerged from behind the barbed wire holding a single red rose, and joined hands with a boy in a black suit, representing the South, also carrying a single rose. They joined a chorus singing the emotional "Our Wish Is Unification," as a train decked with a unification flag and flowers rolled slowly toward the fence where the rails end. Overhead screens broadcast simultaneous ceremonies in the east.

In more ceremonies on Sept. 19, construction began: South and North Korean soldiers simultaneously entered the DMZ at all four points for mine-clearing operations. Near Dorasan, 50 soldiers with live ammunition and 50 engineering troops followed a German-made mine-sweeper along the rail lines in a massed procession of trucks, backhoes, bulldozers, and an ambulance.

The military determination with which the Koreans seek to make their country whole was clear from the front-page photo of Seoul's top daily, the *Korea Times*, showing troops marching in formation behind the mine-sweeper. "This is not a simple construction job but a historic military operation," said Lt. Col. Bae Yoon-Hyo. "North Korean troops, whose weapons are normally trained on us, are instead doing their work at the same time."

If work goes smoothly, the western railway is to be reopened this year, making it possible to travel by train from Seoul to Pyongyang for the first time since the 1940s. A western road will be opened alongside next Spring. An east coast road could be opened as early as December, to allow family reunions at Diamond Mountain. The east coast railway is to be finished in early 2003.

Distances are short, but the engineering feat is huge. The DMZ is a 4 km-wide no-man's land strewn with millions of land mines, running 250 km from sea to sea. Troops must clear some 2,000 mines from each of their 2 km halves, on both coasts, to create a 250 meter corridor in the west and a 100 meter one in the east for rail and roadways.

'The Work of All Eurasia'

South Korean President Kim Dae-jung was in Europe Sept. 20-24, urging European leaders again to help rebuild not only the Trans-Korean Railway, but the entire length of the New Silk Road, from Pusan in the southern tip of Korea, to Paris, across Eurasia. Yonhap News reported that in Copenhagen on Sept. 22, "He will ask Asia-Europe Meeting (ASEM) nations for cooperation in South Korea's ambitious plan to realize an 'Iron Silk Road' railway linking the Korean Peninsula to Europe."

U.S. Presidential pre-candidate Lyndon LaRouche, the author of the 1992 "New Silk Road—Eurasian Land-Bridge"

concept, was overjoyed with the events. As EIR reported on Sept. 13, the sudden breakthroughs in Korea are not a domestic affair, but an international strategic move by the heads of state of Russia, Japan, and China, as well as both Koreas, to stop the threatened Mideast war from spreading into Asia. Furthermore, "this was beyond only that" LaRouche added, referencing both Kim's European trip and private initiatives by certain Europeans. "This was the work of all Eurasia, including Germany, to help the Koreas solve the problem. This was their answer to the devil"-meaning, the threat of global war and economic collapse.



Seoul's Korea Times portrayed the dramatic opening of the Korean Demilitarized Zone, after 50 years, with this shot of South Korean soldiers marching into the zone to begin mine-clearing operations for the rapid building of through rail lines and roads.

President Kim, who has adopted what he calls the "Iron Silk Road" from LaRouche's original idea, is vocal about his grand Eurasian-wide vision. "South Korea and Europe could be connected if we link only 14 kilometers of rail," Kim said recently, repeating his slogan of December 2001 at the European Parliament in Strasbourg, France. Korea, Kim said, could become the gateway to the Pacific for Europe, via this Eurasian Land-Bridge. "When the Trans-Korean Railway is linked with the Trans-China or the Trans-Siberian Railway, a train leaving London could reach Seoul and Pusan via Paris, Eastern Europe, Central Asia, and Siberia or China. Goods could be shipped to all Pacific regions from Pusan, the third-largest container port in the world. Transportation costs would be cut by 30% and time shortened by two-thirds," he said.

The Presidents of Russia, the Philippines, and the European Union congratulated both Koreas on Sept. 18. Russian President Vladimir Putin said he is "sure this wise decision will expedite constructive progress in inter-Korean reconciliation and reunification."

'Japan's Grand Entrance'

The international nature of the New Silk Road strategy, as a Eurasian-wide proposal for rapid economic development, in opposition to global war, was also put in sharp focus by the remarkable surprise summit on Sept. 17 in Pyongyang, between Japanese Prime Minister Junichiro Koizumi and North Korean Chairman Kim Jong-il. The nominal antagonists reached a sweeping set of what Japan's Foreign Ministry called "comprehensive accords," agreeing to formal diplomatic normalization talks in October, said a joint statement by the two leaders.

"Underlying the summit is a plan which Russian President Putin, Kim Jong-il, and [South Korean President] Kim Daejung are playing out together, to woo cash from Japan," to help raise the \$2.2 billion needed for reconnecting the Trans-Korean Railway, said Hideshi Takesada at Tokyo's National Institute for Defense Studies. Putin has held several summits with both Kim and Koizumi in recent years, emphasizing Russia's support for the New Silk Road. Japan could already be committing close to \$10 billion for the project. The Kim-Koizumi joint statement said Tokyo will provide North Korea with grants-in-aid, low-interest loans, and aid through international organizations upon normalization of diplomatic ties. When Tokyo normalized relations with Seoul in 1965, it gave \$500 million—about \$10 billion in today's terms—in apology for Japan's 1895-1945 occupation of Korea.

"You could call it 'Japan's grand entrance' into the Eurasian Land-Bridge," said one Korean observer. Despite much historic rancor between Tokyo and its neighbors, the reality is that Japan's technological, industrial, and financial might are central to the Eurasian grand project. There is already serious discussion of linking Japan's famous Bullet train lines directly to Europe, by building an ambitious bridge-tunnel system between Pusan, South Korea, and Fukuoka, Japan, as *EIR* reported on Sept. 13. Prime Minister Koizumi, a diplomat's nightmare who has long alienated many Asian nations, "is not running the show," said one source. This is a strategic policy decision by a large faction of Japan's elite.

Events inside North Korea are also key. Kim Jong-il demonstrated what Korean observers had forecast as a decisive turn in Pyongyang policy, away from "military hard-liners" who prefer confrontation.

The summit's big shock came when Chairman Kim gave a full apology for North Korean abductions of 11 Japanese during the 1970s-1980s. "The people responsible for this incident have been punished and we will never see this kind of thing happen again," a Japanese official quoted Kim saying. "I take this opportunity to express my regret and apologize



In a crucial parallel to the Korea accords, Japan's Prime Minister Junichiro Koizumi and North Korea's Kim Jong-il signed unprecedented agreements Sept. 17, leading towards stability and Japanese-aided economic reconstruction on the Korean Peninsula.

sincerely. . . . This happened over decades of hostile relations and I want to talk about it frankly." Kim said four Japanese were still alive and could return home to Japan, and that those responsible in North Korea's military "have been sternly punished."

Kim also agreed to cease any further North Korean missile tests "beyond 2003," said the statement, and to accept nuclear inspections, largely pulling the rug out from under the Anglo-American utopians' war drive to label North Korea the next launching ground for world war after Iraq.

As part of the "comprehensive approach," Japan also made surprising concessions. In addition to the financial agreement, these included a full apology for Japan's occupation of Korea. "Japan humbly recognizes the historical fact that it caused tremendous damage and suffering to the people of Korea through its past colonial rule and expressed feelings of deep remorse and heartfelt apology," the statement said, repeating a 1995 apology by Japanese Prime Minister Tomiichi Murayama to China and Asian nations in general.

Koizumi also called for Kim's cooperation in support of Tokyo and Moscow's proposal for six-way talks among the two Koreas, the United States, China, Russia, and Japan. Kim replied that North Korea is prepared to join such a framework, a Japanese official said. Bringing Japan and Russia to the table is another factor meant to dilute the war cries from Washington. The joint statement says that Japan and North Korea have reached a comprehensive solution to nuclear issues on the Korean Peninsula and confirmed their cooperation in maintaining and strengthening peace and stability in Northeast Asia.

"We sense North Korea has changed, expressing more willingness to listen to our proposals and to talk," said

Kenji Hiramatsu of Japan's Foreign Ministry.

End of Bush Unilateralism

The Pyongyang summit pulls several rugs out from under the war party in Washington. A Korea Times editorial on Sept. 17 (plainly leaked by the President's Blue House), is entitled "Is North Korea Ready for Peace? Koizumi Picks Up Where Kim Left Off." It compares the Koizumi-Kim summit to South Korean President Kim Dae-jung's first historic June 2000 Pyongyang trip, asserting that Koizumi's trip was architected by President Kim Dae-jung. "The Japanese Premier did what Kim bid him to do-settling Tokyo's biggest unsolved diplomatic task. He decided to make perhaps his biggest wager, going to Pyongyang to meet the man who holds the key to the deadlock. Koizumi, the man once considered as disdainful of the country his ancestors ruled with an iron fist." The editorial

quotes a Blue House official: "'I think that the Koizumi-Kim Jong-il summit will result in things whose repercussions will be felt for a long time to come in terms of a lasting peace on the peninsula, as well as in the region." And the paper concludes, "This will most likely affect Bush, who is busy waging his war on global terrorism, and make him reconsider his attempt to introduce unilateralism, the sword Bush uses to rearrange the world order as he sees fit. This seems to be the only approach available to the Kim Dae-jung Administration to have the United States change its mind and give another chance to inter-Korean rapprochement."

At the DMZ on Sept. 17, the two Koreas finalized a historic accord between their two militaries—under bitter negotiations for over two years—which will allow engineering troops to clear mines and build railways in cooperation. The accords, signed by both the North and South Korean Ministers of Defense, were exchanged at the border truce village of Panmunjom. "Today we have completed all paperwork needed to start work on the reconnection of cross-border railway and road links," a South Korean Unification Ministry official said at the exchange of documents signed by both South and North Korean Defense Ministers. The accord ensures the safety of soldiers who will walk into the DMZ to clear mines.

South and North Korean military officials hailed the military accord as a springboard for rapprochement. "This demonstrates our firm determination to implement the peace declaration" of the leaders of the two Koreas in June 2000, North Korea's chief delegate, Ryu Yong-chul, said. His South Korean counterpart, Brig. Gen. Kim Kyong-duck, said the military accord will open the door for reunification of the Korean peninsula.

Eurasian 'Strategic Triangle' Meets at UN

by Mary Burdman

At the moment when the George W. Bush Administration is trying to drive the world toward war, leaders of the three greatest Eurasian nations—Russia, China, and India—have opened up a new chapter in relations. On Sept. 14, Russian Foreign Minister Igor Ivanov, Chinese Foreign Minister Tang Jiaxuan, and Indian External Affairs Minister Yashwant Sinha held the first-ever high-level "triangular" meeting on the sidelines of the 57th United Nations General Assembly in New York City. While the meeting was informal, the three have agreed to hold "official meetings" in the future.

While low key in comparison to the historic developments on the Korean Peninsula (see our lead article in this section), the meeting was a crucial, and decidedly public, step in the concerted effort to re-launch cooperation among the nations of the vast Eurasian land-mass, which has been hindered by the U.S.-led war drive set off after Sept. 11, 2001.

Ever since then-Russian Prime Minister Yevgeni Prima-kov first proposed, in New Delhi in December 1998, a "strategic triangle" for cooperation among Russia, China, and India, the potential for these nations to pursue their "joint aspirations of establishing peace and security in the world," as Primakov then said, has posed a potential challenge to the utopian policy currently dominating the United States. Internal "geopolitical" tendencies "left over from history" in the three nations, and external machinations from the "Clash of Civilizations" crowd, have held up substantial progress so far.

Times, however, are changing.

The Russian side had proposed, and hosted, the nearly two-hour informal meeting on Sept. 14. Afterward, Foreign Minister Ivanov annouced that "we had agreed to hold this kind of meeting in New York long ago. We will be meeting in the future also. We exchanged views on current subjects in the UN General Assembly. We have common positions on principal matters, in the first place related to strengthening the UN's role and formation of a world order based on the superiority of the UN Charter and international law."

The three sides discussed "current international problems, given the coordinating role of the UN," Ivanov said. Asked if the future meetings on this level would be annual or biannual, Ivanov told the press that this "depends on the occasion." Other meetings, at different levels, are also being planned. Indian External Affairs Minister Sinha also met separately with his Iranian counterpart, Kamal Kharrazi, on Sept. 15, and the two agreed on the importance of the "Dialogue of Civilizations" urged by the government of Iran. The two sides suggested that the dialogue could take place among India, Iran, China, and Greece—the great cultures of Eurasia since ancient times.

Against the War Drive

The "strategic triangle" has been on the agenda this year, although at a relatively quiet level. In April, Primakov himself visited Beijing on the invitation of the highest-level military policy institute in China, and met with Chinese President Jiang Zemin. At that time, a number of strategic analyses were published in India and Kazakstan, on the importance of the "strategic triangle" and "New Silk Road" for Eurasia. In June, there were separate meetings between Jiang Zemin, Russian President Vladimir Putin, and Indian Prime Minister Atal Behari Vajpayee, at the first summit of the Conference on Interaction and Confidence Building, held in Kazakstan.

All three of these nations have opposed Washington's drive for war against Iraq, being aware of the horrific consequences such a war will have throughout Eurasia. The U.S.-led forces are floundering in an ever-deeper quagmire in Afghanistan; this is exacerbating the drug- and weapons-running "warlord" conflicts in a huge region, which directly affects India via Pakistan, as well as Russia and China, via Central Asia.

Promises made of the benefits to be gained from the U.S.-led "war on terrorism," have hardly been fulfilled. Tensions between India and Pakistan, the latter a primary U.S. base for its "anti-terror" war in South Asia, remain sharp; some 1 million troops remain mobilized on the Indian-Pakistani border. Leaders in China are quite aware that, not too far down the line, their nation is the final target of the U.S. "axis of evil" crowd. Russia has been increasingly pursuing its vital interests with its neighbors in the Koreas, China, India, Iran, and Japan.

State Visits

Chinese Foreign Minister Tang announced on Sept. 15 from the United Nations, that Russian President Putin will be making a state visit to China Dec. 1-3. Putin will also visit India in December.

Tang Jiaxuan told Ivanov, that Putin's visit will be the most important event in Sino-Russian relations this year. Putin will also meet Chinese President Jiang at the Asia-Pacific Economic Cooperation Forum (APEC) summit in Mexico in October, before Jiang's scheduled visit to the United States.

Ivanov referred to the highly successful visit of Russian Prime Minister Mikhail Kasyanov to China on Aug. 22-23. Kasyanov was in Shanghai and Beijing for the seventh Regular Meeting with his Chinese counterpart, and signed a joint

communiqué with Prime Minister Zhu Rongji on expanding cooperation. The communiqué also called for a new concept of security, based on international law, mutual trust, equality, and cooperation. The leaders denounced "selfish" unilateral policies and said that attacks on terrorism should be based on international law and cooperation—a dig at Washington.

"Common development" and peace must be the basic principles of strategic coordination, they said, noting the important role of the Shanghai Cooperation Organization (SCO), which was founded by China, Russia, Kazakstan, Kyrgyzstan, and Tajikistan.

The two sides also called for economic and trade cooperation, in rail, road, and water transportation, energy-including nuclear—aerospace, "science parks," and "high technologies." The Sino-Russian Siberian oil pipeline project, which could, notably, also be extended to the Korean Peninsula, is critical, as is the "strategic value" of cooperation on China's west-east gas pipeline.

China-India relations have also been developing steadily this year, following Zhu Rongji's visit to India in January and that of then-External Affairs Minister Jaswant Singh to China in March-April.

Also of note, is the highest-level visit in 20 years of representatives of the Tibetan Dalai Lama to both Beijing and Lhasa, during mid-September. Although the visits of Lodi Gyari and Kelsang Gyaltsen, the Dalai Lama's representatives in the United States and Europe, are being described in China as "personal," their official positions indicate that something more is going on. Tibet has been a strategic bone of contention between China and India over many decades; moves to resolve differences could do much to promote regional relations. China is making serious progress on its railroad to Lhasa, the first-ever into Tibet, which could be of real economic benefit for India.

In August, it was reported that India had decided to upgrade its effort to gain membership in the SCO. This is already supported by Moscow and the Central Asian nations; final agreement has to come from Beijing.

On cue, the lunatic fringe in Washington, which has been trying to cultivate India, stepped in. Neo-conservative fanatic and China-hater Frank Gaffney, head of the Center for Security Policy, on Sept. 18 said that "one of the most exciting areas for future U.S.-Indian cooperation could be missile defense. . . . Pakistan's nuclear and missile capabilities are dependent on China for nuclear weapon and solid fuel technology and on North Korea for liquid fuel missile technology," Gaffney alleged. "Helping democratic India to defend itself against these missiles is a way to stand up to Communist China's nuclear and missile proliferation, and to help India defend itself from China's growing nuclear missile arsenal," he claimed.

New Delhi had earlier endorsed the Bush Administration's National Missile Defense policy, but has been silent on the issue lately.

New Mossad Chief Signals 'Dirty Ops'

by Dean Andromidas

The appointment by Israeli Prime Minister Ariel Sharon of Gen. Meir Dagan as the new Mossad chief, signals his intention to use the spy agency for provocative operations. Sharon has now placed his flunkies in every significant position in Israel's security-military and intelligence command. The appointment coheres with his announcement that Israel will have all its security, military, and civil defense plans in place by Nov. 1, in expectation of a U.S. attack on Iraq. Senior military commentator Amir Oren wrote in the Israeli daily Ha'aretz on Sept. 11, that the naming of Dagan "is the security appointment of national significance that Sharon alone has made. It reflects his wish, on the eve of an expected American campaign against Iraq, and as Iran and other Arab states build up stockpiles of weapons of mass destruction, for a combative team at the head of the military-intelligence establishment."

Dagan's appointment was made within weeks after Sharon named Gen. Moshe Ya'alon as Chief of Staff of the Israeli Defense Forces (IDF). In an interview published in Ha'aretz on Aug. 29, Ya'alon expressed precisely the same hard-line positions as Sharon, comparing the Palestinians to a "cancerous" threat, and saying that Israel will have to wait "generations" for the possibility of enjoying peace with its Arab neighbors.

It was Ya'alon, according to an Israeli intelligence source, who in 1996 drafted the IDF's current operational plan, "Field of Thorns," whose aim is to crush Palestinian resistance. Almost all phases of the plan have now been accomplished, including reoccupation of the entire West Bank, economic blockade, and closure of Palestinian areas. Only two steps remain to be carried out: The first is the final destruction of the Palestinian National Authority, with the arrest or death of the entire Palestinian political leadership. This has already been partially implemented. The second is the deportation of Palestinians from "sensitive areas," which means the entire West Bank. The plan was denounced by Palestinian Authority President Yasser Arafat in a speech on May 15, 2002.

The "Field of Thorns" plan received the endorsement of Anthony Cordesman of the U.S.-based Center for Strategic and International Studies, in a CSIS report published on Nov. 9, 2000. Among Cordesman's colleagues at CSIS are leading ideologues of the Clash of Civilizations policy, including Zbigniew Brzezinski.

Dagan not only shares Ya'alon's views, but has cooperated operationally with him in the past. Oren wrote: "Dagan complements Chief of Staff Moshe Ya'alon. Twelve years ago, after the Iraqi invasion of Kuwait, then Brigadier General Dagan was head of operations in the general staff and initiated some far-reaching operations deep inside Iraq. Some were meant for the Paratroops Brigade, commanded by then Colonel Ya'alon.

Activate International Hit Squads?

Sharon's desire for a "combative team at the head of the military intelligence establishment" can only mean that he intends to launch provocative special operations directed at, especially, Syria, Lebanon, Iraq, and Iran. These will be launched under the pretext of "combatting terror" and the threat of "weapons of mass destruction." But Sharon's intentions could go beyond these these objectives, and he is considering other forms of provocations under the cover of fighting anti-Semitism, all around the world.

Ha'aretz recently reminded its readers that in 1994, Israel changed its penal code to include "extra-territorial crimes": According to Section 13 of the penal code, Israeli law will apply to "crimes against the Israeli state or against the Jewish People"—not only crimes committed against Israelis living abroad, but against "the life of a Jew, his body, his health, or his property, because he is a Jew, or the property of a Jewish institution, because it is Jewish."

While this clause has yet to be activated, one wonders: Will Sharon deploy the Mossad to fight real or alleged anti-Semitic attacks in France, Germany, or Belgium? This is important, since all three countries are being called anti-Semitic, more because of their opposition to Sharon's policies, than because of anti-Semitic acts, which have actually been committed in those countries. On Sept. 15, the London Sunday Times ran a leak for the Mossad, reporting that Dagan wants to reactivate international hit squads. The Times quotes a source as saying, with reference to targetted assassinations of Palestinians, "There is no reason why we should not do the same abroad. They will have nowhere to hide. Gone are the days of black-tie parties and fat expense accounts. Whatever we can't shoot will be closed down. . . . [Dagan will] trim years of useless fat and rebuild the famous Mossad muscles. We have a war to win and there's no reason why the Abdullahs and Muhammads in Damascus, Tehran, and Beirut should sleep better than their brothers in Gaza."

Meanwhile, veteran Mossad chief Ephraim Halevy, whom Dagan is replacing, is to take over the Israeli National Security Council. The hard-line Halevy will replace Gen. Uzi Dayan, who had recently released a study recommending that Israel accept a two-state solution with Palestine, or face the fact that it will become an undemocratic state. This was a conclusion which Sharon did not welcome.

Dagan: Thirty Years a Flunky

Dagan has been Sharon's man for more then three decades. He served as a junior officer under Sharon when the



With Gen. Meir Dagan appointed head of Israel's spy agency, the Mossad, Prime Minister Ariel Sharon has his flunkies in all the command positions for security, military, and intelligence.

latter commanded the 143rd Division during the 1973 Arab-Israeli War. After the war, Sharon made Dagan his protégé. As Operational Commander of the IDF's Southern Command in the 1970s, Sharon named Dagan to head the infamous "Sayeret Rimon" unit, which was modelled after Sharon's 101 Brigade of the 1950s. For Sharon, those were the "good old days," when no one in Israel talked about war crimes by Israelis. The Shin Bet intelligence service would simply compile a "death list," and give it to Dagan. After the Palestinian activists were assassinated, their families would be rounded up and sent to the remote Abu Sneima Detention Camp on the Sinai coast.

Dagan then was deployed to Lebanon, where, by the end of the 1970s, he was part of Israel's support of the Christian Phalangists in the Lebanese Civil War—the people whom Sharon would later deploy to massacre Palestinians at the Sabra and Shatila refugee camps. Dagan soon became part of Sharon's conspiracy to launch the war against Lebanon in 1982. Just prior to that war, Dagan led a provocative military operation under the command of Chief of Staff Rafael Eitan, a collaborator of Sharon, and Northern Commander Yanosh Ben Gal, which was conducted by deceiving Prime Minister Menachem Begin (who was also Defense Minister). Shortly after this incident, Sharon became Defense Minister and deceived Begin again, launching the Lebanon War. Dagan was also involved in organizing the Israeli-controlled puppet South Lebanese Army.

Dagan's new appointment has the approval of both Defense Minister Benjamin Ben-Eliezer and Foreign Minister Shimon Peres (both of the Labor Party), despite the fact that Dagan is a member of Sharon's Likud. Ben-Eliezer has known Dagan, since the former was a liaison officer with the Phalangists at the end of the 1970s.

In 1997, when Benjamin Netanyahu was Prime Minister, Dagan was reportedly involved in the attempt to assassinate Hamas leader Khaled Mashal in Jordan. As Netanyahu's terrorism adviser, he would have been on the infamous "X Committee," which approves Mossad assassinations. At the time, this committee reportedly included Netanyahu and Sharon. Although the operation was a spectacular failure, the late King Hussein of Jordan saw it as an Israeli attempt to overthrow his government, by triggering a revolt among Jordan's Pales-

tinians, who comprise almost 50% of its population. Sharon then secured the release from an Israeli prison of Hamas spiritual leader Sheikh Yassin, supposedly in order to appease King Hussein.

Dagan's appointment has come under fire because of his pronounced affiliation to the Likud and the fact that he ran Sharon's election campaign for prime minister. Said Labor Party Secretary General Ophir Pines-Paz: "Dagan is clearly a Likud man who is deeply entrenched in political life and was active in Sharon's campaign team. Even if he is skilled, appointing a political man to head the Mossad is a severe blow to such an independent, apolitical organization."

Sharon Threatens War Against Lebanon, Syria

by Dean Andromidas

Israeli Prime Minister Ariel Sharon is threatening to launch a war against Lebanon and Syria in the event that the Bush Administration's plans to attack Iraq are thwarted. The flashpoint for this conflict is Israel's bellicose opposition to a project by Lebanon to pump water from the Wassani River to villages in the south. On Sept. 10, Sharon said that if Lebanon refused to stop the project, Israel would consider it a "pretext for war."

Although "water wars" have been on the agenda for the Middle East for the last decade, this conflict has nothing to do with water. According to Israeli intelligence sources, Sharon is desperate to get a regional war started as soon as possible, in order to complete his destruction of the Palestinian Authority. "Sharon has been counting on a U.S. attack on Iraq so he could expel the Palestinians across the Jordan, and so he could turn around and wipe out Syria," one source said. Iraq's offer to allow UN weapons inspectors could block that, and so Sharon is putting pressure on the Syrian front. Threatening to attack Lebanon and Syria, using a water dispute with Lebanon, is just a pretext. The source said that if Bush doesn't attack Iraq soon, Sharon could attack Syria, in order to force the issue.

Desalination Is the Solution

The Lebanese began the Wassani River project many months ago, in order to supply water to villages that had been denied access to the water during the 22-year Israeli occupation. The Israeli claim that this violates international agreements is spurious, since there simply are none, while Israel is technically in a state of war with Lebanon and Syria. The Israeli claim that the Wassani is a key source for Lake Tiberias also stretches the imagination. The Wassani, which is nothing more than a stream, is a tributary of the Hisbani River, which it enters within Lebanon's own territory. The latter, in turn, flows into the upper Jordan, the main source of water for Lake Tiberias, whence Israel draws much of its water.

Declaring his nation's rights to the water, Lebanese President Emile Lahoud said: "Israel's exploitation of the spring during its 22-year occupation of south Lebanon does not mean, in any way, that this de facto situation should continue by force. . . . Israel does not want to believe that its occupation of south Lebanon is over."

The Lebanese government has demanded that the issue be brought before the five permanent members of the UN Security Council—U.K., Canada, U.S., France, and Russia in order to prevent Israel from resorting to military action.

Israel's claim, that the 3 million cubic meters of water which the Lebanese plan to withdraw poses an "existential threat" to its water resources, drew ridicule from some Israeli commentators, who point out that abundant water could be supplied to Israel by desalination. Aviad Kleinberg of the daily *Ha'aretz* wrote on Sept. 18 that Israel and the Palestinian Authority will require 800 billon cubic meters of water annually, which could be supplied through desalination at the cost of \$480 million. If just Israel's needs were considered, it could cost as little as \$170 million. "This is much less expensive than war," wrote Kleinberg. "It would make it possible to conduct rational negotiations over a settlement. . . . Why, then, has nothing been done for decades? Is it because it is easy for decision-makers to keep us in a constant state of existential threat? Is it because the option of war is always less frightening than the option of peace?"

International Maneuvers

Israeli Foreign Minister Shimon Peres, in a Sept. 14 meeting at the United Nations, told Russian Foreign Minister Igor Ivanov that Lebanon is "dangerously provoking Israel." In Washington he discussed the issue with Vice President Dick Cheney, National Security Adviser Condoleezza Rice, and Secretary of State Colin Powell. The Bush Administration dispatched two State Department water experts to examine the project. After discussing the issue with Peres, Secretary Powell declared, "We don't want to see a new crisis developing over the diversion of water out of the river."

Peres kept up the pressure by turning the issue against Syria and its allies in the Lebanon-based Islamic group, Hezbollah. He told Israel Radio: "There is one power in Lebanon that is trying to destroy everything and that is Hezbollah. It is a force that does not always obey the government. We also don't know where Syria stands on this issue."

The head of Israel's national water authority Mekorot, Reserve Maj. Gen. Uri Saguy, who happens to have recently retired as chief of military intelligence, has also called for action.

Arab League-Iraqi Move Redefines War Agenda

by Muriel Mirak-Weissbach

Iraqi Foreign Minister Naji Sabri's Sept. 16 letter to UN Secretary General Kofi Annan "called the bluff" of a Bush Administration at a peak of war rhetoric; opened a gap between the United States and the UN Security Council; and was met by a Washington war party scramble to change the agenda to make immediate war inevitable. Defense Secretary Rumsfeld expressed the hysteria by telling Congress that now, only Saddam Hussein's voluntary exile could stop the war.

That the consensus President Bush sought at the UN Sept. 12 did not exist, had been known for months. Except for the Anglo-American combination, the only other government pushing for war had been Israel, and not as an also-ran, but as a prime mover. Russia, Asia, the Arab and Islamic world, as well as continental Europe, had made known their determination to prevent a repetition of Desert Storm.

This time, those opposed to war had mobilized a concerted effort to convince the Iraqi leadership that it would be wiser to allow the return of weapons inspectors, than to risk a war which all knew, would not only destabilize the region, but unleash global, enduring war.

Arab League Mobilization Key

Most instrumental in working out an arrangement with Baghdad, was the Arab League, as UN Secretary General Kofi Annan explicitly acknowledged in his announcement of Iraq's letter. Representing 22 Arab governments, the Arab League—led by former Egyptian Foreign Minister Amr Moussa, whom Annan specifically congratulated on Sept. 18—had conducted intensive diplomacy towards this end. The fact that over the past year, the process of inner-Arab reconciliation—between Saudi Arabia and Iraq, as well as between Kuwait and Iraq—has been progressing steadily, built up a climate of trust in which Iraq could act with confidence.

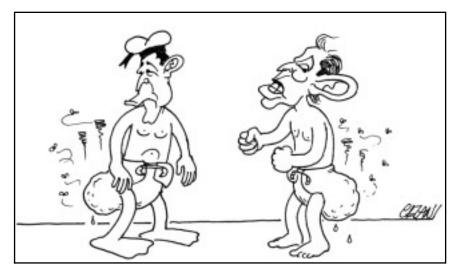
The Arab League, at its last summit in Beirut, on March 27-28, had consolidated this process by mediating a ground-breaking agreement between Kuwait and Iraq, in which Iraq recognized Kuwait's sovereignty, pledged never to violate its borders, and agreed to other confidence-building measures, including the return of prisoners of war. The summit had taken a united stand against any military aggression against an Arab state—including Iraq; and, it had endorsed the Saudi peace proposal for a global Arab-Israeli peace.

Furthermore, the two major powers of the Persian Gulf, Saudi Arabia and Iran, had been coordinating their stances on the crisis, and reached a principled agreement to oppose any military strikes against Iraq. Iranian President Mohammed Khatami made an "unofficial" visit to Saudi Arabia on Sept. 12-14, to perform a pilgrimage to the Muslim holy sites, and met with Saudi Crown Prince Abdallah. In Jedda, the two leaders discussed behind closed doors for three hours; then met again in the presence of their defense and interior ministers and heads of intelligence. The U.S. war plans for Iraq were obviously high on the agenda.

Khatami, after the meetings, underlined the role played by the "two regional powers, Iran and Saudi Arabia," and stressed that regional countries should avoid provocative actions, boost cooperation, and defend security. He denounced the intervention of foreign powers in the region, as threatening peace and security of all, adding, as the Iranian news agency IRNA put it, "that if the big powers continue their strong-arm policies, global peace and security would be jeopardized." Abdallah echoed Khatami, and said the situation in the region was "sensitive." He said that any attack on Iraq would cause irreparable damage to Iraq and its neighbors.

Since then, authoritative spokesmen of both Iran and Saudi Arabia have reiterated this stance. Iran has repeatedly stated its view that Iraq must readmit the UN inspectors, in order to eliminate a pretext for military action.

Other pressures brought to bear on Iraq came from Europe, the United States, and Russia. Official and unofficial delegations of parliamentarians from France, for example, as well as Congressmen from the United States, have visited Baghdad, in an attempt to convince the Iraqi government that the wisest course of action would be to comply with inspections. American citizen and former UN weapons inspections chief Scott Ritter has been conducting an indefatigable campaign, to "wage peace." On one of many visits to Baghdad, Ritter addressed the Iraqi National Assembly, on Sept. 8, documenting how the U.S. administration has lied about weapons of mass destruction. At the same time, he urged the country's leaders to follow the path of non-confrontation. Ritter delivered the same speech back in the United States, on the cable TV news channel, C-SPAN, and a book with this documentation (see below) was to be rushed into print on Sept. 20.



Bush on Iraq: We need a change

Russia has stood out among the permanent members of the UN Security Council, for its intransigence against the U.S.-UK position. Not only have the Russians demonstrated their commitment to honor massive economic cooperation agreements with Iraq—worth \$40 billion—but they have repeated their rejection of any military aggression. Simultaneously, Russian diplomacy has focussed on urging Iraq's leaders to comply with inspections. Most significantly, Russia participated in an unprecedented meeting of the foreign ministers of the "strategic triangle" countries—Russia, India, and China—at the UN, signalling the intention to combat the war drive with Eurasian development (see article, this section).

Finally, the turnaround on Iraq effected by German Chancellor Gerhard Schröder, has lent decisive weight to the antiwar forces. Schröder stunned the world, especially Washington, when he announced that his government would not participate in any military action against Iraq, militarily or financially. Given that Germany was the logistical launching pad—and major funder—of Desert Storm, this stance has raised questions as to whether such an operation can be repeated. The popular support Schröder has received reflects the majority view across Europe, against a new war.

Inside Iraq, a process had been initiated by the leadership, months ago, to prepare the population for the return of UN inspectors. Once the threats emanating from the White House reached fever pitch, Iraq made its move. Thus, anyone understanding political processes in the world, and following these not-at-all-secret events, should have realized that there would be no consensus for a new war, and that Iraq would comply.

War Preparations Actually Accelerated

In Washington, leading spokesman for war have, in imperial fashion, called these events politically "irrelevant" (the President's continued taunt at the United Nations). More to the point: The war party has determined that there will be war, regardless of the actions of the United Nations, the thinking of the "international community," or international law. The White House quickly shifted to "regime change" as the strategic aim, with Rumsfeld giving it the most arrogant expression.

Militarily, preparations for war have, and will continue to accelerate, against to the race to get UN inspectors back into Iraq. Following a months-long project to expand the air base at El Obeid, in Qatar (giving it a 15,000-foot runway), it was announced in early September that the Pentagon would be transferring the Central Command from Tampa, Florida, to this tiny Persian Gulf emirate. The Central Command, responsible for the Middle East and Central and Southwest Asia, is more conveniently placed there for a war.

Centcom's Commander in Chief, Gen. Tommy R. Franks, moved to Qatar on Sept. 17, and is to be joined by 600 officers in November.

An estimated 2,000 Marines are to start a month-long amphibious assault exercise in Kuwait later in September. While these "maneuvers"—obviously designed to become live war operations—begin, the American and British warplanes, that have been periodically attacking sites in the socalled "no-fly zones" in Iraq, have shifted, to target major air defense sites, evidently to degrade Iraq's air defenses in preparation for a major attack. At the same time, the U.S. military is preparing to base B-2 bombers outside the United States for the first time. The U.S. officially requested basing rights on Britain's island of Diego Garcia in the Indian Ocean. Flight distance to Baghdad would thereby be cut by approximately 3,300 miles, from 6,800 miles. The B-2s, according to a Sept. 17 New York Times report, "can carry sixteen 2,000pound laser-guided bombs, and the Air Force is preparing, within the next few months, to equip the aircraft to hold as many as eighty 500-pound laser-guided bombs, which the Air Force is expected to stock in its arsenal within months."

Those opposed to a war, led in the UN Security Council by Russia, will continue to push for immediate resumption of inspections, and insist, as Russian Foreign Minister Igor Ivanov has, that there is no need for any further resolutions. In New York on Sept. 18, the relevant officials—Hans Blix of the UN inspections regime, Kofi Annan and Iraqi Foreign Minister Naji Sabri—discussed the inspectors' return. Sabri spoke of a "flying start," to lay stress on the need to hurry, before the bombing begins. Final preparations are to be readied at the end of September when the Iraqis and the UN meet in Vienna. The reason for the rush, is the belief that inspectors on the ground would be an effective deterrent. (In 1998, before President Bill Clinton buckled under to pressure to bomb Iraq, he had the UN inspectors recalled for this reason.)

Whether there will be war or peace, will depend on what

President George W. Bush decides to do. The warplanes are in place, and could move as soon as he were to give the order. Or, the President could be brought to abandon the war policy, by the mobilization sparked by Lyndon LaRouche, and to clamp down on those forces in the United States and Israel, who are committed to Mideast conflagration.

Documentation

Former UN Inspector Ritter to Iraq's Congress

Former head of UN inspection teams in Iraq, American Scott Ritter, now "waging peace" against a new Iraq war, addressed the Iraq National Assembly Sept. 8—the first American ever to do so. These excerpts are from the Iraq Satellite Channel broadcast; Ritter also re-read his speech in a C-SPAN broadcast from Washington Sept. 16.

... While I have a great deal of respect and sympathy for the people of Iraq, I have a greater love for my own country and my people, which is why I am here. My country seems on the verge of making a historical mistake, one that will forever change the political dynamic which has governed the world since the end of the Second World War; namely, the foundation of international law as set forth in the United Nations Charter, which calls for the peaceful resolution of problems between nations. My government has set forth on a policy of unilateral intervention that runs contrary to the letter and intent of the United Nations Charter.

The consequences of such action are not only dire in terms of their near-term consequences as measured by death, destruction and lost opportunities, but also the long-term global destabilization that will result in the rejection of an international law by the world's most powerful nation. As someone who counts himself as a fervent patriot and a good citizen of the United States of America, I feel I cannot stand by idly while my country behaves in such a fashion.

Americans are a good people. No, Americans are a great people capable of doing great good. Never forget this. There has been a disturbing tendency among certain nations, Iraq included, to try and make a distinction between the people of the United States and the government of the United States. This is wrong. Ultimately, there is no difference, and indeed there can be no difference between the people of the United States and the government of the United States, because thanks to our Constitution, we the people of the United States of America are the government. In America today, we take very seriously the concept of government of the people, by the people and for the people. This represents the very founda-

tion of the democratic way of life we love and cherish. And you do us a great disservice if you think and say otherwise. . . .

Iraq Needs 'More Welcoming Posture'

The truth of the matter is that Iraq is not a sponsor of the kind of terror perpetrated against the United States on Sept. 11, and in fact is active in suppressing the sort of fundamentalist extremism that characterizes those who attacked the United States on that horrible day. This is the truth, and once the American people become familiar with and accept this truth, the politics of fear will be defeated and the prospect of war between our two countries greatly diminished.

Iraq needs to help the people of the United States, and indeed the world, become familiar with these truths. In order to do this, Iraq needs to adopt a more welcoming posture to invite the kind of scrutiny that would facilitate the discovery of these truths, for good reason. Iraq today finds itself in a defensive posture preparing itself for war. This is understandable. However, a defensive posture enables those who promote the politics of fear to distort reality in a way that turns Iraq's defensive characteristics into aggressive intent. . . .

'Only Option' Is Unconditional Inspections

Let America and the world know that Iraq, instead of being on the side of those who perpetrated the crimes of Sept. 11, is in fact at one with the world community in condemning such actions and that Iraq is prepared to stand shoulder to shoulder with the rest of the world in combating such persons and organizations.

Iraq must renounce violence and aggression against all of its neighbors. Iraq should let the American people and the world know that if there is a resolution to the Palestinian crisis that is acceptable to the people of Palestine, Iraq will accept this; that Iraq cannot be more Palestinian than the Palestinians. And that, in any case, Iraq rejects the threat or use of force in resolving this crisis.

Iraq must show the people of the United States that it will act in a manner respectful of international borders and agreements and that Iraq will strive to adhere to the internationally accepted standards of human rights. Educate the world as to the great good that Iraq has achieved in the past regarding health, education and an acceptable standard of living; and convince the world that Iraq will continue to pursue these achievements in a manner which does not oppress the rights of any individuals or groups of people inside Iraq. And, most importantly, show the world that Iraq does not possess weapons of mass destruction. Iraq must loudly reject any intention of possessing these weapons and then work within the framework of international law to demonstrate this as a reality. There is only one way that Iraq can achieve this; with the unconditional return of UN weapons inspectors, allowing such inspectors unfettered access to sites inside Iraq in order to complete the disarmament tasks as set forth in Security Council resolutions.

On this matter, Iraq has no choice. . . .

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Lunacy of the U.S. War Party

'Why Stop at Iraq? On to Brazil!'

by Dennis Small

- "A new terrorist and nuclear weapons/ballistic missile threat may well come from an axis including Cuba's Fidel Castro, the Chávez regime in Venezuela, and [Country X]."
- "[Country X has] many advanced sectors, including in aerospace and military production. From 1965 to 1994, this country had an active program to develop nuclear weapons. . . . [After that, there were] secret plans of the military to build an atomic bomb."
- "China, which has been actively courting [Country X's] military . . . has sold [Country X] enriched uranium and has invested in [Country X's] aerospace industry, resulting in a joint imagery/reconnaissance satellite."
- "[Country X could shortly be] re-establishing its nuclear weapon and ballistic missile programs, developing close links to state sponsors of terrorism such as Cuba and Iran. . . . [This could lead to] a very dramatic increase in the threat of terrorist attack in the U.S."
- "This disaster for U.S. national security . . . must and can be averted. . . . The new axis is still preventable. . . . The Bush Administration and other democracies [must]. . . act in time to prevent this from happening."

Does this sound like the latest rant by U.S. Secretary of Defense Donald Rumsfeld, calling for war against Iraq? Or one of the Hudson Institute's lunatic ideologues of a new utopian world order, justifying a planned Israeli nuclear strike against any one of half a dozen Arab countries on their hit list?

Close . . . but not quite.

The quotes do come from one of the influential Hudson Institute's numerous resident whackos—in this case, Senior Fellow Constantine Menges. But the country being targetted is not Iraq; it is Brazil.

A Scenario From Deep Right-Field

Menges has had, let us say, a checkered career. A Columbia University Ph.D. in international relations, in 1961 he helped individuals escape as the Berlin Wall was being built. In 1963 he worked in Mississippi as a volunteer for equal voting rights. By 1968 he was at the RAND Corporation, the staging ground for many of today's War Party insiders who have seized control over the Bush Administration. From 1981 to 1983, Menges was national intelligence officer for Latin America at the CIA. And from 1983 to 1986, during the crucial Iran-Contra period of the Reagan-Bush years, he was special assistant to the President at the National Security

Today Menges is a Senior Fellow with the Washington, D.C.-based Hudson Institute, which has become a major policy-shaping force in the Bush Administration. Hudson is bankrolled through a nexus of tax-exempt foundations, led by the Olin Foundation, the Bradley Foundation, the Smith Richardson Foundation, and the Mellon Scaife family funds. Among its prominent board members are Richard Perle, chairman of the Pentagon's Defense Policy Board, and Conrad Black, the British Commonwealth's billionaire magnate who owns the Hollinger Corp., the London Daily Telegraph, and the Jerusalem Post. The director of Hudson's Middle East program, Meyrav Wurmser, has extensive ties to Israeli intelligence, through her previous work as co-founder and executive director of Middle East Media Research Institute.

Menges is directly influential in shaping the Bush Administration's Ibero-American policy, through what one wellinformed Washington source described to EIR as Menges's close working relationship with Cuban-American Otto Reich, the Assistant Secretary of State for Western Hemisphere Af-

Menges' call for a jihad against Brazil was published in a string of articles appearing in the Moonies' Washington Times (Aug. 7), the neo-conservative Weekly Standard (July 29), and elsewhere. His argument is that the leftist candidate Luiz Inacio "Lula" da Silva could well win the Oct. 6 Presidential elections in Brazil, and that his victory would establish a new axis of evil in the Americas, centered on Castro's Cuba, Hugo Chávez's Venezuela, Colombia's FARC terrorists, and, of course, Brazil. Bolivia, Ecuador, and Peru would quickly follow suit, Menges posits. "If these regimes recruited only one tenth of one percent of the 30 million military-aged males for terrorist attacks on the U.S., this could mean 30,000 terrorists coming from the south." This is good arithmetic, but bad political analysis. Menges and his utopian friends at Hudson are not actually worried about Lula; they are worried about Brazil breaking ranks with the Anglo-American financial interests they represent.

Brazil is the largest country in Ibero-America (in population, geography, and economy), and the region's one nation that has managed to preserve a semblance of sovereignty, in the face of the onslaught by the international financial oligarchy and their policies of economic zero growth, technological apartheid, Malthusian depopulation, and war-in short, a New Dark Age.

Brazil and LaRouche Alternative

Consequently, Menges reserves particular venom for Brazil's high-technology sectors, in particular its nuclear and aerospace programs, and he repeatedly targets Brazil's cooperation with China in these areas. Although President Fernando Henrique Cardoso's two successive administrations played by the rules of globalization for eight years, and defended free-trade economic policies, they also kept other options open, especially vis à vis China and other Asian economies.

During 2002, the country's establishment watched, aghast, as the International Monetary Fund and the financial oligarchy laid waste to neighboring Argentina. It was such layers that decided, in mid-2002, that it was time to hear directly from U.S. Presidential pre-candidate Lyndon LaRouche, exactly what the policy options are for a country like Brazil. Thus, LaRouche's historic visit to that country in June.

Although Menges stops short of explicitly advocating a U.S. military attack against Brazil, his argument is identical, in all essentials, to the arguments being wielded by fellow Hudson Institute ideologues, such as Richard Perle, to justify war on Iraq. Not surprisingly, many in the policymaking elite in Brazil—and elsewhere in Ibero-America—are seriously worried that just such plans are afoot. If it's being done to Iraq, they reason, why wouldn't we be next? They view this military threat as part of a a grab for oil and other resources, targetting the Brazilian Amazon and other areas. And they think that the call for direct U.S. or supranational military involvement in the war against narco-terrorism in Colombia—emanating from certain circles in Washington, and tolerated as a live option by Colombian President Alvaro Uribe—could be the excuse for far broader foreign military presence across South America. Sound paranoid?

The Brazilians are *not* paranoid, Lyndon LaRouche commented on the matter; the Menges and related plans could well be cooking as U.S. policy. It is true that a natural resources grab is a component of that plan, but the overall policy thrust, LaRouche emphasized, will bring about a planetary New Dark Age. The source of the problem is that insanity has seized control of the White House, and as a result, every ambitious lunatic with crazy ideas, such as Menges, is given a hearing. The Menges and related plans should be listed under the heading, "marketable lunacies," LaRouche quipped.

The IASPS Angle: Oil, and More

The cabal of lunatics that has taken over the unstable Bush Administration called themselves, during the campaign, the "Vulcans," and include Richard Perle, Deputy Defense Secretary Paul Wolfowitz, and Vice President Dick Cheney—with policy influence now encompassing Defense Secretary Donald Rumsfeld and others. *EIR* has documented that, at the center of this policy cabal is the Institute for Advanced Strategic and Political Studies (IASPS), a Jerusalem- and Washington-based think-tank which, back in July 1996, concocted the policy now being implemented as Washington's war on Iraq. This was presented in a paper called "A Clean Break," coauthored by, among others, Richard Perle and Meyrav Wurmser, both today with Hudson. It called for a series of

wars, including against Iraq, to radically redraw the Mideast political map. The IASPS cabal instantly sold the policy to Israel's Netanyahu government, and short years later managed to foist it on the Bush Administration.

That same IASPS crowd, it turns out, also has an elaborate, utopian plan for Ibero-America, which is of a piece with the Menges call for war against Brazil.

In a July 18, 2002 article in the Buckley family's *National Review*, editor Rich Lowry reported favorably on the arguments put forth by IASPS Strategic Fellow Paul Michael Wihbey, who argues that the United States must end its dependence on Persian Gulf oil, and instead get strategic control of the large oil fields in the South Atlantic, both in West Africa and in off-shore Brazil—"off-shore Brazil and off-shore West Africa are part of the same geological basin," he asserts suggestively. To achieve this, Wihbey calls for the formation of an "Atlantic Free Trade Bloc" and a "North American Energy Grid" to pool the resources of the United States, Mexico (a major oil producer), and Canada.

In Congressional testimony on March 16, 2000, Wihbey further argued that the United States establish a South Atlantic military command to enforce this energy policy. And on Oct. 1, 2001 in the *International Herald Tribune*, Wihbey was quoted praising the Cheney energy report—adopted as Bush Administration policy—noting that "one probable outcome . . . is the creation of a North American energy grid including Canada and Mexico, to be followed by greater energy integration with South America." The article went on to praise the Cheney energy plan as "the beginning of the most radical changes in U.S. energy policy since the oil shocks of the 1970s."

This policy is what is behind the massive pressure brought to bear on the Vicente Fox government in Mexico to deregulate and privatize—i.e., put in foreign hands—the country's substantial energy sector.

In addition to coveting Brazil and Mexico's oil, IASPS and the Vulcans in Washington are also drooling over Venezuela. IASPS Koret Fellow Limor Menirav recently wrote that Venezuela could and should vastly increase its oil exports, "with a free market economy...[and] by setting privatization processes in motion." And IASPS President Robert J. Loewenberg gave wild, public support to the ultra-rightwing coup-within-the-coup which tried to topple the jacobin Chávez regime in Venezuela, arguing the case in strictly medievalist terms. For example, Loewenberg wrote that the coup against Chávez "was a revolution, but not on Enlightenment lines. This was a true revolution along the lines of the ancient principle of natural right.... All honor to the men of Venezuela."

It is noteworthy that important elements of the opposition to Chávez in Venezuela today share this outlook, and answer to the likes of Menges, his buddy at the State Department Otto Reich, and allied lunatic right-wing elements of the Miami Cuban exile community.

Helga Zepp-LaRouche: 'I Know What To Do!'

by Ortrun Cramer

Helga Zepp-LaRouche, chairman of the Civil Rights Movement Solidarity (BüSo), the "LaRouche party" in Germany, issued a call in January 2002, to the leading candidates for Chancellor in the Sept. 22 election, Social Democrat and incumbent Gerhard Schröder and Christian Democrat Edmund Stoiber, to debate her on the strategic issues that will determine the future of the country: 1) the ongoing disintegration of the world financial and monetary system; 2) the push by the utopians in the Bush Administration, for a "Clash of Civilizations"; and 3) the perspective of developing the Eurasian Land-Bridge as a concrete way out of the world economic depression.

Zepp-LaRouche is not only the top candidate of BüSo, she is also leading the slate of candidates in the city-state of Berlin, and is running as a direct candidate in Berlin's central district. With her, there are about 150 candidates on BüSo slates in 8 of the 16 states—representing about two-thirds of the electorate—and 45 direct candidates across the country. The campaign has been so energetic and determined, that some of the key points outlined by Zepp-LaRouche are being taken up by the other parties, even if no one has had the courage to publicly debate her.

To tease and provoke the established politicians even more, the BüSo produced a poster with Zepp-LaRouche's picture, and the words: "Financial Crash, Danger of War: I Know What To Do!"

Another provocative intervention was BüSo's national campaign TV spot, 90 seconds long, which was broadcast four times. Zepp-LaRouche rejected President Bush's drive for a war against Iraq, as a way to deflect attention from the ongoing financial and monetary crash, worse than in 1929. She outlined the Eurasian Land-Bridge as a "perspective for the future and a vision for the youth."

Effective Campaigning

Campaign events by the BüSo dispensed with the traditional format of an election meeting: Instead, a candidate or party representative would present the strategic situation, explain what political steps the candidate or the party will take, once in office, and then engage an active, personal dialogue with the audience. This is contrary to what all other parties, especially the "big" parties, now present to the voters: entertainment spectacles, which are designed not by politicians, but by public relations specialists, and addressed to a virtual TV audience, rather than to real people confronting the candidate or party. It is a sign of the shift in public awareness, that the BüSo events in this campaign were very well attended, and the number of people attending grew throughout the campaign. In the last week of the campaign, hundreds attended meetings addressed by Zepp-LaRouche, in Bielefeld, Cologne, Berlin, Dresden, Munich, and Frankfurt.

Several other public meetings were of special importance. For several weeks in the Summer, Amelia Boynton Robinson, a 60-year veteran of the American civil rights movement, joined Zepp-LaRouche's campaign. In early August, Virginia U.S. Senate candidate Nancy Spannaus, a LaRouche Democrat, held a joint press conference with Zepp-LaRouche in Berlin. A campaign seminar on the Eurasian Land-Bridge, held in Dresden, was addressed by senior political representatives from the Czech Republic and Poland, together with Zepp-LaRouche.

One other flank that the BüSo took up was to address the Turkish population living in Germany. Of the 2.7 million Turks in Germany, almost 500,000, have become German citizens and thus have the right to vote. Zepp-LaRouche addressed them with a bilingual leaflet, "The New Silk Road Is Good for Germany, and for Turkey."

Financial Crises and Devastating Floods

Several times during the campaign, "politics as usual" was shaken up by catastrophes: First, at the end of July, there was the danger of the meltdown of the world financial system, following the bursting of the "New Economy" stock market bubble, and a collapse of the telecom sector worldwide. It was not possible to cover up this crisis in the usual way, and the BüSo's response was to immediately publish a four-page election broadside on how to reorganize the real economy, with the Eurasian Land-Bridge. None of the other parties have addressed the issue of the global financial crash, up to the present day. Nevertheless, there were some useful proposals brought forth, such as one for a national jobcreation program, financed through the Kreditanstalt für Wiederaufbau (Reconstruction Finance Agency), which presented by an independent commission appointed by the Schröder government and headed by Volkswagen director Peter Hartz.

Then, Germany—East Germany in particular—was hit by the worst flooding in several hundred years, which devastated lands, roads, railways, bridges, public buildings, and houses. There is still no full evaluation of the total amount of damage, but first estimations are that it will be in the order of \$15 billion in the state of Saxony alone—money that simply cannot be provided in the framework of today's financial system, not to mention the limitations on state expenditures set by the European Union's Maastricht criteria.



A Berlin campaign rally of Helga Zepp-LaRouche's party, the Civil Rights Movement Solidarity (BüSo), warns a Berlin daily to stop its slanders and attacks which "help the warmongers." Zepp-LaRouche, heading the national slate and running in Berlin, makes clear that she knows "what to do" to stop the plunge toward Mideast war, and build out of the onrushing economic depression, unlike her competition.

The economic situation in the eastern German states, of which Saxony is one, is grave, given the effects of the "free market reforms" after the collapse of the communist regime in 1989. Basically all industry has stopped, agriculture has been dismantled, and many research facilities have been closed down. The result is disproportionately high unemployment in eastern Germany, with no perspective for youth, in particular. Zepp-LaRouche had already earlier initiated a "Discussion Forum East," to show the real economic alternative, and encourage citizens to again become a politically active force for change, as they were during the fall of the communist regime 12 years ago. The BüSo had prepared a broadside, "How To Overcome the Injustices in the East of Germany," which was distributed primarily, though not exclusively, in the eastern states.

Now, faced with the devastation brought about by the flood, which in some areas could only be compared to the devastation caused by the Allied bombing during World War II, politicians had to act. Chancellor Schröder demanded a national reconstruction effort, no matter what the Maastricht criteria allow. Candidate Stoiber followed, if far more more cautiously, and leaving out the Maastricht question.

The BüSo circulated two major statements on how to deal with the effects of the flood: The first was by Helga Zepp-LaRouche, calling for the measures proposed by German economist Dr. Wilhelm Lautenbach, in 1931, for state credit to fund major infrastructure projects to overcome national emergencies, such as natural catastrophes. This subject was

elaborated in a national leaflet. Had the proposals by Lautenbach been put into practice in 1931, Zepp-LaRouche said, Hitler would never have come to power in Germany; in the same way, to put such proposals into practice now, could prevent a political disaster, not only in Germany, but globally.

Finally, in the early days of September, when the utopian war party in the Bush Administration escalated its push for a military attack on Iraq, Chancellor Schröder opposed these plans publicly, and ruled out any German participation in the war plan. The same position was taken by Foreign Minister Joschka Fischer, the leading candidate of the Green party. Again, the BüSo expressed itself more clearly than any of the other parties. In a live national TV broadcast on the "small" parties, aired on Sept. 16, BüSo Deputy Chairman Hartmut Cramer forcefully refuted the war hype by the Bush Adminis-

tration, warning that this could lead to a "Clash of Civilizations" and World War III.

On Sept. 13, Zepp-LaRouche issued another national leaflet, again taking up the words from her election poster: "Financial crash and war danger: I know what to do!" She wrote: "The world and Germany are threatened by two acute existential dangers: First, the war against Iraq, as planned by the Bush Administration, would lead to an endless 'war of civilizations.' And second, we find ourselves in the end phase of the collapse of the world financial system, which will throw the real economy into a maelstrom of a new depression much worse that in the 1930s." She stressed, again, the need to have a dialogue of cultures, rather than a war of civilizations, and concludes, that without economic development, there can be no peace. "Chancellor Schröder is right with his rejection of the war, but in economic policies, he does not go far enough, even by approximation. Therefore, Germany needs a different force in the Bundestag, which corrects what Schröder lacks, namely the perspective for overcoming the financial-economic systemic crisis. The BüSo represents exactly that with our program for a new world financial system ('New Bretton Woods') and the Eurasian Land-Bridge, as the basis for the reconstruction of the world economy. We must build peace, today, against a perpetual war of civilizations. Instead of war: Peace through development. Give me and the BüSo your confidence. It is about war or peace, about a collapse into chaos or a new, just, world economic order. I know what has to be done!"

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PRNational

It Didn't Start, or Stop, With Spy Jonathan Pollard

by Jeffrey Steinberg

Addressing the National Council on U.S.-Arab Relations Sept. 8, Gen. Anthony Zinni hardly concealed his anger in answering EIR White House correspondent Bill Jones' question about the July 10, 2002 Pentagon session of the Defense Policy Board, where former RAND Corporation "senior analyst" Laurent Murawiec called for the U.S. military occupation of the oil fields of "enemy" Saudi Arabia: If he were still in charge of the Central Command, declared Zinni, no such obscenity would have ever taken place inside the Pentagon. Why, then, have none of the principals responsible for the Defense Policy Board fiasco—Board Chairman Richard Perle, Assistant Secretary of Defense for Policy Doug Feith, or Deputy Defense Secretary Paul Wolfowitz-been fired, or even rebuked?

To answer that question, EIR investigators spoke to a wide range of Washington sources—on Capitol Hill, inside the Pentagon, in the intelligence community, and in the Administration itself. Among the most telling responses came from a Capitol Hill source, who complained, bitterly, that the Pentagon and State Department Israeli "mole hill" is being protected by senior White House staffers in the Office of Vice President Dick Cheney. The source freely acknowledged that Perle, Feith, and State Department arms control specialist David Wurmser were "guilty as charged" of peddling an Israeli Likud policy of perpetual war with the Arab world inside Team Bush—with an alarming degree of success.

We have documented that Perle, Feith, and Wurmser were the principal authors of a July 1996 study for then-Israeli Prime Minister Benjamin Netanyahu, calling for a "clean break" with the Oslo peace process and all regional peace plans based on land-for-peace, in favor of a geopolitical "balance of power" strategy based on destabilizing the entire Arab world, with Israel permanently annexing the West Bank and Gaza Strip (see "The Pollard Affair Never Ended!" EIR, Sept. 20). The study was prepared under the auspices of the Institute for Advanced Strategic and Political Studies (IASPS) in Jerusalem and Washington, a Jabotinskyite think-tank bankrolled by right-wing American billionaire Richard Mellon Scaife. Prime Minister Netanyahu wholeheartedly embraced the Perle document in a speech he delivered before a joint session of the U.S. Congress on July 10, 1996. Since coming into office in early 2001, current Israeli Prime Minister and serial war criminal Ariel Sharon has ruthlessly pushed the Perle-Feith-Wurmser scheme, with murderous efficiency.

In 1988, EIR published an exclusive cover story (June 3, "Suspected Soviet Spy Cell Wrote Reagan's Long-Term Strategy"), which identified ten senior Reagan Defense Department officials, all investigated by the General Counsel to Secretary of Defense Caspar Weinberger, as suspected members of an "X Committee," deploying convicted Israeli-Soviet spy Jonathan Jay Pollard from within upper echelons of the Pentagon. The individuals named were: Albert Wohlstetter, Henry S. Rowen, Andrew Marshall, Fred Charles Iklé, Richard N. Perle, Stephen D. Bryen, Frank Gaffney, Jr., Douglas J. Feith, John F. Lehman, Jr., and Paul Dundes Wolfowitz. Of this group, Marshall, Feith, and Wolfowitz hold top Pentagon posts today. Perle and Iklé are both on the Defense Policy Board, a prestigious advisory group to the Secretary of Defense, that reports directly to Feith and Wolfowitz.

The entire Israeli spy network was nearly rolled up seven years before Pollard's November 1985 arrest, when Bryen, then a senior professional staffer on the Senate Foreign Relations Committee, was caught by an eyewitness passing a classified Pentagon document on Arab military capabilities, to visiting Israeli Ministry of Defense officials and a Washington-based Israeli "diplomat" suspected of actually being the Mossad station chief. A Justice Department probe of Bryen and the "diplomat," Zwi Rafiah, was stymied by collusion of Deputy Attorney General Philip Heyman and Bryen attorney Nathan Lewin.

What came to be known, following Pollard's arrest, as the "X Committee," was thus fully operational, years before the U.S. Navy intelligence analyst Pollard was recruited, to steal classified U.S. intelligence documents for the top-secret Israeli scientific intelligence unit, Lekem, headed by Sharon and "Dirty Rafi" Eytan.

The Protectors

Pursuing the lead offered by the Capitol Hill source, *EIR* investigators have developed extensive evidence that the key "mole hill" protector in the Office of Vice President Cheney is his chief of staff and principal national security adviser, **I. Lewis "Scooter" Libby.**

Libby, according to an April 30, 2001 New York Times profile, has been a protégé of Paul Wolfowitz since 1973, when Libby was his student at Yale. When Wolfowitz joined the Reagan State Department, Libby came to Washington as his deputy. When, in 1989, Wolfowitz became the number-three Pentagon official under Secretary of Defense Dick Cheney, in charge of policy, Libby came back to government as his top aide.

During his long career as a private attorney, Libby was both protégé and law partner of **Leonard Garment**, Richard Nixon's White House General Counsel, and a pivotal figure in the Zionist Lobby power elite. In the days following Pollard's arrest in November 1985, Garment conducted a damage assessment for the Israeli government. In 1986, he was brought to Israel and became the attorney for **Col. Aviem Sella**, the Israeli Air Force officer who was the recruiter and controller of Pollard.

The Garment-Libby Israeli connections run much deeper. On and off from 1985-2000, while out of government, Libby was the lead attorney representing fugitive metal trader **Marc Rich.** Rich was indicted by the Justice Department in 1983 for tax evasion and trading with the enemy (violating the boycott/embargo of Iran during the 1979-80 hostage crisis). Before going to trial, Rich fled the country, taking up luxurious exile in Zug, Switzerland, outside the reach of U.S. authorities.

From his Swiss base, Rich was a pivotal figure, drawing together the Russian Mafia, the Sharon circles in Israel, and convicted KGB spy **Shabtai Kalmanowitch**, in a vast intelligence and underworld operation that spanned the globe. His Israel-based Marc Rich Foundation was headed by a former high-ranking Israeli spook, **Avner Azulay**, who, according to Israeli sources, was bounced from the Shabak (Israel's FBI-equivalent) on corruption charges. Rich boasts that his "foundation" was a source of funding for overseas Mossad operations.

According to a Newsweek magazine account, Azulay



One of the LaRouche campaign teams distributing 1 million copies of the leaflet, "The Pollard Affair Never Ended" in mid-September. Lyndon LaRouche has followed that blast, with 500,000 of the new leaflet reported here.

joined forces with **Zvi Rafiah**; with hedge fund manager, Mega Group founder and Democratic Leadership Council moneybags **Michael Steinhardt**; and with Anti-Defamation League (ADL) national director **Abe Foxman**, to lobby President Clinton to grant Rich a pardon before leaving office in January 2001.

The Rich pardon triggered a political explosion, which both the Republicans and the Gore-Lieberman Democrats sought to use against former President Clinton, to deprive him of leadership of the Democratic Party. Rep. Dan Burton (R-Ind.), chairman of the House Government Reform Committee, convened hearings on Feb. 28, 2001 and hauled in Lewis Libby to testify about his role in the pardon. Libby, already in the G.W. Bush transition team when the final lobbying push for the Rich pardon was under way, told the Committee that he had not been involved, although he insisted that Rich should never have been indicted by the U.S. government. Libby did, however, admit that he had met with Rich's chief lobbyist, Jack Quinn, a former Gore White House attorney, on the pardon.

What neither Burton nor Libby chose to mention was that Libby was actively representing Rich at the time that the pardon drive was first launched by Michael Steinhardt—in 1996—and, perhaps as late as December 1999 when the Foxman-Azulay-Rafiah discussions were initiated. (Once Foxman agreed to assist in the Rich pardon drive, the Marc Rich Foundation in Israel promptly made a \$100,000 grant to the ADL.)

Perched in the Vice President's office, cleansed of Rich's tarnish, Lewis Libby has assembled a national security team of "X Committee" allies, including chief Middle East policy aide **John Hannah**—formerly deputy director of the leading Israeli Lobby think-tank, the Washington Institute on Near East Policy (WINEP)—and **Eric Edelman**, a career foreign service officer who joined Wolfowitz and Libby in the Bush Sr. Pentagon.

Bush Must Say, 'No' To Israel Nuclear Blackmail

by Lyndon H. LaRouche, Jr.

This statement was issued Sept. 18 for national circulation by the Presidential pre-candidate's political LaRouche in 2004. Subheads have been added.

I am warning President George W. Bush and European leaders: If weapons inspectors return to Iraq, and an otherwisecertain Iraq-centered new Middle East war by the United States is thus averted, the governments of the United States and Western Europe must be prepared to forcefully intervene, to prevent an increasingly more desperate and psychotic Ariel Sharon's nuclear-armed regime in Israel, the world's thirdranking strategic nuclear-weapons power, from blowing up the entire Middle East region, and beyond, with those weapons!

At an international webcast, before a live audience in Washington on Sept. 11, 2002, I identified three hurdles that had to be overcome to avert an Iraq war that would trigger a perpetual "Clash of Civilizations" religious conflict and a New Dark Age. First, the United Nations Security Council had to become the venue for dealing with the Iraq situation, and a reasonable resolution had to be drafted, that would be agreed to by President Bush, overriding the Sharon-influenced "war party" within his own Administration's senior ranks. Second, the resolution had to be accepted by Iraq's Saddam Hussein, as well as by President Bush. With those two conditions met, I warned, the gravest, remaining danger to overcome would be a berserker move by Sharon in Israel to sabotage the peaceful resolution and blow up the region.

Suez Crisis Resolve Needed Again

It was the threat of an Israeli nuclear attack on Iraq in 1991 that blackmailed the first Bush Administration into launching Operation Desert Storm. Today's Israel, under the insane Sharon regime, is the only nation on Earth that genuinely fits the profile of a "rogue state" armed to the teeth with "weapons of mass destruction." Israel has the third-largest nuclear weapons arsenal on Earth, and a triad of submarine, missile, and bomber delivery systems, capable of obliterating the entire Persian Gulf. Israeli scientists have recently threatened that they now have the capability of launching an intercontinental ballistic missile, meaning that no place on Earth including the United States—is exempt from an Israeli preemptive nuclear attack. I ask you: Do you dare dismiss this threat from Sharon?

Have you looked inside the mind of a Jabotinskyite universal fascist like Sharon or Netanyahu? These men are the continuation of the avowedly fascist Vladimir Jabotinsky, a Mussolini crony who not only described himself as a fascist, but offered, unsuccessfully, to make a deal with Nazi dictator Adolf Hitler. These followers of Jabotinsky gained their present power in Israel through the 1995 assassination of Prime Minister Yitzhak Rabin, who had the courage to pursue a "peace of the brave" with the Palestinians.

Since the 1956 attack on Egypt by Britain, France, and Israel, until the 1989-1991 break-up of Soviet power, Israel's access to nuclear weapons had made it the third "tilt" power in the global strategic equation.

Already in 1956, it took an experienced military man, President Dwight Eisenhower, to force Israel to back down from the Suez invasion, after both Britain and France had withdrawn under American pressure. Eisenhower not only threatened to cut off all U.S. military and civilian aid to Israel; he also threatened to remove the tax-exempt status of all American organizations that provided aid to Israel. An even more resolute action will now be required from a far-less qualified President George W. Bush, to stop Sharon from carrying out either a false-flag "Islamist" terrorist attack against an American target, or a nuclear attack on Iraq or Iran. This is deadly serious stuff, and your personal involvement in the effort to stop it is vital.

Costs of a War

Are you prepared to have the Sharon regime in Israel once again blackmail an American President into starting a war in the Persian Gulf, out of fear of an Israeli weapons of mass destruction attack on Baghdad? Do you have any idea what the consequences will be for the U.S. and world economy, if a new Persian Gulf War, costing American taxpayers between \$2-3 trillion, is launched today, under the current conditions of a collapsing U.S. economy and a thoroughly bankrupt world financial system?

I warned that the toleration for the swamp of Sharon agents inside the Bush Administration, is another grave impediment to the President taking the urgently required action, in concert with our European allies and Russia, to stop Sharon from provoking this perpetual war. In a recent mass-circulation LaRouche in 2004 release, "The Pollard Affair Never Ended," I named the names of the leading Sharonists inside the Bush Pentagon and State Department—Paul Wolfowitz, Richard Perle, Doug Feith, David Wurmser—some of whom literally prepared the foreign policy doctrine of perpetual war for then-Israeli Prime Minister Benjamin Netanyahu in July 1996. These Netanyahu-Sharon Likud moles inside the Bush foreign policy and national security establishment are still suspected, now with more and more evidence of involvement with the convicted Israeli spy, the American-born Jonathan Pollard.

The Case of I. Lewis Libby

Since the release and circulation of a million copies of the "Pollard Affair Never Ended" campaign document, new, even more damning evidence has surfaced. Therefore, I must intensify my demand for a thorough national security investigation into key staffers in the Office of Vice President Dick Cheney, beginning with his chief of staff and national security advisor, I. Lewis "Scooter" Libby.

Libby, a protégé of Deputy Defense Secretary Paul Wolfowitz for the past 30 years, has assembled a "shadow national security council" in the Vice President's Office, which has protected the Israeli agents nest inside the Pentagon and State Department—and blocked an urgently needed purge of these Likudniks. Libby has his own longstanding deep ties to the Sharon circles, including to the Pollard spy ring.

While out of government, Libby served between 1985-2000 as the personal attorney for fugitive swindler Marc Rich. Rich was indicted by the U.S. Justice Department in 1983 for tax evasion and for trading with the enemy, and he fled the United States, establishing a luxurious hide-away in Zug, Switzerland.

Today, according to Israeli sources, Rich is under investigation, for illegal contributions to Ariel Sharon's last political campaign. He has been involved in Russian Mafia operations in Africa, and, through his Marc Rich Foundation in Israel, has openly financed international operations of the Israeli Mossad. Libby's law partner and mentor, Leonard Garment, was a pivotal player in the Israeli government's damage control effort, following the Pollard arrest in November 1985, and he served as the attorney for Israeli Air Force Col. Aviem Sella, the man who recruited and deployed Jonathan Pollard.

Stop World War in Mideast

Now, Ariel Sharon's regime is Hell-bent on provoking a regional war in the Middle East, a war pivoted on an Israeli pre-emptive attack on Iraq. The threat is that, if President Bush does not virtually exterminate Iraq, and neighboring countries, too, Israel will. This means the likely use of nuclear, biological or chemical weapons. All the while, Sharon's Washington moles are operating under the shadows of the Vice President and the Secretary of Defense of the United States. If Sharon is to be stopped from launching World War III in the Middle East, this entire Pollard stay-behind apparatus must be thoroughly investigated, exposed, and removed from government—now! It is time for these Israeli agents and spies to be kicked out of government, and the Israeli government to desist from its nuclear blackmail. I demand it. I can not believe that any sane and patriotic American would not back me up "100%" on this specific issue.

Support me actively on this issue. If you are serious about the security of our nation and its people, I should be able to count on you.

Democratic Officials Spit on Legacy of FDR

by Edward Spannaus

While most Democratic elected officials are capitulating to the White House's drive for a new Middle East war, a number of party officials are also deliberately striking out to destroy the alternative to the onrushing financial and economic collapse, and war—by trying to silence the voices of LaRouche Democrats who are proposing solutions in the tradition of Franklin Delano Roosevelt.

- In Virginia, where the Democratic Party denied the nomination for the U.S. Senate race to LaRouche Democrat Nancy Spannaus—and refused to even put up a candidate against Republican incumbent John Warner—the party is now demanding that Spannaus stop calling herself a Democrat at all.
- In Connecticut, where the Democratic Party's nominee for a state legislature seat, Laurie Dobson, has announced her endorsement of Lyndon LaRouche, party officials are calling for her to resign as the Democratic nominee.
- In Michigan, where LaRouche Democrat Kerry Lowry won the Democratic primary in District 19 for the State House of Representatives with 61% of the vote, party officials have announced that they will refuse any assistance to Lowry, although he is the party's elected nominee.

This suicidal pattern of conduct by party officials is also reflected in Nevada. There, State Sen. Joe Neal, a 30-year Democratic office-holder, and a collaborator of the LaRouche movement who is campaigning against energy deregulation and against the gambling casinos, won the Democratic gubernatorial nomination in the Sept. 3 primary, but the Democratic Party is giving him no support, declaring that it is a waste of time and money to challenge the incumbent Republican Governor.

'Childish Petulance,' or Worse

On Sept. 13, Virginia Democratic Party Chairman Larry Framme decided to advertise the impotence of his party, which is a putative tool of the Democratic Leadership Council faction of Sen. Joe Lieberman (Conn.) and Michael Steinhardt. Framme put out a press release indicating that he has demanded that LaRouche Democrat Nancy Spannaus "cease and desist" caling herself a Democrat, including in her radio ad campaign in Washington, D.C.

Spannaus began the radio ads on Sept. 9, with two ads featuring the voice of Lyndon LaRouche, calling for a shift to the economic policy of Franklin D. Roosevelt. LaRouche

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is followed by Spannaus, who declares that LaRouche has been right about the financial collapse, and that people should join her in supporting his "road to recovery." In the ads, Spannaus identifies herself, correctly, as "the Democratic candidate for U.S. Senate in Virginia." In fact, there is no other Democrat on the ballot-and, although Spannaus will be identified as "I," for Independent, that does not change the fact that she is a Democrat.

In response to Framme's complaint, which was put out by Associated Press, along with a potpourri of slanders against LaRouche, Spannaus issued the following statement:

"First, Framme's claim that I am not a Democrat, is false. It is a childishly petulant ejaculation, of no intrinsic merit.

"Second, Framme is the putative personal property of the Democratic Leadership Council of Michael Steinhardt, the extreme right-wing faction of the Democratic Party, and the leading campaigners against Franklin Roosevelt's policies.

"Third, my association with the Democratic Party and policies of FDR, for which I am fighting today, make me the respectable Democrat, especially compared to the unDemocratic actions of the Virginia party in closing down this year's Senate, and other elections.

"Fourth, the issue here is LaRouche, who is the leading defender of FDR policies internationally, and is being increas-

ingly looked to as the alternative to the war and depression policies of the DLC."

Uproar in Connecticut

A more sustained uproar has been building up in Connecticut, since Laurie Dobson, the Democratic candidate for State Representative in the 141st district, declared on Sept. 5 that she is "running as a LaRouche Democrat, which is synonymous with being an old-style FDR Democrat." Dobson went on to directly challenge DLC spokesman and pro-Ariel Sharon war-monger Senator Lieberman. She wrote: "In addition to wanting to have the economy in the hands of the criminals who have put him in politics, Lieberman and other chicken hawks demand that Bush rush us into an insane war. . . . Lieberman is harming the Democratic Party, to the point where people are afraid to speak for basic democratic principles which relate to promoting the general welfare."

Like lemmings, the local Democratic Party has asked Dobson to resign as a candidate, and voted on Sept. 17 to deny her support, including campaign contributions of any sort. Although Dobson was permitted to speak on her behalf, the Democratic Committee voted unanimously against her. But Dobson reports that support for her stand against the Iraq war, and for FDR economic policies, is growing.

Lieberman/McCain Blackmailing Bush to War

Within hours of President George W. Bush's disastrous speech before the United Nations General Assembly on Sept. 12, Senators Joseph Lieberman (D-Ct.) and John McCain (R-Ariz.) were once again, outfront, demanding immediate war against Iraq. Since their secret conclave at McCain's Arizona ranch on the Fourth of July weekend 2001, the two Senators have been engaged in a political blackmail campaign against President Bush, aimed at forcing him into a needless and suicidal war against Saddam Hussein, that will only blow up the Middle East and trigger the broader Huntington-Brzezinski Clash of Civilizations war.

Key to the blackmail trap against the President is Mc-Cain's threat to wage a third party "Bull Moose" campaign for the 2004 Presidency, thus splitting the GOP vote and throwing the race to a Democrat—just as McCain's idol, Teddy Roosevelt, threw the 1912 Presidential race to the insane Woodrow Wilson. Lieberman makes no secret of the fact that he wants to be the Democrat who benefits from the Bull Moose gambit. Together, they have repeatedly stated that Bush's willingness to go to war against Saddam is the litmus test for whether "Operation Bull Moose" will be unleashed.

On Sept. 12, McCain appeared at a joint press conference with Senate Minority Leader Trent Lott (R-Miss.), damning Bush with faint praise, and reminding him that anything short of a military campaign to oust Saddam from power would be a failure. On Sept. 15, during an appearance on CBS TV's "Face the Nation," McCain babbled that a military victory against Saddam would be a cakewalk. "I don't believe it's going to be nearly the size and scope that it was in 1991," he opined, betraying his own military incompetence.

Speaking on the floor of the Senate on Sept. 13, Lieberman bellowed that "every day Saddam remains in power is a day of danger." While he endorsed President Bush's consultations with the United Nations Security Council, he warned that the United States must take military action anyway.

In a March 7, 2002 Wall Street Journal editorial-page piece, Lieberman had ranted against Saddam, calling him the "world's greatest terrorist," and delivered a patronizing warning to President Bush: "I am encouraged that President Bush appears to have turned the corner on Iraq, and now seems committed to changing the regime in Baghdad."—Scott Thompson

Shakespeare's George I; Or, How George I Lost His Re-Election

by Lyndon H. LaRouche, Jr.

It is true that the Zionist Lobby's Michael "Mega-bucks" Steinhardt played a notable role in backing Bill Clinton to ruin the re-election prospects of President George H.W. Bush, Sr. ("41"), but, it was not Bush's Middle East policy which ruined him. The essential fact remains, as James Carville said: "It's the economy, stupid!" That, however, is not the way the drama will end. To help you understand the presently looming political nightmare of son George W. Bush, Jr., let me tell you how William Shakespeare would have sketched the draft of his "The Tragedy of George I."

See how, and why, Shakespeare would have written me into a leading role in his account of the tragedy of "41."

As history will show, in Autumn 1988, I was the only actually qualified candidate running then to become the 41st President of the U.S.A. As it is now well known, the circles of candidate George H.W. Bush, had plans for being rid of me by means other than an election, and so did the crowd behind Michael Steinhardt's failed choice of candidate of that time, Dukakis. To come directly to the tragic flaw in Bush's 1988 candidacy, on Oct. 12, 1988, Columbus Day, I had delivered a campaign address in Berlin, announcing the early collapse of the Warsaw Pact system, and the impending reunification of East and West Germany, with Berlin to be designated as the future capital of the reunified nation. I did more; I outlined the economic policy which the next U.S. President must adopt, for dealing successfully with the global strategic implications of that forecast set of developments.

My Berlin address was broadcast on U.S. network television that same month. Within hours of "41's" being sworn in, the following January, I was imprisoned through a kangaroo-court-style rushed trial, and "George I" was already tragically predestined to suffer the defeat of his 1992 re-election bid. A Shakespeare living today would have added a few notes in preparation for the prospect of adding a "Tragedy of George II."

That is the way Shakespeare would have told it, and the way future history will, in fact, tell it. The ultimate outcome, both for "43" and the U.S. economy, is not yet decided; but, unless appropriate changes from the current direction of U.S. policy are made soon, awful results for our nation, and, probably, the world besides, would become inevitable.

It was the economy, not an angered Zionist lobby, which actually sank "41"; but, not exactly the way Carville's quip implied. When you see the point of my argument here, you, if you are anyone who understands the ABCs of political-economy, would have to agree. All the most crucial evidence to prove my case is a comparison of the U.S. policy which I announced in my 1988 Columbus Day press conference, with the directly opposite, foolish policy adopted by "41," after the Berlin Wall fell, just over a year later. If you see those connections, you understand exactly what is threatening the early ruin of "43's" career. Carville diagnosed the economic effect accurately, but did not pin-point the underlying economic cause.

The essential background, briefly stated, is as follows.

The Strategic Defense Initiative

By the mid-1970s, I had diagnosed the tragic force which was moving to doom the Soviet system. With a mass-murderous madman like Zbigniew Brzezinski controlling the 1977-1981 Carter Administration, on the one side, and a gravely wounded Soviet bear on the other, it was urgent that we launch political steps toward bringing to an end the doomsday-system of nuclear deterrence. Silly children believe that it is conscious intentions of governments which will determine what will, or will not be likely in a crisis. We were headed toward a global systemic crisis, whether either power chose to recognize that or not. The times were becoming very dangerous. It was necessary to get what Brzezinski represented out of government, and to develop a fresh U.S. long-range approach toward relations with Moscow.

In my second effort to save the U.S. from the disaster I knew a Brzezinski-controlled administration would mean, I developed a conception for a new approach to overturning the doomsday nuclear-warfare scheme of mutually assured destruction (MAD) introduced to U.S. policy and NATO-Soviet doctrine by mad scientist Bertrand Russell's Leo Szilard. My policy was expressed in a 1979 policy paper issued by my campaign. That policy was later emphasized to the incoming Reagan Administration, and was later adopted, in its most essential features, in President Reagan's March 23, 1983 address proffering a Strategic Defense Initiative to the

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Lyndon LaRouche (right) delivers his Oct. 12, 1988 press conference in Berlin, outlining what policy the next U.S. President must adopt toward the Warsaw Pact countries, and forecasting the impending reunification of Germany. On the left, LaRouche and his wife Helga at the Berlin Wall, October 1988. A little over a year later, the Wall came down, as LaRouche had said it would.

Soviet government. Soviet General Secretary Yuri Andropov turned the proffer down flat, and implicitly committed the Soviet Union to an economic escalation of the arms-race.

During the period from February 1982 through February 1983, I had been conducting a back-channel discussion of my proposal with the Soviet government, under the watchful eye of relevant White House officials. I was told, from Moscow, in February 1983, that General Secretary Andropov would reject my proposal, were President Reagan to present it. I informed relevant White House officials of this immediately, including my response given to the Soviet channel. I had expressed my estimate, to Moscow and to the White House, that were Andropov to carry out his reported intention, the Soviet economy would collapse within about five years. Shortly after that, I repeated that opinion publicly, "in the clear." I was off by one year; the collapse of the Warsaw Pact system occurred just slightly more than six years later.

All of this, including the essentials of my role, was known in vivid detail to every relevant circle within higher-ranking echelons of the U.S. intelligence community, and also crucial NATO circles in Europe. Hence, there was no acceptable excuse for what the former Vice-President, "41," did following the collapse of the "Berlin Wall." What "41" and his administration did, was a true Classical tragedy.

Thus, my Oct. 12, 1988 Berlin announcement of the impending collapse of the Warsaw Pact system. Despite my widely circulated forewarning, the governments of the United Kingdom, France, the U.S.A., and Germany, and others, were caught "flat-footed."

The Economic Issue

The immediate reaction of Britain's Margaret Thatcher and France's François Mitterrand was sheer lunacy. Both were savagely determined that German reunification should not occur. Fortunately, U.S. Ambassador to Germany Vernon Walters, and some other relevant U.S. officials were more sensible. President George Bush was persuaded to support Germany's Chancellor Helmut Kohl in standing firm for German reunification; but Bush acceded to economic conditions dictated by Thatcher and Mitterrand. Those conditions, combined with the U.S.-led carpet-bagger's looting of the remains of the Warsaw Pact, and of the Soviet Union in particular, intersecting the economic effects of the "Desert Storm" war (which I had warned, in January 1989, was already planned in London and Israel), created the conditions which assured the economic setbacks which lost "41's" re-election.

It was the combination of "41's" deal with Thatcher and Mitterrand, Bush's folly in following Thatcher to war, and his carpet-bagging policy, which made him ripe for the picking in his re-election campaign of 1992.

The consequences of that folly are not behind us. The effects for today are still reverberating, more violently than ever before.

How To Win Conflicts

What was destroyed by post-1989 U.S.-led carpet-bagging and the economic conditionalities imposed on Europe by Thatcher, Mitterrand, and Bush, was a vast mass of existing productive capital—physical capital. Had that physical capi-



George I in the bunker at a Marine base in Saudi Arabia, during Operation Desert Storm. It was his deal with Britain's Thatcher and France's Mitterrand over economic policy and German reunification, his folly in following Thatcher to war against Iraq, and his carpet-bagging policy toward the former Soviet bloc, which made him ripe for the picking in his 1992 re-election campaign.

tal been mobilized in the way I had outlined in my 1988 Columbus Day address, the end of the Warsaw Pact system would have unleashed one of the great economic booms of history. Two, closely related types of effects were produced, directly, by the crude carpet-baggers' looting and other destruction of that productive capital still standing in the former Warsaw Pact system. The conditions of life in the former Warsaw Pact nations of Eastern Europe, and the former Soviet Union are far worse than they were in 1988. This includes the condition of the population of former East Germany.

The rule is: never allow a person who repeatedly utters the phrase "my money" to gain significant influence over national policy-making. There is often a directly opposite meaning of the words "making money" and "causing an economy to grow." Growth signifies that the amount of physical wealth consumed, is less than the amount of new physical wealth produced. This physical measurement must be made in both per-capita and per-square-kilometer terms.

This refers to accumulated physical capital as much as direct physical costs of current production. On the other hand, burglars make money by selling stolen goods to a fence, which is what the U.S.A. and Western Europe did to the area of the former Warsaw Pact, and are continuing to do, still today. In this case, much of the stealing done was done as a currently legalized practice; it was still stealing, nonetheless.

The result has been to lower the per-capita, and per-square-kilometer physical output of the territories included in the former Warsaw Pact. However, the loss of physical output per capita has been a less crippling factor, than the long-term loss of physical capital of infrastructure, agriculture, and manufacturing. The loss of physical capital has

become a massive loss of the structure for potential production.

For the medium-term, over the course of the 1989-1996 interval, the grinding up of the physical capital and population of the former Warsaw Pact territories, such as Poland, for enriching the West with cash, neared a point of exhaustion. The 1997-1998 international monetary-financial crises reflected this effect. This, combined with continued, cannibalistic pillaging of Western Europe, through "privatization" swindles, and related carpet-bagging practices, resulted in an accelerating gap between a generally declining level of physical capital and output, and an accelerating rate of monetary-financial growth of giant speculative bubbles. The point had been reached, by the close of 2000, that the delusion of successful growth could no longer be sustained, even by the types of fraudulent practices which exploded to the surface in the Enron case.

The alternative to the presently accelerating collapse of the global monetary-financial sys-

tem, would have been to follow the policy I projected in my 1988 Columbus Day press conference. There was a mass of somewhat obsolescence-ridden, but still usable basic economic infrastructure and physical capital of production within the pre-1989 Comecon sector. The use of the occasion of the collapse of the Berlin Wall, to launch a "Marshall Plan"-like program of reconstruction in that vast area, would have produced a global economic recovery at a moment, 1987-1991, the U.S.A., Japan, and elsewhere, were expressing the economic catastrophe inherited from the Nixon decision of Aug. 15, 1971.

The success of a strategy does not lie in the number of targetted persons a nation's military might kill, but in the attractiveness of the cooperation one is able to offer. A decade after the follies of the agreements among Thatcher, Mitterrand, and "41," the way of thinking expressed by those agreements is producing cruel impoverishment and increasingly embittered adversaries, even among former allies, where it should have won durable friendships. One should be reminded, as Helga Zepp-LaRouche made the argument during a recent conference, of that folly of Athens which provoked the nearly thirty-years Peloponnesian War.

One would therefore hope, that "41's" current roster of advisors would be refreshed, to enable that sudden and sharp change in direction of policy-shaping which would save us from a tragedy of "George II."

However, in the final analysis, no official leader, such as either of those Georges, could be the cause of a national tragedy. The fault lies with that popular opinion which, by preferring leaders inadequate for the times, brings catastrophe upon that erring nation.

Congressional Closeup by Carl Osgood

Loy Expresses Optimism On Transport Security

Adm. James Loy, who replaced John MaGaw as head of the Transportation Security Administration (TSA) in July, gave a rosy picture of the progress the agency is making in implementing the 2001 Aviation Transportation Security Act—although he did not claim that there are no problems. Loy told the Senate Commerce, Science, and Transportation Committee on Sept. 10, that fewer than 10% of the nation's commercial airports will be unable to meet the passenger and baggage screening deadlines in the act. His testimony was in contrast to that of Transportation Secretary Norman Mineta, who told the House Aviation Subcommittee on July 23, that Congress was to blame for the difficulties in setting up the new administration.

Nonetheless, some members of the committee expressed unhappiness with the pace of work in the TSA. Committee Chairman Ernest Hollings (D-S.C.) said that while the news is better than it was, 90% of airports meeting the deadlines "is not good enough for this committee." Ron Wyden (D-Ore.) said that "to send the message that key airline security deadlines are going to be set aside, I think would be tremendously unfortunate." Kay Bailey Hutchison (R-Tex.) added that "it would be ludicrous to change the deadline for a year or two out for every airport, even when the vast majority can make the deadline."

For his part, Loy asked for more money and some legislative changes. The administration has requested an additional \$546 million for the agency, on top of its \$4.8 billion fiscal 2003 budget. He also asked the committee to support lifting the cap of 45,000 employees imposed in the fiscal 2002 supplemental appropriations bill. As for the airports that will not

meet the deadlines for baggage screening, Loy chalked that up to the engineering difficulties of installing explosive-detection machines, and asked the committee to support legislative changes that would take those problems into account.

Schumer: Seaports Are Vulnerable To Terrorism

Sen. Charles Schumer (D-N.Y.), speaking to reporters on Sept. 12, warned that while attention is focussed on Iraq, American seaports are as vulnerable as ever to terrorists who might want to smuggle a nuclear device into the United States. Referencing an ABC News report from the night before, he said, "We are virtually defenseless against a nuclear weapon being shipped here to America." He said that a nuclear bomb placed in a shipping container would be virtually undetectable, for two reasons. First, the Customs Service only inspects 1% of shipping containers that come into the country. Second, commonly available radiation detectors have to be within two feet of the source in order to work. On the second issue, he said that he and Sen. John Warner (R-Va.) were co-sponsoring an amendment to the Homeland Security bill, to provide radiation detection machines that can be attached to cargo-handling cranes at ports; but "it's greeted by the administration and by too many of our colleagues with a yawn." As for the inspection of cargo containers, Schumer sent a letter to Robert Bonner, commissioner of the Customs Service, calling on him to raise cargo inspection standards.

Schumer motivated support for his legislation by comparing the cost of port security to the cost of a war with Iraq. "We're spending all this time and

energy to go into Iraq to stop them from producing enough weaponsgrade uranium to produce a bomb, and we're doing nothing to prevent that bomb from being smuggled into this country," he said.

Meanwhile, other legislation intended to deal with after-effects of the Sept. 11, 2001 terror attacks continues to languish. Legislation to increase port security has stalled in conference committee over a proposal by Senate Commerce, Science, and Transportation Committee Chairman Ernest Hollings (D-S.C.) to impose a user fee to cover security costs. Legislation to provide a government guarantee for terrorism insurance has also been hung up in conference, but House Financial Services Committee Chairman Mike Oxley (R-Ohio) told the House on Sept. 10 that he had had discussions with Senate conferees, and that they seemed "prepared and ready to move."

Drive for War With Iraq Accelerates

The drive for war against Iraq hardly took notice of UN General Secretary Kofi Annan's Sept. 16 announcement that Iraq had agreed to the unconditional return of UN weapons inspectors. Leaders of both parties in the Senate indicated that the vote on a resolution sponsored by the Bush Administration could take place before the Nov. 5 elections.

Senate Minority Leader Trent Lott (R-Miss.) told reporters on Sept. 17 that the Iraqi announcement will not "take the urgency out of" work on a resolution. Senate Majority Leader Tom Daschle (D-S.D.) indicated that he and House Minority Leader Dick Gephardt (D-Mo.) were working with the White House on a resolution "that

we could bring before the Senate and House some time reasonably soon."

Bush, GOP Slam Dems for Homeland Security Delay

Senate debate on the Homeland Security bill entered its third week on Sept. 17, with no end in sight. That morning, Homeland Security Director Tom Ridge appeared with Senate GOP leaders, to demand that Democrats speed action on the bill. He claimed that "the best way that we can maximize our effort as a country to protect our people, to protect our way of life, is to give the President the tools to reorganize the Executive branch, particularly those agencies who have such a critical role in defending our homeland."

House GOP leaders had earlier criticized the Senate for its glacial pace. House Speaker Dennis Hastert (R-Ill.) told reporters on Sept. 12, that because the Senate has not acted, "We can't give the President the abilities that he needs to protect this country against terrorism." Majority Leader Dick Armey (R-Tex.) noted that the bill is under the jurisdiction of Senate Governmental Affairs Committee Chairman Joseph Lieberman (D-Conn.), "a man who would have been Vice President and has not, to our knowledge, vacated his ambitions for national public office since then." He added that Senate Democrats "allowed politics within their body to hamstring [Lieberman's] ability to produce a bill before the August recess."

Senate Majority Leader Tom Daschle (D-S.D.) responded by saying that he found the fact that the House rammed their bill through in 24 hours "appalling." "This is the biggest single reorganization of the Federal govern-

ment in my lifetime," he said, "and I think it deserves the careful attention the Senate has given it."

Despite the fact that the Senate has been working on the bill every day, only one major vote occurred in the week previous to Ridge's plea. That came on Sept. 13, when the Senate failed to table an amendment sponsored by Sens. Fred Thompson (R-Tenn.) and John Warner (R-Va.), which would strike provisions in the bill creating a White House Office for Combating Terrorism and mandating a national strategy to combat terrorism. Warner had told the Senate that such an office would be redundant and that the President ought to have the "maximum flexibility . . . to best serve his style of discharging the obligations of the Office of President." Senator Lieberman, who wrote the provisions at issue, tried to argue that the White House office was necessary to ensure that agencies that will not be brought into the new Homeland Security department, be coordinated under a single strategy.

Budget Process in Congressional Gridlock

The House had managed to pass five out of 13 of the annual appropriations bills as of Sept. 17, whereas the Senate had acted on three, and was working on a fourth. Of the three that both Houses had passed, two—the defense and military construction bills—are not even in conference yet. Sen. Arlen Specter (R-Penn.) complained to reporters on Sept. 17, "In the 22 years that I have been here. I have never seen the appropriations process broken down as it is now." He noted that the Senate, for the first time since the passage of the 1974 Budget Act, has not even passed a budget resolution.

Because so much work remains to be done, there is talk of a lengthy Continuing Resolution and a possible lame duck session after the elections. Specter said that a CR might go until February. "If that happens," he warned, "there are a great many items which will not be appropriated," such as a \$3.4 billion increase for the National Institutes of Health. The preoccupation with Iraq and the Senate's being bogged down on the Homeland Security bill make it unlikely that anything more than the defense and military construction bills will be passed before the Congress recesses in October. Specter, however, expressed concern that action even on those two bills was in jeopardy. "Those bills are indispensable for the war effort against terrorism and perhaps against Iraq, and nothing is happening," he said.

President Bush complained, during a fundraiser in Iowa on Sept. 16, that "there has been no budget out of the United States Senate. . . . If you have no budget, it means there's no discipline, and if there's no discipline, it's likely that the Senate will overspend." Democrats have not forgiven Bush for refusing to spend \$5.1 billion in emergency funding in the fiscal 2002 Supplemental Appropriations bill, and complain, as do some Republicans, that some funding levels Bush wants for 2003, are too low.

Party bickering intensified on Sept. 17, when the Senate failed to invoke cloture on the Interior Department Appropriations bill. Democrats accused the Republicans of trying to block drought relief in the bill, and Republicans accused the Democrats of trying to prevent a vote on their amendment to make it easier for logging companies to thin overgrown forests on 10 million acres of Federal land, much of which has been scorched by wildfires this year.

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Editorial

The Hand Inside the Glove

Back on Feb. 19, 1988, the *Washington Post* published a front-page story by Bob Woodward and Walter Pincus, headlined "U.S. Hunts American 'Mr. X' in Pollard Espionage for Israel." The article reported that American law enforcement officials were searching for a highlevel "mole" inside the Pentagon, who had deployed the convicted Israeli spy Jonathan Jay Pollard. Shortly after the publication of the *Post* story, *EIR* received information that the "mole hunt" was not aimed at a single individual, but at a whole team of suspected Soviet-Israeli spies, operating inside the upper echelons of American intelligence. A list prepared by the Office of the General Counsel of the Secretary of Defense, obtained by *EIR*, named ten suspected members of the "X Committee."

Today, five of the ten named suspects hold top posts at the Pentagon and the Defense Policy Board. They are: Office of Net Assessments head Andrew Marshall, Deputy Defense Secretary Paul Wolfowitz, Assistant Defense Secretary Doug Feith, Board Chairman Richard Perle, and Board member Fred Iklé.

All of these individuals were known, during the Reagan-Bush era as leading members of the "Wohlstetter Kindergarten," proteges of Albert Wohlstetter, a 1930s Trotskyite, who went on to be one of the leading figures at the postwar Rand Corporation, promoting the utopian dogma of thermonuclear blackmail.

The "Wohlstetter Kindergarten" pedigree of the accused Israeli-Soviet spies poses a crucial question, a question with life and death implications, given that the Perle-Wolfowitz gang, today, is leading the drive to induce the United States into launching an unwarranted preemptive war on Iraq, that would almost certainly trigger the larger Clash of Civilizations perpetual religious war.

Is the perpetual war policy of Wolfowitz-Perle, et al. an Israeli policy being foisted on Washington? Or is there something filthy inside the utopian faction of the Anglo-American Establishment, which is using Israel as a nuclear-armed "crazy state," which is to self-destruct, by obliterating the entire Middle East, through a nuclear, biological or chemical weapons attack on Iraq,

Iran, Saudi Arabia, or some other target?

To answer this question, it is crucial to review two facets of 20th-Century history. First, the origins of the modern day utopian faction can be traced to the early 20th-Century work of H.G. Wells and Lord Bertrand Russell. As early as 1913, Wells was promoting the idea of thermonuclear weapons, whose mass-murder potential might terrify the world into acquiescing to one-world Fabian dictatorship. Russell endorsed Well's "Open Conspiracy" and devoted his entire life to thermonuclear blackmail. The dropping of the atomic bomb on Hiroshima and Nagasaki, and the codification of that literally mad policy, through such postwar utopian warplanning institutions as the Rand Corporation and the Hudson Institute, were leading fruits of the Wells-Russell collaboration.

The second event was the Russian Okhrana, and later British intelligence ownership of Vladimir Jabotinsky, the founder of the Revisionist—ie. universal fascist—movement within Zionism. From the outset, the Jabotinskyites have been police agent assets of one or another oligarchical faction. The recent Netanyahu government and the present Sharon government of Israel demonstrate the case perfectly. They have no interest in securing a durable peace for an Israel living side by side with sovereign Palestinian and Arab states. Israel under Sharon is a trigger for war—a war that would certainly bring about the final destruction of Israel.

The Pollard moles, currently operating inside the Bush Administration, and the Jabotinskyite crazies in Israel are part of the same phenomenon. Lyndon LaRouche described it as the hand inside the glove. Israel, under Sharon, is the glove, which conceals the hand inside—the utopian madmen within the Anglo-American elites, who are committed to provoking a new Thirty Years War. The purpose of the war? To destroy, forever, the sovereign nation-state system that came into being with the American Revolution. Like their godfathers, Wells and Russell, the utopians and their Jabotinskyite tools, despise everything that the Founding Fathers of the United States cherished.

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LITTLE BOCK Comcast Ch. Tue—1 am, or Sat-1 am, or 6 am

CALIFORNIA BEVERLY HILLS

 BEVERLY HILLS
 Adelphia Ch. 37
 Thursdays—4:30 pm
 BREA—Ch. 17
 Mon-Fri: 9 am-4 pm
 BUENA PARK 4:30 pm

Adelphia Ch. 55
Tuesdays—6:30 pm
CLAYTON/CONCORD
AT&T-Comcast Ch.25

2nd Fri.-9 pm CONTRA COSTA AT&T Ch. 26 2nd Fri.—9 pm COSTA MESA Ch.61

Wednesdays—10 pm CULVER CITY MediaOne Ch. 43 Wednesdays—7 r • E. LOS ANGELES

Mondays—2:30 ppm FULLERTON Adelar Adelphia Ch. 65

Tuesdays—6:30 pm HOLLYWOOD AT&T—Ch.3 Wednesdays—6:30 pm • LANCASTER/PALM. Adelphia Ch. 16

Sundays—9 pm • LAVERNE—Ch. 3 2nd Mondays—8 pm LONG BEACH Charter Ch. 65

Thursdays—1:30 pm
MARINA DEL REY
Adelphia Ch. 3
Thursdays—4:30 pm
MediaOne Ch. 43

Wednesdays—7 pMID-WILSHIRE MediaOne Ch. 43 Wednesdays—7 pMODESTO—Ch.8 -7 pm

Mon & Thu-2:30 pm Adelphia Ch.19 Americast Ch.8 Tuesdays-7 pm

 PLACENTIA Adelphia Ch. 65 Tuesdays—6:30 pm SAN DIEGO Ch.19

Fridays—5 SANTA ANA -5 pm SANTA ANA
 Adelphia Ch.53
 Tuesdays—6:30 pm
 STA.CLAR.VLY.
 T/W & AT&T Ch.20

Fridays—1:30 pm SANTA MONICA

Adelphia Ch. 77 Thursdays—4:30 pm
• TUJUNGA—Ch.19

Fridays—5 pm
• VENICE—Ch.43
Wednesdays—7 pm
• VENTURA—Ch.6

Adelphia/Avenue Mon & Fri—10 a WALNUT CREEK AT&T Ch.6

2nd Fridays • W HOLLYWOOD W.HOLLYWOOD Adelphia Ch. 3 Thursdays—4:30 pm

Thursdays—4:3
• W.SAN FDO.VLY Time Warner Ch.34 Wed.—5:30 pm COLORADO

COLORADO SPGS. Adelphia Ch. 4 Tuesdays—8 pm Thursdays—11 am DENVER—Ch.57

• GROTON—Ch. 12 Mondays—10 pm • MANCHESTER Ch.15

-10 pm NWN---Ch.3 Mondays—10
• MIDDLETOWN-Thursdays—5 pm NEW HAVEN—Ch.29

Sundays-5 pm Wednesdays NEWTOWN/NEW MIL Cablevision Ch. 21 Mondays—9:30 pm Thursdays—11:30 am

DIST. OF COLUMBIA

• WASHINGTON

WASHINGTON Comcast Ch. 5 Starpower Ch. 10 Alt. Sundays—6 pm 10/6, 10/20, 11/3, 11/17, 12/1, 12/15

FLORIDA
• ESCAMBIA COUNTY

Cox Ch. 4 2nd Tue, 6:30 pm

IDAHO
• MOSCOW—Ch. 11
Mondays—7 pm

ILLINOIS CHICAGO—Ch.21 AT&T/RCN/WOW QUAD CITIES
 Mediacom Ch. 19
 Thursdays—11 pm
 PEORIA COUNTY

Insight Ch. 22 Sundays—7:30 pm • SPRINGFIELD Ch.4 Mon-Fri: 5-9 pm Sat-Sun: 1-5 pm

INDIANA
- BLOOMINGTON

Insight Ch.3

MINNESOTA

 DELAWARE COLINTY Comcast Ch. 42 Mondays—11 pm

AT&T Ch. 21 Monday - Thursday 8 am - 12 Noon IOWA

QUAD CITIES Mediacom Ch. 19 Thursdays—11 pm KENTUCKY

BOONE/KENTON Insight Ch. 21 Mon: 4 pm; Sat: 5 pm JEFFERSON Ch.98 Fridays—2 pm

LOUISIANA • ORLEANS PARISH Cox Ch. 78

Tuesdays & Saturdays 4 am & 4 pm

MARYLAND
• ANNE ARUNDEL
Annapolis Ch.20 Milleneum Ch.99 Sat & Sun: 12:30 am
• MONTGOMERY Ch.19
Fridays—7 pm
• P.G.COUNTY Ch.76

Mondays-10:30 pm MASSACHUSETTS • AMHERST—Ch.12 Mondays—Midnight • CAMBRIDGE MediaOne Ch. 10

Mondays—4 pm • WORCESTER—Ch.13 Tue.-8:30 pm

MICHIGAN Mondays—4 pri
CANTON TNSHP

Comcast Ch. 18 Zajak Presents
Mondays: 6-8 pm
DEARBORN Comcast Ch. 16 Zaiak Presents

Mondays: 6-8 pm DEARBORN HTS. Comcast Ch. 18 Zajak Presents

Mondays: 6-8 pm
KALAMAZOO
Thu-11 pm (Ch.20)
Sat-10 pm (Ch.22)
LAKE ORION

Comcast Ch.65
Mondays & Tuesdays
2 pm & 9 pm
KENT COUNTY AT&T Ch. 25 Fridays—1:30 pm

LIVONIA T/W Ch.12 Thursdays—5 (Occ. 4:30 pm)

• MT.PLEASANT Charter Ch. 3 Tuesdays—5:30 pm Wednesdays—7 am • PLYMOUTH Comcast Ch.18 Zajak Presents

Mondays: 6-8 pm WYOMING AT&T Ch. 25 Wednesdays-

All programs are The LaRouche Connection unless otherwise noted. (*) Call station for times

ANOKA
AT&T Ch. 15
Mon.—4 pm & 11 pm
BURNSVILLE/EGAN

ATT Ch.14,57,96
Tuesdays—5:30 pm
Saturdays—9 pm
Sundays—10 pm
• CAMBRIDGE

U.S. Cable Ch.10

Wednesdays—2 COLD SPRING U.S. Cable Ch. 3 Nightly after PSAs COLUMBIA HTS MediaOne Ch. 15 Wednesdays—8 pm

 DULUTH Charter Ch.20 Mondays—9 pm Wednesdays—12 pm Fridays 1 pm • FRIDLEY

Time Warner Ch. 5 Thursdays—5:30 pm Saturdays—8:30 pm • MINNEAPOLIS

PARAGON Ch. 67 Saturdays—7 pm
• NEW ULM—Ch.14

HERMANTOWN—Ch.12 Tue. btw. 5 pm-1 am

ST.CROIX VALLEY
Valley Access Ch.14
Thursdays—4 & 10 pm
Fridays—8 am

ST.LOUIS PARK

Paragon Ch. 15 Wed., Thu., Fri.

12 am, 8 am, 4 pm ST.PAUL (city)
SPNN Ch. 15
Saturdays—10 pm
ST.PAUL (N Burbs)
AT&T Ch. 14

AT&T Ch. 14
Thu—6 pm & Midnite
Fri—6 am & Noon
ST.PAUL (NE burbs)
Suburban Ch.15

 St.PAUL (S&W burbs) AT&T-Comcast Ch.15
Tue & Fri—8 pm
Wednesdays—10:30 pm
SOUTH WASHINGTON ATT Ch.14—1:30 pm Mon, Tue, Wed, Thu

MISSISSIPPI

MARSHALL COUNTY Galaxy Ch. 2 Mondays—7 pm

MISSOURI

AT&T Ch.22 Wednesdays—5 pm Thursdays—12 Noon NEBRASKA

LINCOLN T/W Ch.

Citizen Watchdog Tuesdays—7 pm Wednesdays—10 pm

NEVADA CARSON—Ch.10 Wednesdays—7 p Saturdays—3 pm **NEW IERSEY**

 HADDON TOWNSHIP
 Comcast Ch. 19
 Sundays 11 am
 MERCER COUNTY TRENTON Ch. 81

WINDSORS Ch. 27
MONTVALE/MAHWAH
Time Warner Ch. 27 Wednesdays • NORTHERN NJ Comcast Comm. Access Channel 57* **PISCATAWAY**

Cablevision Ch.71 Wed—11:30 pm • PLAINSBORO Comcast Ch. 3*

NEW MEXICO ALBUQUERQUE Comcast Ch. 27 ANTHONY/SUNLAND T/W Ch. 15 Wednesdays 5:05 pm GRANT COUNTY

Comcast Ch. 17 Fri. & Sat. 7 pm or 8 pm • LOS ALAMOS

Comcast Ch. 8 Mondays—10 pm SANTA FE Comcast—Ch.6 Saturdays—6:30 pm • TAOS—Ch.2

Thursdays—7 pm NEW YORK AMSTERDAM Time Warner Ch.16

Wednesdays-6 pm BROOKLYN - BROUKLYN T/W Ch.34 Cablevision Ch.67 Tuesdays 3:30 pm, 11:30 pm - BUFFALO

Adelphia Ch.18 Wed.—12:30 pm • CHEMUNG/STEUBEN

Time Warner-Ch.1 Mon., Fri.—4:30 pm
• ERIE COUNTY
Adelphia Intl. Ch.20
Thursdays—10:35 pm
• ILION—Ch. 10

Mon. & Wed.—11 am Saturdays— 11:30 pm IRONDEQUOIT Ch.15 Mondays—7:30 pm

Thursdays-JEFFERSON/LEWIS

Time Warner-Ch.2 Unscheduled pop-ins JOHNSTOWN—Ch.16 Tuesdays—5 pm • MANHATTAN— MNN

T/W Ch.34; RCN Ch.109 Alt. Sundays—9 am • NIAGARA COUNTY Adelphia Ch. 20

Thursdays—10:35 pm

ONEIDA—Ch.10
Thu—8 or 9 pm

PENFIELD—Ch.15

Penfield Comm. TV QUEENSBURY Ch.71
 Thursdays—7 pm
 RIVERHEAD Ch.70

 ROCHESTER—Ch.15 Sundays—3 pm Mondays—10 pm ROCKLAND—Ch. 7 ROCKLAND-

Mondays—6 pm • SCHENECTADY Ch.16 Mondays—3 pm Wednesdays—8 am STATEN ISL.

Time Warner Cable Thu.—11 pm (Ch.35) Sat.—8 am (Ch.34) • TOMPKINS COUNTY Time Warner

Time Warner
Sun.—9 pm (Ch.78)
Thu.—5 pm (Ch.13)
Sat.—9 pm (Ch.78)
TRI-LAKES
Adelphia Ch. 2

Sun: 7 am, 1 pm, 8 pm
• WEBSTER—Ch.12
Wednesdays—9 pm

NORTH CAROLINA HICKORY—Ch.3 Tuesdays—10 pm

OHIO
• FRANKLIN COUNTY Ch. 21: Sun.—6 pm • LORAIN COUNTY

Adelphia Ch.30 Daily: 10 am; or 12 Noon; or 2 pm; or 12 Midnight OBERLIN—Ch.9

Tuesdays—7 pm
• REYNOLDSBURG
Ch.6: Sun.—6 pm OREGON

LINN/BENTON AT&T Ch. 99 Tuesdays—
• PORTLAND

Tue—6 pm (Ch.22)
Thu—3 pm (Ch.23)
SALEM—Ch.23
Tuesdays—12 Noon
Thursdays 8 pm

Saturdays 10 am
• SILVERTON Charter Ch. 10 Mon,Tue,Thu,Fri Betw. 5 pm - 9 am WASHINGTON ATT

Ch.9: Tualatin Valley Ch.23: Regional Area Ch.33: Unincorp. Towns Wednesdays—8 pm Sundays—9 pm

RHODE ISLAND

Tuesdays—6:30 pm STATEWIDE R.I. Interconnect* Cox Ch. 13 Full Ch. 49

TEXAS • DALLAS Ch.13-B

Tuesdays—10:30
• EL PASO COUNTY Adelphia Ch.4 Tuesdays—8 pm Thursdays—11 am • HOUSTON Houston Media Source

Tuesdays—5:30 pm Saturdays—10 am Wed, 10/2: 7 pm Mon, 10/7: 5 pm

Tue, 10/8: 5 pm Mon, 10/14: 5 pm • RICHARDSON AT&T Ch. 10-A Thursdays—6 pm

UTAH • CENTRAL UTAH Precis Cable Ch.10 Aurora Centerfield Gunnison

Sundays & Mondays 6 pm & 10 pm VERMONT
• GREATER FALLS Adelphia Ch.8 Tuesdays-1 pm

Redmond

Richfield

Salina

VIRGINIA • ARLINGTON ACT Ch. 33 Mondays—4 p Tuesdays—9 a • BLACKSBURG

WTOB Ch.2 Mondays—6 pm CHESTERFIELD Comcast Ch. 6

Tuesdays—5 pm • FAIRFAX—Ch.10 Tuesdays—12 Noon
Thursdays—7 pm
LOUDOUN

Adelphia Ch. 23/24 Thursdays—7 pm ROANOKE—Ch.9

Thursdays---2 pm WASHINGTON KING COUNTY

AT&T Ch. 29/77 Mondays—6 pm (starts Oct. 7) KENNEWICK Charter Ch. 12 Mondays-12 Noon

Thursdays—8:30 pm PASCO
 Charter Ch. 12 Mondays-12 Noon Thursdays—8:30 pm

RICHLAND
 Charter Ch. 12
 Mondays—12 Noon
 Thursdays—8:30 pm
 SPOKANE—Ch.14

• SPOKANE—Ch.14
Wednesdays—6 pm
• WENATCHEE
Charter Ch.12
Thu—10 am & 5 pm
• YAKIMA—Ch. 9
Sundays—4 pm

WISCONSIN

MADISON—Ch.4 Tuesdays—3 PM Wednesdays—12 NoonMARATHON COUNTY

Charter Ch. 10
Thursdays—9:30 pm
Fridays—12 Noon
• SUPERIOR Charter Ch.20 Mondays—7:30 pm Wednesdays—11 pr Fridays 1 pm

WYOMING
• GILLETTE—Ch.36 Thursdays-5 pm

Zip

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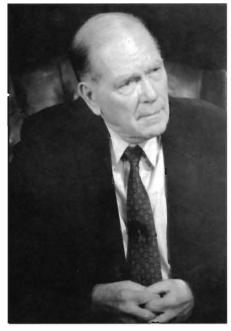
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