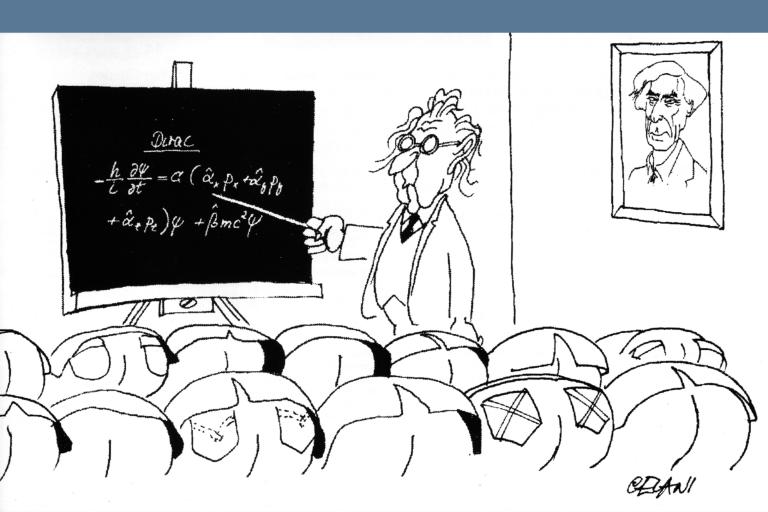


3rd-Quarter 'Recovery': Debt Dressed Up for Hallowe'en Soros Has Dumb Dems Diving for Drug Dollars LaRouche Turns Up the Heat in 'Cheney-Gate'

The Pagan Worship Of Isaac Newton

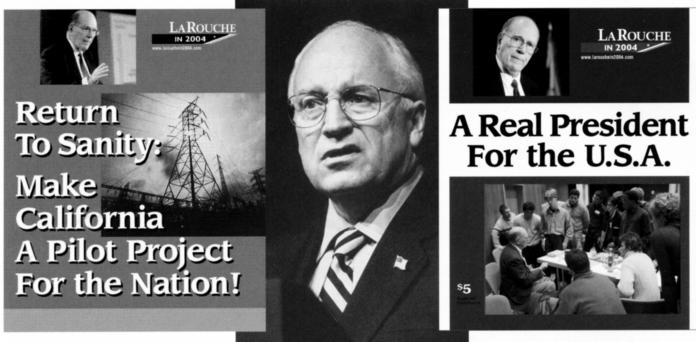


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European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205, Wiesbaden, Federal Republic of Germany Tel: 49-611-73650.

Homepage: http://www.eirna.com E-mail: eirna@eirna.com

Executive Directors: Anno Hellenbroich, Michael Liebig In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE,

In Mexico: EIR, Serapio Rendón No. 70 Int. 28, Col. San Rafael, Del. Cuauhtémoc. México, DF 06470. Tels: 55-66-0963, 55-46-2597, 55-46-0931, 55-46-0933 y 55-46-2400.

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From the Associate Editor

Why would a candidate for the Democratic Presidential nomination, in the midst of a campaign tour of New England and the Midwest, publish an article entitled "The Pagan Worship of Isaac Newton"? This 24-page article gives a compact and eloquent answer to the question everybody is asking: "Who is Lyndon LaRouche really, and how is he attracting such bright young people to his side?" The fact is, that the empiricist/reductionist mind-set underlying the academic worship of Newton is exactly what has prevented the Baby-Boomer generation from finding a way out of the economic and cultural crisis that is becoming deeper with each passing day. LaRouche's article discusses the *qualities of mind* that are required for real, creative science—as for Classical art, and also for politics and statecraft. I can assure you that members of the LaRouche Youth Movement are going to have a field-day with this particular article.

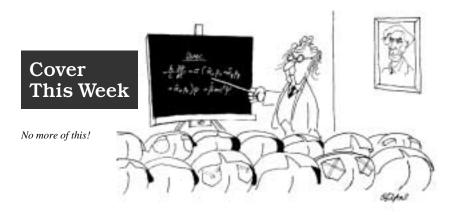
Our first report on LaRouche's campaign tour appears in *National*; more to come next week.

Elsewhere in this issue, we provide the intelligence back-up for flanking campaigns LaRouche has initiated:

- Boycott Wal-Mart. Since LaRouche's Nov. 1 call for an international boycott of the world's biggest corporation—the flagship of the "globalization" armada—*EIR* has been developing a full picture of the effects of Wal-Mart's predatory methods. Richard Freeman reports on the case of Iowa.
- Dump Dick Cheney. The Vice President is under fire in the Senate and the national press, but the back-room brawls that are raging in Washington will go nowhere, without LaRouche's leadership. Jeffrey Steinberg reports.
- Stop the takeover of the Democratic Party by George Soros' drug legalizers. It is interesting that the principal opponents of LaRouche in the Democratic Party today are the pro-drug moneybags—the same crowd that began the slanders against LaRouche in the 1970s, with Chip Berlet's High Times article describing him as "the man who wants to take your drugs away." Gretchen Small reports on the Soros drug mafia's actions in Ibero-America; and Scott Thompson has the inside scoop from a meeting of Soros' Drug Policy Alliance in New Jersey.

Susan Welsh

EXECONTENTS



16 Science and Economic Crises: The Pagan Worship of Isaac Newton

By Lyndon H. LaRouche, Jr. "The most common source of the great, truly tragic failures of official society's attempted practice of physical science, are found in the chasm which separates science pursued merely as a professional occupation, from science pursued as a mission for discovery of truth. In the first case, the professional asks, 'Will it be accepted? Will it work?' In the second case, he asks, 'Have I proven that this is actually true?' "

Economics

4 U.S. 'Recovery' Was Debt Dressed Up for Hallowe'en

The new hype about an American economic "recovery"—based on alleged GDP growth of 7.2% in the third quarter—is based on two pillars: fraud and debt. Preliminary figures indicate that in the third quarter, it required \$6-8 of new indebtedness, public and private, in the U.S. economy, to generate each new dollar of GDP.

7 Wal-Mart Collapses U.S. Cities and Towns

The case of Iowa shows how once Wal-Mart comes to town, a community's pre-existing retail stores are driven out of business, driving down wages and state and local tax revenues.

- 10 LaRouche Puts Spotlight on Veterans' Healthcare
- 11 India: Boost Infrastructure To Speed Up Growth
- 14 Business Briefs

International

40 George Soros Spreads Opium Wars Across the Americas

After the ouster of Bolivian President Gonzalo Sánchez de Lozada in Bolivia, it is now Colombia's President Alvaro Uribe Vélez, the one hard-line anti-drug head of government left in the region and touted by the Bush Administration as its best ally in the Americas, which is on the line; and it is Washington's own policies that are bringing him down.

- 40 LaRouche: Combat Coca With Development
- 43 All-Out Political War Is On in Britain
- 45 Anglo-Americans Dictate 'Peace' to Sudan
- **47 International Intelligence**

National

48 LaRouche Turns Up the Heat on Cheney

A million LaRouche in 2004 leaflets are circulating with the call, "Dump Cheney Now!" as the factional brawl in Washington intensifies, and Administration pragmatists weigh the option of sending the Vice President out to pasture.

- 49 LaRouche on 'Cheney-Gate'
- 51 Time-Line: Moves To Shut Down the SSCI Cheney-Gate Probe
- 53 LaRouche Campaign: D.C.'s Primary Becomes Critical National Test

56 'Proud To Bring LaRouche to My Constituency'

An interview with Lamarr Lemmons.

58 Soros Has Dumb Dems Diving For Dope Dollars

At the bi-annual conference of George Soros' Drug Policy Alliance (DPA), speaker after speaker (when away from the cameras and the tape recorders) gleefully discussed how they would legalize drugs, all the time whispering that legalization has to be "kept separate" from Soros' latest front-end operation: the takeover of the Democratic Party.

62 Congressional Closeup

Interviews

56 Lamarr Lemmons

Democratic State Representative Lemmons hosted Lyndon LaRouche's Presidential campaign meeting in Detroit on Nov. 20. Lemmons served in the Michigan House of Representatives for six years until 2003, representing East Detroit.

Departments

64 Editorial

A Challenge for Germany

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EXECONOMICS

U.S. 'Recovery' Was Debt Dressed Up for Hallowe'en

by EIR Staff

Once again this year at Hallowe'en time—the beginning of another election season—an Alan Greenspan midnight recovery was conjured up in the U.S. economy, to distract its 20 million actually unemployed citizens (see EIR, Nov. 7, 2003). The Federal Reserve Chairman on Nov. 7 pronounced that a "real recovery" was now under way, after figures claiming an annualized rate of GDP growth of 7% or so in the third quarter of 2003, were announced on Oct. 31 by the Commerce Department. On Nov. 5, Treasury Secretary John Snow had given an enthusiastic address to the Economic Club in Washington. "We've seen a real turnaround this year. . . . It seems clear that we have entered a new phase of economic expansion. This is not a fleeting glimmer, there is real muscle behind the growth trend." And by the time Greenspan spoke Nov. 6, the Labor Department had reported the net creation of about 130,000 jobs in October.

But reality is quite different—as indicated by the fact that in the same month, October, *announced layoffs* by American corporations leaped to 172,000, according to the tracking firm Challenger and Gray—two and a half times the previous month and equal to the worst months of workforce shrinkage in 2002. (Of the human resources executives polled by the job agency, 78% did not see any significant upturn in hiring within the next three quarters.) Like the "New Economy" bubble of the late 1990s, the new hype about the American economic "recovery," is again based on two pillars: fraud and debt. Preliminary figures indicate that in the third quarter, it required \$6-8 of new indebtedness, public and private, in the U.S. economy, to generate each new dollar of GDP.

Overwhelmed by Debt Growth

The bulk of the increased GDP was achieved by the generation of a tremendous amount of new debt. During recent years, the combination of American private households' borrowing on mortgages and credit cards, etc; corporations' issu-

ing bonds and taking credit lines; and the borrowing of Federal, state, and local governments, have produced about \$2 trillion of additional debt annually. But during the second quarter of 2003 alone, this growth of new indebtedness soared to about \$850 billion, an all-time record by far. This huge increase produced, in that quarter, a reported increase in GDP of \$108 billion; for a ratio of \$8 in new debt for each dollar of GDP "increase."

Public budget deficits in that second quarter accounted for 20% of the new debt. Government spending increases produced 38% of the new GDP. For Fiscal 2003 as a whole, Federal government spending rose by an astonishing 12.3% year-over-year, a rate of increase seen only twice before since World War II. Government tax cuts produced 85% of the increase in disposable income of households.

Figure 1 shows that over the last quarter-century, the ratio of cumulative debt in the U.S. economy, to the total GDP, has grown in speculative spurts, up to more than three-to-one.

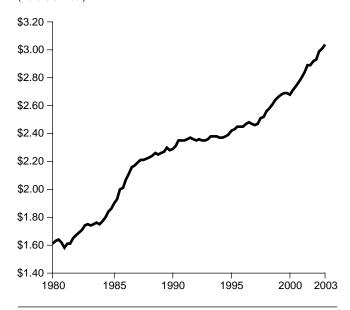
But when one looks at the amount of new debt being added year by year, and compares that to the officially-claimed increases in GDP, it is clear from that the 1990s "New Economy" bubble onward, far more indebtedness has been required to pull up GDP at all (**Figure 2**). And when the process is broken down quarter by quarter up through the second quarter of 2003 (**Figure 3**), the period since early 2000, when the collapse of employment and industry hit, is shown to be still worse. More than \$6 in new indebtedness has become necessary, to produce a \$1 increase in officially-reported GDP.

The debt-growth figures for the "spectacular" third quarter are not yet available, but the biggest *components* of rapid debt increase did not let up—record mortgage refinancing, record quarterly Federal budget deficits, large-scale corporate merger and acquisition activity, etc. If the third quarter's debt increase was comparable to the second quarter's, it would be

FIGURE 1

Dollars of Debt Per Dollar of GDP, 1980-June, 2003

(Dollars of Debt)

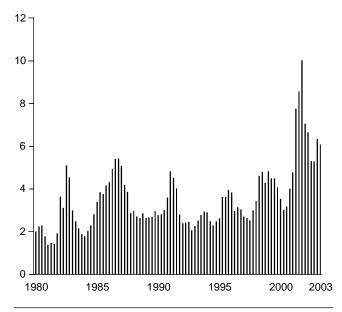


Sources: Federal Reserve. Bureau of Economic Analysis. EIR.

FIGURE 3

Increase in Debt for Every \$1 Increase in GDP, Year-Over-Year, By Quarter, 1980-June, 2003

(Dollars of Debt)

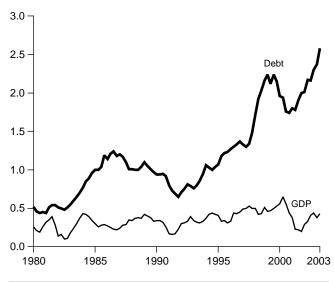


Sources: Federal Reserve, Bureau of Economic Analysis, EIR.

FIGURE 2

Year-Over-Year Increases in Debt and GDP, By Quarter, 1980-June, 2003

(Trillions of Dollars)



Sources: Federal Reserve, Bureau of Economic Analysis, EIR.

six times the reported third-quarter increase in GDP, which was claimed to be \$168 billion.

Morever, that figure itself has been thoroughly massaged by creative accounting. According to the Commerce Department, GDP rose from \$9,629 billion in the second quarter to \$9,797 billion in the third quarter, an increase of \$168 billion or 1.7%. The 7.2% "growth" rate was fabricated by annualizing—that is, by quadrupling—the quarterly growth rate. Aside from increased debt, the factor which officially contributed the most to the GDP growth during the third quarter was investments in computers, rising from \$354.9 billion to \$390.3 billion, if measured in "1996 dollars."

But the Commerce Department admitted in the same report that actual computer sales increased only from \$82.4 billion to \$88.3 billion. How is this possible? The reason is the notorious special method of manipulating the original sales data in order to account for changes in the quality of the products, called "hedonic" price indexing, denounced by Lyndon LaRouche and EIR for years as having made GDP figures so fraudulent that the measure must be scrapped entirely. To put it simply: The Commerce Department merely claims that a present computer with a market price of \$1,000 in 2003, would have cost \$4,420 in 1996. Therefore, if a company buys a computer for \$1,000, the GDP, as calculated by the Commerce Department, immediately rises by \$4,420! Thereby, an increase in computer sales of \$5.9 billion has been turned into a \$35.4 billion rise in the third quarter, a sixfold increase. According to calculations by former Bundesbank chief economist Kurt Richebächer in his newsletter for

Nov. 7, "hedonic" false-pricing of computers accounted for 43% of U.S. GDP growth in the first quarter of 2003, and 44% in the second; it appears to have accounted for more than 20% of the third quarter's "spectacular" growth.

And there are many other "industrial" categories besides computer investment where similarly notorious methods, known as "quality adjustment factors," are being used, as *EIR* has repeatedly exposed.

As for the "net jobs" created in the U.S. economy in the third quarter, *all* were in service sectors of the economy; employment in manufacturing reportedly fell by a further 17,000 jobs in October, its 39th consecutive monthly decline. Of the net 130,000 jobs created, some 30,000 were in "employment services"; that is, unemployed workers getting jobs—or starting their own businesses—looking for jobs for their unemployed neighbors! As noted above, *EIR* has recently shown that real unemployment—including discouraged workers, those dumped from the labor force by Labor Department counters, and those forced to work part-time—totals 20 million.

Mortgage Bubble May Soon Pop

The U.S. Congressional Budget Office (CBO) sees nothing but \$400-500 billion-per-year Federal deficits for the next ten years, in its latest estimate produced Nov. 6 at the request of the so-called Blue Dog (conservative) Democrats in the House of Representatives, led by Rep. Charles Stenholm (D-Tex.). These Democratis had asked the CBO to revise its baseline estimates based on the assumed implementation of the Bush Administration's entire economic policy, including assuming that all the Administration's proposed discretionary budget levels for 2004-08 are enacted and extrapolated through 2013, and additional spending for the wars in Iraq and Afghanistan go as planned by the White House. The value of the CBO's resulting estimate of deficits is purely indicative—it nearly doubles the Administration's own forecasts using the "same assumptions," and thus points to the fact that there is no reduction in Federal deficits in prospect; rather, the size of these deficits will continue to increase from their record levels. For this Fiscal Year 2004, the reported deficit should exceed \$500 billion, and leaving aside the looting of Social Security and Medicare Trust Fund surpluses to pay government bills, that deficit will be \$6-700 billion or more.

At the same time, a survey of 21 U.S. Federal states projects another collective budget deficit of at least \$32 billion for Fiscal Year 2005—these are the 21 states which have prepared budget estimates that far ahead. The Center on Budget and Policy Priorities in Washington estimates that the total for all states will exceed \$40 billion as more states issue estimates over the coming months. These new amounts are on top of the estimated \$78 billion shortfall that they faced when they enacted their FY2004 budgets, and the large deficits which forced them to cut budgets in in FY2002 and 2003. The National Conference of State Legislatures estimates that

over the last three years, states have had to close a cumulative budget gap approaching \$200 billion. On average, real state per-capita spending will be 5% lower in Fiscal Year 2004 than in 2001.

Reacting to the tremendous rate of increase of indebtedness in the American economy, including also its \$500 billion per year trade deficit, long-term interest rates rose steadily from July through mid-September, and after a pause, began rising again in early November. The linked rise in mortgage interest rates threatens to puncture the U.S. real-estate debt bubble which has been driving the entire "consumer economy" during the last three years' collapse of the industrial economy as a whole.

An international interest-rate shift is on the horizon. On Nov. 5, the Reserve Bank of Australia surprisingly announced that it had raised its key interest rate, to cool down the homelending boom, which threatens the stability of the Australian economy. Similar to the situation in the United States and Britain, mortgage lending in Australia has recently hit annual growth rates of more than 20%. On Nov. 6, the Bank of England (BoE) raised its prime rate by a quarter percentage point to 3.75%, after British mortgage borrowing just hit a historic record of £8.8 billion (\$15 billion) in the month of September. The BoE move was the first rate rise by one of the four leading central banks in the world since the year 2000.

That same day, U.S. Federal Reserve Governor Jack Gwynn said, at a public event in Louisiana, that a U.S. "recovery" will mean that interest rates obviously "will have to rise."

Reflecting fears that the housing bubble may pop, Gregory Mankiw, chairman of the White House Council of Economic Advisers, on Nov. 6 pointed to the systemic risk posed by the two giant mortgage corporations or Federally-backed "enterprises" known as Fannie Mae and Freddie Mac. While the debt of Fannie Mae and Freddie Mac is not formally guaranteed by the U.S. Treasury, the government's sponsorship is widely believed to include a public bailout in case of a financial emergency. Mankiw warned, "The [government's] subsidy creates a source of systemic risk for our financial system." Even a small error in risk management by the companies, at this point, could cause ripples in U.S. financial markets, he said.

Presidential candidate Lyndon LaRouche estimates that when—not if—this last, real-estate debt bubble falls in the near term, not just the value of homes, but average incomes may fall by 30-50% in some sectors of the American population. LaRouche has announced policy steps that he will take immediately on taking office—and will try to force into action earlier—to put the vastly-indebted banking system into bankruptcy reorganization, and to employ a "Super TVA" public infrastructure-rebuilding policy to produce credit and revenue for states, and skilled productive jobs for the unemployed. Without such a dramatic shift in policies at the Federal level, there is no "recovery" under way or in prospect in the United States economy.

Wal-Mart Collapses U.S. Cities and Towns

by Richard Freeman

During the last 20 years, Wal-Mart has moved into communities and destroyed them, wiping out stores, slashing the tax base, and turning downtown areas into ghost-towns. This is accomplished through Wal-Mart's policy of paying workers below subsistence wages, and importing goods that have been produced under slave-labor conditions overseas. Often, communities will even give Wal-Mart tax incentives, for the right to be destroyed.

Wal-Mart both reflects, and is, a major driving force for America's deadly implementation of the Imperial Rome model. Unable to produce physical goods to sustain its own existence, the United States, like Rome, sucks in imported goods from around the world, using, in this case, a dollar that is over-valued by 50-60%. America has been transformed from a producer to a consumer society. From the 1940s through the early 1960s, through its technologically-advanced manufacturing-agricultural economy, America produced new value that contributed to mankind's advancement. Through a "post-industrial society" policy, the bankers have pushed Wal-Mart to the top of the heap, so that it is now the world's largest corporation, with \$245.5 billion in sales last year. Wal-Mart, which produces no value-added whatsoever, dominates the geometry that governs the U.S. consumer society. America consumes goods that others produce, which Wal-Mart markets. Wal-Mart dictates, through its demand for low prices, that its suppliers outsource their production to foreign nations, further ripping down America's battered domestic manufacturing and agricultural capability, in a selffeeding process.

Presidential candidate Lyndon LaRouche has called for an international boycott of Wal-Mart. He told a cadre school of the LaRouche Youth Movement on Nov. 10: "Wal-Mart is probably one of the major foreign enemies of the United States! And, it's based *in* the United States. Where Wal-Mart strides, whole communities collapse! It runs in like a vampire: It flies in by night, and sucks the blood of the citizens, and the cows, and so forth. In the morning, there's not much left! Except unemployment and cheap labor. What Wal-Mart is doing to many communities of the Americas, is comparable to what happens to the poor Chinese, who are victims of the cheap-labor programs, which supply most of the product which Wal-Mart sells, as cheap-labor product."

Wal-Mart pays its American workers sweat-shop wages, and enforces a worldwide system of concentration camp pro-

duction plants, where some workers are literally kept as indentured servants (see *EIR*, Nov. 14). Here, we look at how Wal-Mart has laid waste communities from Iowa to Mississippi, from Ohio to Oklahoma.

Destroying Iowa

Iowa represents the paradigm of Wal-Mart's destruction of a state and its communities. Iowa is a leading agricultural state, with an industrial center in its northeast. In 1983, Wal-Mart opened its first store in the state. Since that time, the number of other retail stores that Wal-Mart has forced to close in Iowa, in communities of 5,000 or fewer people, is immense.

Sam Walton started Wal-Mart in his home town of Bentonville, Arkansas in 1962. At first he concentrated on Arkansas, Oklahoma, and Texas, along with a few other southern states. Beginning in the 1980s, he spread Wal-Mart out as a national chain, shifting from discount stores with 40-70,000 square feet of sales space, to increasingly building Sam's Club and supercenters, which typically have 150-200,000 square feet. The idea was to use its ability to sell a huge volume of goods, its sweat-shop pay to American workers, and its flood of cheap imports, to blow apart any competition. In the October 1996 issue of *Wal-Mart Today*, an internal company newsletter, Tom Coughlin, executive vice president for operations, summed up the approach: "At Wal-Mart, we make dust. Our competitors eat dust."

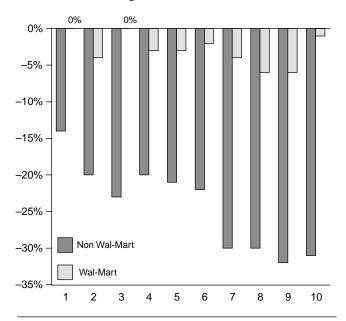
In looking at Iowa, we encounter a myth: that when Wal-Mart opened a store in Town A, it may have hurt by a small amount the sales of stores in other towns neighboring Town A—as the people from the other towns went to Wal-Mart to do some of their shopping; but nonetheless, Wal-Mart so increased the volume of sales at its own store and other stores in Town A, that the overall region experienced significant sales growth and job growth. Wal-Mart hired compliant research and marketing firms to "prove" this, but it is a lie.

We look at what happened to Iowa communities of 5,000 or fewer people. Significant research has been done in this area by Prof. Kenneth Stone of Iowa State University, which we draw upon. Since it is difficult to see what effect occurred after only one or two years, we look at the effects after ten years or longer. Using sales tax records, Professor Stone compared the change in sales volume at stores located in towns where Wal-Mart opened one of its stores (a "Wal-Mart Town"), and in the neighboring towns where Wal-mart did not open a store ("Neighboring Non Wal-Mart Town"). In cases selected from the study, the sales at Wal-Mart stores themselves are not included, since the focus here is to measure the "Wal-Mart effect": Once Wal-Mart opens a store, what happens to *all the other stores* in the neighboring communities, in Iowa communities of 5,000 or fewer people?

Figure 1 presents the change in sales volume for Iowa home furnishings stores (furniture stores, major appliance stores, drapery stores, etc.). One year after Wal-Mart opened a store in a town, in the neighboring Non Wal-Mart Towns,

EIR November 21, 2003 Economics 7

Iowa Wal-Mart Towns vs. Neighboring Non-Wal-Mart Towns* Home Furnishings Sales—After 10 Years



*In Communities of 5,000 or Less People

Source: Impact of the Wal-Mart Phenomenon on Rural Communities, by Dr. Kenneth E. Stone, Iowa State University.

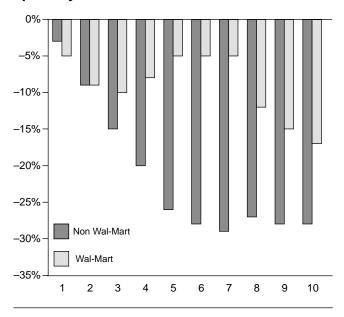
at home furnishing stores the sales volume collapsed by 14%. People from the Non Wal-Mart Towns travelled to the towns where a Wal-Mart had opened, to purchase a share of their home furnishings at the Wal-Mart store. However, by the tenth year after the Wal-Mart store had opened, in the neighboring Non Wal-Mart Towns, at home furnishing stores the sales volume had fallen a stunning 31% below the level it had been ten years earlier. A large number of home furnishing stores were forced to close. In the Wal-Mart Towns, by the tenth year after the Wal-Mart store had opened, the sales volume at home furnishing stores had declined by only 1%. Clearly, the home furnishing stores located at neighboring Non Wal-Mart Towns, had suffered the brunt of the damage.

Figure 2 presents the change in sales volume for Iowa specialty stores (sporting goods stores, druggists, jewelry stores, card and gift shops, florists, etc.). In the Wal-Mart Towns, by the tenth year after the Wal-Mart store had opened, the sales volume at specialty stores had plunged by 17%. In the neighboring Non Wal-Mart Towns, by the tenth year after the Wal-Mart store had opened, the sales volume at specialty stores had tumbled by 28%.

Figure 3 presents the change in sales volume for Iowa apparel stores, showing a 28% decline by the tenth year in both Wal-Mart Towns and Non Wal-Mart Towns. The Wal-Mart Towns had not escaped the Wal-Mart effect.

Thus, Wal-Mart's assertion that the sales by a range of

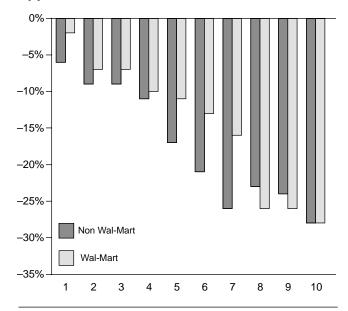
FIGURE 2
Specialty Stores Sales—After 10 Years



Source: Dr. Kenneth E. Stone, Iowa State University.

FIGURE 3

Apparel Stores Sales—After 10 Years

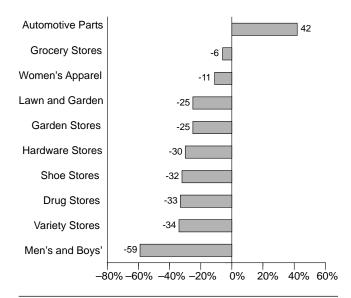


Source: Dr. Kenneth E. Stone, Iowa State University.

stores in neighboring Non Wal-Mart Towns would fall by a *small amount*, and that the sales volume by a range of stores in Wal-Mart Towns *would rise significantly*, is completely false.

Putting aside this myth, **Figure 4** shows the catastrophe caused by the Wal-Mart effect in Iowa, inclusive of towns that did and did not have a Wal-Mart store. The period under

FIGURE 4
% Change in Sales Volume at Iowa Stores,
1983-96*



^{*}In Communities of 5,000 or Less People

Source: Dr. Kenneth E. Stone, Iowa State University.

TABLE 1 Number of Stores Closed in Iowa, 1983-93*

Grocery Stores	552
Hardware Stores	298
Building Supply Stores	293
Variety Stores	161
Women's Apparel Stores	158
Shoe Stores	153
Drug Stores	166
Men's and Boys' Apparel	111

^{*}In Iowa Communities of 5,000 or Less People Source: Professor Kenneth Stone, Iowa State University.

consideration is 1983-96, three years longer than the earlier study, giving three more years of the devastation. By 1996, 13 years after a Wal-Mart had opened in a town, the volume of sales at department stores, which includes Wal-Mart and other large discount chains, rose by 42%. However, since 1983, sales at grocery stores fell by 11%; sales at drug stores fell by 32%; and sales at men's and boys' stores dropped headlong by 59%. Iowa's retail and grocery stores, which form the underpinning of communities, had been ravaged.

Table 1 shows the second phase of the Wal-Mart effect: the closing of stores whose revenues had collapsed. All told, a staggering 7,326 stores closed in Iowa communities of 5,000 or less people (the table covers a ten-year period through 1993; through 1996, the number of store closings would be even greater). The health and vitality of these communities,

including employment at rising wages and benefits, the generation of taxes, etc., will not be restored.

Wal-Mart destroyed other communities and cities:

Toledo, Ohio. Author Al Norman describes the effect of Wal-Mart and Home Depot (another outsourcing chain) on Toledo: "When I went for a walk in downtown Toledo, I passed the old Lamson dry goods store: 9 stories of empty retail space. Each floor is the size of a football field. The building served as the home of a Macy's Department store from 1924 to 1984. For the past fourteen years, the store has been empty. The City now owns it, which means the taxpayers of Toledo are paying the freight for its upkeep."

Nowata, Oklahoma. In 1982, Wal-Mart opened a store on the outskirts of Nowata, a town of 4,000 people. Half of the small businesses in downtown Nowata shut down. Then in 1994, Wal-Mart abruptly closed this store, as well as another in a nearby town, and opened up a supercenter in Bartlesville, which is 30 miles away, leaving Nowata prostrate.

Mississippi. A study found that in small towns in the state, five years after the opening of a Wal-Mart, the dollar volume of grocery store trade had collapsed 17%.

Vermont. In an attempt to stop Wal-Mart, various towns passed restrictions that would halt Wal-Mart construction. Wal-Mart built stores in the neighboring New Hampshire and New York, which sucked business out of Vermont.

Despite all this, many states and communities are using taxpayers' money to finance subsidies to Wal-Mart, to come in and rape them. In 1999, it was reported that in Olivette, Missouri, a developer received a tax incentive of up to \$38.9 million for a Wal-Mart and a Sam's Club—more than a third of the projected total cost of the project. In 1998, it was reported that the city of Chesterfield, Missouri was supplying \$25.5 million in tax incentives toward the construction of a \$100 million-plus mall, anchored by a Wal-Mart. In 2001, Ohio approved \$10 million in tax credits and other assistance for Wal-Mart to build two distribution centers and an eyeglass-manufacturing facility.

These insane subsidies draw down the public finances. At the same time, Wal-Mart decimates the tax-base through other methods:

- Many stores which, unlike Wal-Mart, did not get tax breaks, are closed. This causes the loss to many states of sales taxes, and to all states of corporate profit taxes.
- Workers at established stores closed by the Wal-Mart effect, who were paid higher wages than workers at Wal-Mart, have been fired, reducing state income taxes.
- Wal-Mart's outsourcing caused the loss of 1-1.5 million manufacturing production jobs, and thus cost the taxes that these workers and the manufacturing plants that they worked at, would have paid.
- States and cities often have to finance downtown revitalization programs for the areas devastated by Wal-Mart.

Wal-Mart certainly produces a wealth effect: loss of wealth. Walk through any community downtown with its empty or boarded-up stores, to see the Wal-Mart effect.

EIR November 21, 2003 Economics 9

LaRouche Puts Spotlight On Veterans' Healthcare

by Carl Osgood and Linda Everett

The Bush Administration's so-called war on terrorism, and its consequent military actions in Afghanistan and Iraq, have made its policies on the treatment of veterans, including veterans of its military actions, lightning-rod political issues on Capitol Hill, especially for Democrats. The importance of the veterans' healthcare system was sharpened on Oct. 22 by presidential candidate Lyndon LaRouche, who made restoring the Veterans Administration's hospital system among the first actions he will take upon assuming the Presidency. The Bush Administration, meanwhile, has been implementing the opposite policy, dismantling the veterans hospital system and working to block Congressional initiatives to improve veterans' benefits overall.

Secretary of Veterans Affairs Anthony Principi, on Nov. 7, described the Administration's CARES program—the Capitol Asset Realignment for Enhanced Services plan—as a "comprehensive 20-year plan to update the VA's legacy infrastructure... to meet the needs of 21st-Century veterans, to keep the VA on the cutting edge of medicine, not the trailing edge of the century gone by." He complained that many VA facilities "were designed for the hospital-centric health care system of the past, rather than patient-centered modern medicine." He said that for the VA to properly care for "21st-Century veterans," it "must be able to respond to the revolutionary advances of modern medicine, including improvements in technology, telemedicine, telehealth, digital radiology, drug therapies, modalities of treatment."

Veterans' groups are not buying the CARES plan as an improvement in the services the VA is supposed to provide. Under the plan, seven hospitals are to be closed: in Canandaigua, N.Y.; Pittsburgh, Pa.; Brecksville, Ohio; Waco, Texas; Livermore, Cal., Gulfport, Miss.; and Lexington, Ky. While two new hospitals are to be built and outpatient clinics expanded, thousands of hospital beds will be lost, and tens of thousands of veterans will be forced to travel long distances for care, when many are too elderly or sick to make such trips. Staff who are highly experienced in taking care of veterans' needs will be dispersed. Veterans are already underserved, even without the CARES plan, from lack of staff, resources, and beds. As the elderly veterans need more services, and the injured from Iraq and other military operations return needing veterans' medical services, VA capacity is shrinking.

A case in point is the Veterans Medical Center in Waco targeted for closure by the CARES plan. This 346-bed facility,

including 278 psychiatric-care beds, is considered the most comprehensive VA psychiatric hospital in the nation, and the only one in Texas for long-term psychiatric care—as also, for the rehabilitation of blinded veterans. It serves tens of thousands, employs a staff of 800, and is 90% occupied. Its closure would drive these patients to other cities, including the thousands who require daily outpatient care; or, the VA will privatize their care, and/or unload elderly nursing home patients into whatever facility Medicare would allow. The barbaric thinking behind this policy was exposed by Jim Garrett of the Texas Veterans of Foreign Wars at an October hearing on CARES. He quoted Veterans Affairs Secretary Principi saying that "Warehousing mental patients is old-fashioned. With the advances in medicine, we can now give them a pill and send them home to their families."

The planned shrinkage of the VA medical system is part of the broader take-down of the healthcare and public health infrastructure of the nation. It is the dumping of thousands of chronically ill and elderly, that LaRouche vowed, in his Oct. 22 webcast, to reverse.

On Capitol Hill, the veterans' healthcare issue is burning hotter than ever, in part, because of the well-publicized mistreatment of many Iraq war veterans returning to the United States, especially members of the National Guard and the Army Reserve. On Nov. 6, Sen. Christopher Bond (R-Mo.), who, along with Sen. Pat Leahy (D-Vt.), co-chairs the Senate National Guard Caucus, inserted into the Congressional Record a report on the condition of about 650 National Guard and reserve troops at Fort Stewart, Ga. on medical hold status. About two-thirds of them had been medically evacuated from Iraq with injuries and illnesses, whereas the remainder had been disqualified from deployment for pre-existing medical conditions. All were being kept in poor housing conditions, and had been waiting months for their status to be resolved. Members of Congress in both Houses used the Fort Stewart scandal as the impetus to pass legislation, and funding, to allow members of the National Guard and the reserves to buy into the Pentagon's Tricare health insurance program for active-duty soldiers, in spite of veto threats from the White

On Veterans Day, accompanied by Senators Patty Murray (D-Wash.), Debbie Stabenow (D-Mich.), and Mary Landrieu (D-La.), Leahy appeared before reporters to support making veterans' healthcare a mandatory entitlement, so that it would not be subject to the annual appropriations process. The "Veterans' Healthcare Funding Guarantee Act" has been languishing in the Senate Veterans Affairs Committee since it was introduced in January. Murray said that passage of the bill would make veterans' healthcare "an automatic priority for our nation."

But the Fiscal 2004 budget for the VA is still unresolved, with Democrats vowing to fight for an additional \$1.8 billion for veterans' healthcare that they say was promised in this year's budget but not included.

Boost Infrastructure To Speed Up Growth

by Ramtanu Maitra

The Confederation of Indian Industry (CII) on Nov. 11 revised projections for the growth of Indian economy in fiscal 2003-04 to 7.2%—up from the 6.8% forecast during the Summer. CII chief economist Omkar Goswami attributed the increase to an "excellent monsoon, higher than expected food grain growth and agricultural income, and significantly better performance of the industrial, manufacturing, and service sectors." The breakdown of the growth rate predicted by the CII indicates that the agricultural sector, which accounts for 24% of India's GDP, would grow by 7.5%; the industrial sector (26% of GDP) by 6.3%; and the services sector (almost half of GDP) by 7.5%.

Although a 7.2% growth rate is a definite improvement over the last year's 5.7%, it is evident—and Goswami spelled it out in no uncertain terms—that to sustain this growth rate in the future, India would need to concentrate on building infrastructure.

Performance varies widely from state to state. The states of Andhra Pradesh, Gujarat, Karnataka, and Tamil Nadu—all having better infrastructure than most other states—have recorded close to 10% growth over the last five years. On the other end of the spectrum, Bihar, Orissa, Jharkhand, and Assam—all with poor infrastructure—have been close to a 4% growth rate.

At the same time, there is now in India a new self-confidence, based on the country's steady trade growth, despite worldwide economic recession, and a positive outlook in business expectations.

New Delhi's Illusions

The growth figures, however, fall significantly short of what the recently published Tenth Five Year Plan for 2002-07 had projected. Goaded by the Vajpayee government to come up with a growth rate which would be able to find employment for 10 million or so Indians who join the job market every year, the Planning Commission decided on an 8% annual growth rate. This was a bold announcement, in light of the fact that the government had shown no intent to create a reserve fund (separate from annual budgetary allocations) to accumulate the vast sums needed for development of India's decrepit infrastructure—education, health care, railroads, power and water supply, in particular. The 8% fig-

ure also meant that those states which are growing at a rate of 4% or so, would suddenly find it possible to double their growth rate.

The present multi-party coalition government, led by the Bharatiya Janata Party (BJP), will have to go to the polls before October 2004. Having emerged on the Indian political scene in 1998 as the instruments of change, after the country had gone through almost 45 of its 51 years of existence under one-party rule by the Congress Party, the BJP was not short on promises. But it is evident that the BJP-led government has done little to satiate the Indians' demand for growth and yearning for a less uncertain life.

The failures of the BJP-led government's economic policies were not so much in what they did not do, but in what they could have, and should have, done. This is especially evident in light of the growing economic muscle of China. In the early 1980s, India and China were almost at par economically; but in the last 18 years or so, the economic balance has shifted dramatically in favor of China. The Chinese leadership, despite the umpteen obstacles they faced, remained steadfast in bringing up their country's physical infrastructure, qualitatively and quantitatively.

In contrast, India moved slowly forward, undeterred by economic recessions and booms elsewhere in the world, doing little to strengthen the cornerstone of its economy: infrastructure. Now, more than ever, Indian businessmen and wage earners put the blame squarely on the succeeding governments for the decrepit infrastructure and relatively low economic growth.

Beside its "benign neglect" of the key sub-sectors of infrastructure, the BJP-led government went on to foster a lot of illusions—illusions that were not their creation, but which they latched on to nevertheless. The administration has serious shortcomings in its understanding of the real problems facing an economy which is as large and diverse as that of India. Moreover, belonging to the opposite end of the economic ideological spectrum dominated by the socialists and the liberal Fabians for decades, the BJP had all along been a strong proponent of less government regulations and more private sector interventions. The administration defines privatization as a panacea for all economic ills, and Prime Minister Atal Behari Vajpayee has pursued this mirage with utmost devotion. As a result, economic growth suffered, the employment situation failed to improve, and more damage was inflicted on the basic sectors.

In the Indian context, privatization and disinvestment are one and the same thing. The objective of privatization was ostensibly to unshackle the growth potential of the facilities involved, and to use the proceeds from the sale of publicly owned shares in enterprises, to bring money into the central government's coffer for developmental requirements. Both these goals have been exposed as illusions.

To begin with, the disinvestment money was never put into any pool to take care of India's physical economy; in-

EIR November 21, 2003 Economics 11

TABLE 1 India's Fiscal Deficit (% of GDP)

	Combined	Center	States
1990-91	9.4	6.6	3.3
1996-97	6.4	4.1	2.7
2000-01	9.9	5.7	4.5

Source: Reserve Bank of India

stead, it went to reduce the annual budget deficit—otherwise known as the "bottomless hole." India's disinvestment policies have scarcely generated more than \$2 billion revenue in any given year. But even that amount, over 10-15 years, would create a significant fund for developmental activities. On the other hand, India's fiscal deficit is close to \$50 billion, and rising (see **Table 1**). With such a huge fiscal deficit, in a country where the tax base is still very low and budgetary requirements very high, pumping the disinvestment money in to reduce the huge gap serves nothing. It merely takes away the funds which could have been used for development of the physical economy.

Poor Execution

Despite the central government's disinvestment of 10% of the equity of the public sector enterprises (PSEs), this has made no impact on the reduction of government debt. Nor has it helped the performance of the disinvested public enterprises, even where majority shares of such enterprises were sold. In addition, the procedure that was adopted to sell the shares of the PSEs has raised questions. Analysts pointed out that by announcing the outfits to be divested, the central government was responsible for bringing down the share prices, making the sale more profitable to the private buyer and less so for the central government. Moreover, disinvestment was made at a time when India's capital market was suffering from slow growth of the overall economy.

On the other hand, efforts to ensure that public enterprises improve their managerial efficiency do not get sufficient priority, although some of the best-run companies in India, such as the Indian Oil Corporation (IOC) and National Aluminum Corporation Ltd. (NACL), are still in the public sector. A Ministry of Finance report shows that in 1991-92, the 237 PSEs recorded the ratio of gross profit/capital employed as 11.6%, while 235 PSEs in 1998-99 raised the figure to 14.6%.

While there is a consensus that disinvestment must go hand in hand with strengthening managerial efficiencies and the technological base of the PSEs, the actions of the BJP-led government go against this. Even India's Supreme Court, which stopped the privatization of India's two top revenuegenerating companies—Hindustan Petroleum Corp Ltd

(HPCL) and Bharat Petroleum Corp Ltd (BPCL)—has implicitly questioned why profitable PSEs should be hawked.

Yet another pointer is the fact that, as India's private sector has become globalized, so have many government companies, such as Oil and Natural Gas Company Videsh (overseas), Indian Railway Construction Co, and Engineers India Ltd, while remaining profitable. This simple fact raises a political question, whether the government could have been more circumspect on the privatization issue. But the government has not been able to spell out a clear policy on the matter.

New Mantras

The second illusion of the present Indian administration is the increasingly heavy dependence on the service sector for economic growth. It is not that the Indian service sector cannot enjoy sustained growth; but it is almost impossible to find a historical case where service-sector growth was sustained without a buoyant industrial sector, which, in turn, depends mainly on well-functioning physical infrastructure.

The proponents of service sector-based economic growth point at India's success with Information Technology. Of the four sectors of the IT industry—the production of main frame, network and PCs in the hardware sector, as well as their operating systems and service providers in the software sector, India serves only the last one.

New Delhi is expecting a huge contribution of the IT sector in the employment of educated youth in the coming years. According to recent reports, India's software sector added 130,000 personnel in fiscal 2002, bringing employment in the sector to 650,000. The National Association for Software and Services Company (Nasscom) had predicted earlier that the IT-related employment would be as high as 1.41 million by April 2005. It is almost a certainty that the numbers were highly exaggerated.

Similarly, a Nasscom-McKinsey report on annual revenue projections for India's IT industry in 2008 pegs the number at \$87 billion. By the end of Fiscal 2002, annual revenue of the same was about \$16.5 billion—a tidy sum, but one which requires almost a magical growth rate to achieve what is being projected for 2008. Such optimism is also expressed in the export potential of the IT sector. While the export earnings by the sector were \$7.2 billion last fiscal year, the Nasscom-McKinsey report projects that exports will shoot up to \$50 billion in 2008. Out of 181 countries, nine account for the bulk of India's electronics hardware and software services exports in 2002-03. The United States accounted for 58% of total exports, followed by the United Kingdom with 13%, Germany with 4%, and Singapore and Japan with 3% each, it said.

What the analysts tend to overlook, is that all the major importers of India's IT services are in deep recession. A straight extrapolation of growth in such a recessionary condition is a gross mistake.

Over the last four years, Cabinet ministers have made it a mantra to announce at every opportunity how well the economy is doing, citing India's high foreign exchange reserves. In 1991, India's foreign exchange reserves were less than a billion. With more than \$90 billion in foreign loans at the time, and a perpetual trade imbalance, New Delhi was under massive financial pressure from abroad. It is therefore no mean success to build up foreign exchange reserves to more than \$90 billion by the Summer of 2003. The upswing is mainly attributable to the resurgence in exports in the last four quarters; increase in capital inflows, including foreign investment; and appreciation of the rupee. Further, the reduction in the current account deficit (from a deficit of \$1.3 billion in 2001 to a surplus of \$2.5 billion in 2002) contributed to a 20% increase in reserves.

However, the question is not how high the reserves are, but whether the \$90 billion-plus has been put to good use. It must also be noted that around \$50 billion of these reserves is "hot money." Once the hot money component is omitted, the actual reserves are around \$40 billion. Most of the foreign exchange reserves were kept parked abroad. doing little to help the Indian economy.

Does it make sense for India to hold such high reserves and keep them virtually idle, earning a meager 2-3% interest? Being a developing economy with a large and growing manufacturing sector, India's import demand is going to be continuously high in the coming years, and will require large foreign exchange reserves, especially when export growth may not be able to keep pace with import demand.

Therefore, India must begin to use much of these reserves for import of capital goods and technology. Part of the inflows could also be used to replace external commercial borrowings (ECBs). Thus, the contradictory situation, where there is more commercial borrowing (large foreign exchange inflows) and lack of demand for domestic rupee resources, can be avoided. Further, a sizeable proportion of resources, taking the stock of foreign reserves available, can be used for domestic investment, particularly in building up India's infrastructure.

Need for Investment

The task before the Indian political leadership is to generate off-budget sources for funding an infrastructure build-up. According to Indian economist Prahlad Basu, India needs immediate investment of at least \$100 billion to meet the current gap between supply and demand in electrical power, telecommunications, roads, and bridges. If one adds to the list the modernization of railroads, education, health care, and port development, the financial requirement could be as high as \$300 billion.

The low growth rate of industry over almost 12 years has created a massive investment famine, in a country where the real cost of capital remains as high as 8%. The plethora of local taxes, as well as the emerging competition from China

TABLE 2
Foreign Direct Investment Inflows
(\$ Billions)

	1996	1998	2000	
India	2.6	2.6	2.3	
China	40.2	43.8	40.8	
Brazil	10.5	28.5	33.5	
Malaysia	7.3	2.7	5.5	
South Korea	2.5	5.4	10.2	

Source: UNCTAD, World Development Report 2001: Promoting Linkages.

after the abolition of restrictions on imports which took effect in April 2001, are further causes of investment famine.

Confronted with this situation, the central government resorted to absurd promises, such as to bring in more and more Foreign Direct Investment (FDI) in the coming years to build infrastructure.

In its World Investment Report, 2003, released recently, UNCTAD said that FDI flows to India rose from \$3.40 billion in 2001 to \$3.44 billion in 2002, sustaining its position as the largest recipient in South Asia. UNCTAD also said that though India and China both received increased FDI flows, their performance had been strikingly different. While China would continue to be a magnet of FDI flows and India's biggest competitor, FDI flows into India were set to rise, helped by a vibrant domestic enterprise sector, if policy reforms continued and the government remained committed to attracting FDI. In fact, China attracted seven times more FDI than India in 2002, its share being 3.2% of its gross domestic product (GDP) compared with 1.1% for India (see **Table 2**).

What New Delhi never tells its citizens, is why the FDI bypasses India. It would like to give the impression that the much-needed infrastructure would be taken care of, once the FDI starts flowing in. But there are a number of reasons why the FDI will not flow into India the way it does to some other countries.

To begin with, in many developing countries, a lot of FDI has gone into export-oriented manufacturing industries which supply the global markets. The Indian economy, on the other hand, is not an export-oriented economy—for good or ill. The reasons include its labor laws, its policy of small-scale industries reservations (instead of going for modernization of these industries), the weakness of its infrastructure base, and a slow-moving bureaucracy. In addition, while craving FDI, India sets caps on foreign equity holding in the telecom, airline, banking, and insurance sectors, amongst others. It is to be noted that the foreign direct investors, many of which are financial predators, look for buying up well-oiled manufacturing or service-sector outfits. The setting of caps on foreign equity holding surely keeps the predators at bay, but, at the same time, reduces the FDI potential in the country.

EIR November 21, 2003 Economics 13

Business Briefs

Energy

World Needs \$16 Trillion Investments by 2030

According to a study released by the International Energy Agency (IEA) on Nov. 5, about \$6.6 trillion in energy investments will be needed in the OECD countries, \$3.2 trillion for the United States and Canada alone. Russia and other "transition" countries account for \$1.6 trillion in energy investment needs. And about \$8 trillion of energy investments are required in the developing sector, including \$2.3 trillion in China alone; another \$2.5 trillion in other Asian countries; \$1.2 trillion in Africa; and \$1 trillion in the Middle East. The report, "World Energy Investment Outlook," was released on Nov. 4 at the IEA's Oil and Money Conference in London

A substantial part of the \$16 trillion will be needed "simply to maintain the present level of supply. Oil and gas wells are depleting, power stations are becoming obsolete, and transmission and distribution lines need replacing. Much of the new production capacity brought online in the early years of the projection period will itself need to be replaced before 2030. In total, 51% of investment in energy production will be needed simply to replace or maintain existing and future capacity."

The IEA figures are based on rather conservative projections of future demand. The report emphasizes that even in the case the full \$16 trillion is spent on energy infrastructure, there will still be "1.4 billion people without access to electricity in 2030," compared to 1.6 billion today. "Advanced technologies being developed today, including carbon sequestration, hydrogen, fuel cells, and advanced nuclear reactors, could dramatically alter energy investment patterns and requirements in the longer term."

Financing

Thailand Offers Myanmar Transportation Loan

Bangkok's *The Nation* reported the offer of a low-interest loan made by Prime Minister

Thaksin Shinawatra in his visit to Rangoon Nov. 10 for a meeting with his counterparts from Cambodia, Laos, and Myanmar (Burma). Thaksin was to meet with Myanmar Prime Minister Gen. Khin Nyunt. Thailand is expected to offer Myanmar about \$50 million (1.9 billion baht) in the form of aid, and a low-interest loan to support the construction of transportation links between the countries, Thai Deputy Prime Minister Korn Dabbaransi said Nov. 4. The grant will fund construction of an 18 kilometer-long stretch linking the Thai border town of Mae Sot and the Myanmar town of Myawaddy.

Korn said an additional \$445 million will be granted in the form of a low-interest loan. Thailand also wants to jointly develop plantations for corn, potatoes, beans, and bamboo shoots in Myawaddy. Thai businesses, including members of the Thai Chamber of Commerce, have agreed in principle to buy the produce from the plantations. Thailand has also agreed to support a study into the construction of a deep-seaport at Myanmar's Tavoy, and is studying commercial feasibility.

Transport

Russia Building Up Corridor to India

Russia is striving to increase traffic along the North-South transport corridor Russia-Iran-India, by building bigger container terminals on the Caspian Sea and a 50-km railway to link the Caspian Port of Olya with Russia's national rail network by 2005, *The Hindu* reported on Nov. 8. This was announced by Deputy Transportation Minister Chinghiz Izmailov on Nov. 7.

This corridor, first put forward for development by the Russian Transport Ministry in early 2001, is a "North-South Eurasian Land- and Sea-Bridge"; it links and upgrades railroads running from European Russia down through Iran to the Indian Ocean—including Caspian port facilities upgraded for more rapid and efficient freight movement—and then links by sea to the Indian port of Bombay.

A new container terminal was opened at the Caspian Sea port of Olya last month, and an even bigger terminal is being built at Makhachkala port. The Olya terminal, near Astrakhan, can handle 20,000 TEU (twenty foot-equivalent units) containers per year, whereas the Makhachkala Port will be able to handle 30,000 TEU containers by the end of 2003.

Also, the government has cut port calling tariffs by 45% to encourage use of the new terminals. Izmailov told *The Hindu* that "much depends now on the activity of Indian and Russian trade partners." He called on India and Russia, when Prime Minister A.B. Vajpayee visits Russia in mid-November, to set up a joint carrier company to operate the route. "It would obviously make sense if Indian and Russian companies give thought to establishing an international consortium for container shipment along the North-South Transport Corridor."

Reconstruction

Iraq's Economy Already Being Hyperinflated

"America brought us freedom...to go back to the Stone Age," lamented a skilled Iraqi worker quoted by the *Wall Street Journal* on Nov. 12; he had had to build a new roof out of mud for his house, located in a now-impoverished Baghdad neighborhood of well-built concrete houses. He couldn't afford to buy concrete because the U.S.-led occupation's buying power has sent the prices of cement—once the cheapest in the region—and of building iron, soaring. Concrete is requisitioned for U.S. military uses: runways, military housing, and defense walls.

Compared to the pre-war subsidized price of \$10 per ton, Iraqi cement now costs \$80 per ton, more than double the factory price in nearby Lebanon or Turkey. In addition, cement production is a mere one-sixth of its pre-war level. Deregulation of cement prices, part of coalition plans to remove Iraqi subsidies, is another reason for the sticker shock.

Some officials of the U.S.-led occupa-

14 Economics EIR November 21, 2003

tion authority fear that the planned price rises for fuel and basic foodstuffs in next year's budget will lead to riots, and more attacks on U.S. troops. "We've created a new economy and then inflated it out of the reach of ordinary Iraqis," said a U.S. military coordinator with the Iraqi government. "It's crazy."

"No clear reconstruction program has started yet," insisted Walid Khidr, a top advisor to Iraq's industry minister.

China

Beijing-Shanghai May Be High-Speed, Not Maglev

China may not use magnetic levitation technology for the full route of the Beijing-Shanghai high-speed railroad, according to reports in the Chinese press. Also, the Chinese Foreign Ministry has denied that China will build a power plant on the Yarlung Zangbo (Brahmaputra) River in Tibet.

According to a Sept. 28 report in People's Daily, "Feasibility studies on the [former] project are under way. . . . Earlier, related experts pointed out that if maglev is adopted, the total cost will amount to 400 billion yuan, or 300 million per kilometer (about \$35 million). Whereas the use of rail technology will cost a total of 130 billion yuan, 100 million yuan per kilometer. The Economic Newscast of CCTV quoted a personage from the Ministry of Railways saying that under the contract, construction of the project will be divided into several parts. For instance, track-laying will be undertaken by Chinese enterprises, while rolling stocks respectively by firms of Germany, Japan, and France through competitive bidding. Of these three source-lands of highspeed railways in the world, Germany puts emphasis on maglev technology, while Japan and France take rail technology as primary."

India's Press Trust reported that the Chinese Foreign Ministry on Nov. 6 said that China would not build a power plant on the Brahmaputra. "We don't have any plan to build a power plant on the river," Chinese Foreign Ministry spokeswoman Zhang Qi-

yue said, in response to a journalist's question. Since no power plant is planned, she said, there was no question of signing any agreement with countries like India and Bangladesh.

The river called the Yarlung Zangbo in Tibet, flows into India and Bangladesh, where it is named the Brahmaputra.

Venezuela

Economy Sinks Under The IMF and Chávez

According to Venezuelan media and first-hand reports from that country in the second week of November, its economy is falling rapidly from a combination of International Monetary Fund forced shrinkage over a decade, and the lunatic rule of President Hugo Chávez.

Venezuelan purchasing power has fallen as much as 7.3% below what it was 50 years ago. according to a study just issued by the UN Development Program (UNDP) and reported in the daily *El Nacional* of Nov. 10, According to another report by the Venezuelan Teachers Federation, the average family income now covers only 39.7% of the requirements for the most indispensible food, goods, and services.

On-the-scene reports contradict claims by the Chávez government that the health of the population has improved as the result of his "import" of Cuban doctors (the majority are paramedics). Medical services, in particular, are collapsing, residents say, to the point that patients at public hospitals are forced to bring everything with them, from cotton pads to blood to syringes.

According to a report by the UN's Economic Commission on Latin America, Venezuela's economy contracted 27.6% in the first quarter of this year, helped along by the effects of the nationwide strike in the beginning of the year which was unsuccessful in ousting dictator Hugo Chávez from office. The economy fell an additional 9.4% in the second quarter, putting Venezuela below even Argentina as the Ibero-American economy with the severest recession on the continent.

Briefly

SHANGHAI'S final testing of its magnetic-levitation train line was successful. With Nov. 7's new speed record reached on the track between Shanghai and Pudong Airport, the German-Chinese maglev train ran at 471 kilometers (about 280 miles) per hour along the 34-kilometer distance. Here, as well as in other tests during the past weeks, no major problems have been noted; so that with some additional preparations that have to be made, full commercial service of the two-way track can begin, on schedule, at the beginning of 2004. The Shanghai project is the first of this kind, worldwide.

GERMANY'S Red-Green government's pension cuts provoked the first-in-Germany's-history protest rally of mayors on Nov. 5. Nearly 200 mayors from throughout Germany rallied in Berlin. The action, by the Social Democratic-Green Party government of Chancellor Gerhard Schröder, is also a first ever: It voted up a freeze on pensions for 2004 and a new rule that pensions be paid only at the end of a month, from 2004 on. This is the first real net pension cut in Germany, since the 1957 pension legislation.

ITALY was advised to go back to nuclear energy, in a report presented on Nov. 1 by the International Energy Agency's Director Claude Mandil, to Italy's Industry Minister Antonio Marzano. The report recommends that Italy reverse its dependence upon imported electricity—which is now 17% of all power use, and has resulted in national blackouts—and that it "restart the public debate on its nuclear power option."

UNEMPLOYMENT continued to increase in France through September, with 2.435 million registered jobless, for a national official unemployment rate of 9.7%. The figure is up 25,000 from August, and 130,000 from September 2002. France is as hamstrung by the European Union's "Maastricht Rules" as Germany, with its 10.4% national unemployment rate.

EIR November 21, 2003 Economics 15

EIRFeature

SCIENCE AND ECONOMIC CRISES

The Pagan Worship Of Isaac Newton

by Lyndon H. LaRouche, Jr.

October 20, 2003

Preface: The Curse of Modern Empiricism

The most common source of the great, truly tragic failures of official society's attempted practice of physical science, are found in the chasm which separates science pursued merely as a professional occupation, from science pursued as a mission for discovery of truth. In the first case, the professional asks, "Will it be accepted? Will it work?" In the second case, he asks, "Have I proven that this is actually true?"

Forget the customary academic double-talk! Forget what your peers say! "Is it really true? Do you really know it to be true, or do you merely expect that your peers will share your wish to believe that it is true? Do you believe it, only because you fear ridicule if you do not?"

"Should you actually believe in what you propose?" For the so-called "practical mind," the usual philistine of business, politics, or science, the difference between the two may be thought to be slight, even of merely trivial significance. On the contrary, between the two states of mind there is a gulf, a deep gulf, and one which is almost unbridgeable, a gulf which represents what is often a tragic difference, not only for the scientist, but for the culture itself.

In today's politics, for example, I am confronted currently by nine pathetic rivals for the Democratic Party's 2004 U.S. Presidential nomination. Some of these are intelligent and capable legislators, but as Presidential candidates they have been, so far, a pitiable pack of pure disaster. Among those few of that pack worth mentioning, the problem is not that they lack the intelligence-potential for a reasonable understanding of the issues of war, economics, and social justice which menace our republic today. The problem is, that in their roles as candidates, they lack the





"The fraudulent defense of Isaac Newton, on an issue of mathematics, became a central feature of the Eighteenth-Century, and presently continuing attack on the political movement which led into the U.S. 1776 Declaration of Independence." The great Benjamin Franklin (left) worked with Europe's Leibnizian circles, notably the mathematician Abraham Kästner. Newton (right), the dabbler in black magic, was promoted to become a cult figure by Paolo Sarpi and his followers.

simple "guts" even to address these issues publicly, just as they have each and all shown the lack of "guts" to debate relevant matters such as the current, systemic economic crisis publicly with me, a nationally leading candidate for the nomination, and, on the public record, the world's leading longrange economic forecaster of the past several decades to date. The general type of psychopathology responsible for this emotional failure by those otherwise capable persons, is of crucial significance for understanding those specific matters of economic science on which our attention will become focussed in the body of this report.

For this occasion, I shall now precede the presentation of my proposed solution for that problem with a description of the principal source of relevant expressions of the presently continuing scientific incompetence often met among leading university-trained economic professionals and others today. Hence, the immediately following prefatory summary of the modern political history of this problem of physical scientific practice. After that summary, I shall turn, in the body of this report, to the meat of that problem as reflected in the crisis of the presently onrushing breakdown of the world's present monetary-financial system.

For that purpose, I devote this preface to the exemplary, tragic case of a very famous, professed devotee of Isaac

Newton, Leonhard Euler.

Given Euler's extensive accomplishments in mathematics as such, his sundry attacks on Gottfried Leibniz's uniquely original discovery of the infinitesimal calculus, were not merely wrong, but a fraud, a dirty lie. For more than two centuries, Euler's sundry—each vicious—hoaxes against Leibniz, have been copied, more or less directly, by a majority among our culture's relevant textbooks and classrooms. Today, those false premises which Euler had employed have become an implicitly self-evident dogma, even for many professionals. The notable, if radically extreme examples of that dogma, include the influence of such acolytes of the pathetic Ernst Mach and thoroughly evil Bertrand Russell as Norbert Wiener (the "information theory" hoax), John von Neumann (the "systems analysis" and "artificial intelligence" hoaxes), and also the latters' dupes, still today.

All dirty lies!

As I shall show, these hoaxes by Euler and his empiricist followers may not have caused all of the leading systemic incompetencies of today's university and related professional training in the subjects of economic policies; nonetheless, they did cause much of it, and they typify the erroneous method which has been the principal cause of the rest.

Euler's fraud was premised on the version of empiricism

associated with such followers of that influential Paris-based Venetian, Antonio Conti, who played a guiding hand, from Paris, in transforming what had been a relatively obscure dabbler in black magic, Isaac Newton, into a Voltaire-backed celebrity of the Eighteenth-Century British-French "Enlightenment." Although the system of moral corruption known as empiricism had been introduced to Seventeenth-Century England and France by the influence of Venice's Paolo Sarpi on such Anglo-Dutch and French figures as Sir Francis Bacon, Thomas Hobbes, René Descartes, and John Locke, it was the 1688-89 capture of the British Isles, as led by the Netherlands India Company's William of Orange, and the related political and military developments of 1689-1714, which gave new twists to Sarpi's neo-Ockhamite doctrine. It is only from this point of historical reference, that we are able to situate the present-day political significance of reductionists such as Euler, Lagrange, Kant, Laplace, Cauchy, et al. for reference.

The clinical characteristic common to most of the foregoing, or similar cases of behavior from among academics and the like today, is that person's hysterical blindness to what should have been obvious to him as folly in choice of method. Such behavior from among professionals, or the like, can not be fairly classed as anything but psychopathological "hysteria." The irrelevant kind of emotional outbursts which often color the polemics of such persons, must be recognized as just that. Their outbursts often reflect passions which were better attributable to neuroses, or worse, than issues of substance. In the matter of their worship of their demigods, such as Newton, Euler, Lagrange, Laplace, and Cauchy, many devotees even among professionals, are, as I shall show here, no better than religious fanatics.

This pathology among professionals is usually expressed as follows.

The referenced frauds by Euler et al., typify cases in which formal, deductive-inductive consistency is employed as such a kind of sleight of hand. The crucial point to be made in diagnosing those tricks, is that that person's deductions are controlled by the reductionist's use of essentially fictive (e.g., a priori) forms of "self-evident" definitions, axioms, and postulates. Such are the fictions of Euclidean geometry, of the empiricist's William of Ockham, or Descartes. As in the case of the widespread corporate folly of substituting what is called "benchmarking" for actual engineering design, these fictions have been used by them as a relatively cheap replacement for that experimental proof of principle which is required to define any rational form of elementary proposition of mathematical physics. Scholars of modern literature should recognize that kind of behavior among mathematicians as something from English academic life of early Eighteenth-Century Britain, which Jonathan Swift described in his allegorical account of the Voyage of Lemuel Gulliver to Laputa.

In the longer history of European mathematics, the form of the issue posed by hoaxes such as Euler's, is traced back to ancient sources such as the Sophists, or, to the same effect, the method of rhetoric employed, against Plato's work, by Demosthenes' pupil Aristotle. All the most famous modern hoaxes of European professional mathematical physics, are derived from the sophistry of Aristotle, either directly, or as Paolo Sarpi's founding of the more radical sophistry of modern empiricism echoed the medieval irrationalist William of Ockham.

'Power' Versus 'Energy'

Take the Classical conflict between the concepts of "power" and "energy" as a most appropriate illustration of that point.

The crucial issue of contemporary mathematical physics posed by that Plato-Aristotle conflict, that summarily detailed by my associates Mr. Antony Papert and Dr. Jonathan Tennenbaum, is a pivotal point of the deadly controversy, on the subject of geometry. Where Plato writes what modern usage translates as "power" (dynamis), or the Kraft of Leibniz's German, Aristotle writes "energy." The two terms, "power" or "energy," so employed, signify directly opposite meanings, and refer to directly opposite kinds of objects: Power represents the role of universal physical principles in being the cause of a specific quality of action; Aristotle's notion of energy, as brought into modern practice by such empiricist opponents of Carl Gauss, Wilhelm Weber, and Bernhard Riemann as Clausius, Kelvin, Grassmann, Helmholtz, Maxwell, Boltzmann, and the pack of radically reductionist, positivistic fanatics associated with the cult of Ernst Mach, et al., represents an effect.

"Power," as Plato emphasizes, is typified by what the Pythagorean Archytas demonstrated as the solution for doubling the cube by nothing but geometric construction. "Power" signifies the practical effect (e.g., physical effect) of employing the discovery of an experimentally defined universal principle to effect a qualitatively superior outcome of some human action upon our universe. Aristotle's "energy," as adopted by the Nineteenth-Century authors of a reductionist mathematical thermodynamics, is an irrational "demon," such as that Maxwell demon who exists only under the floorboards of bad dreams. Modern sophists insist, as sophists would be expected to do, that these empiricists were speaking as scientists; the truth of the matter is, that these were sophists substituting a nasty sort of religious belief for science. The religion in question is properly identified as "demon"worship.

For example, Bernard Mandeville's *The Fable of the Bees* argues that the unleashing the willful "demon" of individual wickedness ("vices") of individuals makes society prosperously happy. Physiocrat François Quesnay's notion of *laissez-faire*, and Adam Smith's plagiarism of Quesnay's *laissez-faire* as "free trade," proffer exactly the same worship of the irrational "demon" vice as does Mandeville's *The*

*Fable of the Bees.*¹ To the same effect, radical positivist Norbert Wiener invoked the powers of "Maxwell's demon" to found his "information theory" hoax.

"Power," as defined by the arguments of Plato and Leibniz, is typified by the principled discoveries of physical chemistry, through which we have progressed from use of simple solar radiation, through the higher, Promethean power represented by controlled use of fire, through the successively higher powers represented by rotating machinery, and through use of nuclear and thermonuclear reactions. Each of these steps takes society upward in respect to man's power over his circumstances, per capita and per square kilometer. This progress is accomplished through those discoveries of principle by means of which we deploy the same effort to achieve a qualitatively more effective result. Plato's concept of power, is the principle underlying the successful performance of the practice of technology in bringing about the very existence-in-fact of all successful phases of modern European political-economy.

This notion of power may be traced for today directly from the Pythagoreans' use of a pre-Euclidean method of constructive geometry, a method derived from that ancient progress in astronomy which they named "spherics." It was from viewing the visible heavens as a display of motion within a spheroidal space of very, very large diameter, both as astronomy, and as the related matter of principles of transoceanic navigation, that a Classical Greek culture of such as Thales, Solon, and Pythagoras, one informed by the magnificent Egyptian knowledge to be read from the design of the Great Pyramids, introduced the concept of "efficiently universal principles" to European civilization. That crucial point should be restated for clarity, as follows.

The Pythagorean school of pre-Euclidean, Classical geometry, adopted the crucial paradoxes of a constructive geometry as typifying the effect of the action of universal physical principles. Thus, they associated the notion of universality with the behavior of the spheroid universe perceived around us, and defined universal physical principles as those unseen causes which generate the lawfully recurring anomalies of the observed "spheroidal" domain. So, for Kepler, the paradoxical apparent back-looping of the Mars orbit, reflected the role of universal gravitation in the organization of the relations among the planets of our Solar system.

Thus, they asked such elementary questions as: 1.) Define

the meaning of a line. Now, attempt to construct the doubling of a length of such line within the bounds of "lineness" so defined. Ah! We must proceed to an added, higher principle, the notion of a surface: lines as determined by surfaces. 2.) Double a square by construction, not arithmetic. The paradox of irrationals now supersedes simple linearity. A mean principle, between the original square and its double must be defined. 3.) Now, to double a cube by construction; the so-called Delian Paradox requires a successive pair of mean actions. The actions by which we may proceed from an apparent line, to a surface, and from a surface to a solid, are required to deal with the universe as presented to us in an intrinsically paradoxical form by sense-perception. Thus, these principles of constructive geometry's domain of astronomy-cued spherics, are efficiently universal physical principles, principles which are expressed as phenomena of constructive geometry, examples which show us the physical-experimental basis on which the existence of a competent (e.g., Gauss-Riemann) mathematics depends.

A special, fourth case, beyond the line, surface, and solid—that of the uniqueness of the constructability of a series of Platonic solids—shows us, as both Plato and Kepler famously illustrated this point, that the physical universe is not a self-evident sort of empty space invaded by particles—not the space of "action-at-a-distance." The universe, including what sense-perception attributes to space, is governed entirely (as Leibniz showed, pervasively and *perfectly-infinitesimally* throughout), by universal physical principles; the very existence of space (and, also, time) depends upon principles which must be discovered in an experimental-physical way, never *a priori*.

To recapitulate, and re-enforce this crucial point just made, reflect upon the following cases.

Kepler's uniquely original discovery of universal gravitation; Fermat's principle of quickest (rather than shortest) pathway; Leibniz's definition of an infinitesimal calculus; Leibniz's discovery of the interrelated notions of the catenary, of a physical principle of universal least action, and of the associated notion of natural logarithms; make a distinction between sense-perception and the universal principles which are not directly sensed, but whose existence is proven to be the efficient authorship of the relevant paradoxes of sense-perception.

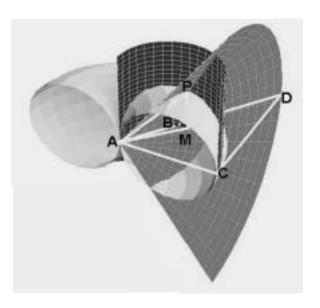
The problem of representing the relationship between sense-perception and a provable physical principle, as was presented by Kepler's discovery of gravitation, was solved, successively, by the work of defining the complex domain, by, chiefly, Carl Gauss and Bernhard Riemann. This latter method preserves the Pythagorean notion of spherics, and, in the case of the catenary-related notion of universal physical least-action, employs the principle adopted by Archytas to solve the doubling of the cube by construction. That latter model, as referenced by Gauss's 1799 paper on *The Funda-*

^{1.} Adam Smith, *The Theory of the Moral Sentiments* (1759). This was published three years prior to Lord Shelburne's assignment of Smith to the project which included Smith's plagiarizing of the Physiocrats Quesnay and Turgot. This 1759 work reflects chiefly the influence of the same David Hume who was chiefly responsible for the mind-set of his German representative Immanuel Kant. The coincidences in method of the 1759 Smith and his later plagiarisms of the work of Quesnay and Turgot, as also Locke, and Mandeville, are reflections of a consistency, respecting the attributed nature of man, which pervaded the Eighteenth-Century "Enlightenment."

Archytas' Construction for Doubling of the Cube



Archytas' solution to the Delian paradox typifies the work of pre-Euclidean, physical, constructive geometry. Here, members of the LaRouche Youth Movement have built a pedagogical device to demonstrate his solution, which creates a cone, a torus, and a cylinder in order to find the geometric means between two magnitudes—AC and AB in the drawing.



mental Theorem of Algebra,² has served as the guide to developing an appropriate form of mathematical representation of the relationship between sense-perception and the unseen, but efficient principle.

Those principles, so conceived, represent *powers* in the Platonic sense.

Unfortunately, under the Romans, civilization took a giant step backward from the science and culture of Classical and Hellenistic Greece. The hoaxster Claudius Ptolemy's Aristotelean system of astronomy, which continued to dominate European civilization until the discoveries of Kepler overthrew the astronomy of Ptolemy, Copernicus, Brahe, and of Sarpi's Galileo, is typical of long-ranging frauds, such as the empiricism which has gripped Euler and his followers to the present day.

Those distinctions between the scientific principle of "power," and the reductionist "demon" (or, "vice") called "energy," are implicit in the original discoveries of Kepler and Leibniz, but began to be made clearer through the influence of the great Eighteenth-Century educators Abraham Kästner and Hofrath A.W. von Zimmermann on their student Carl Gauss. Kästner's argument prescribed a return to anti-Euclidean (and, also ante-Euclidean) constructive geometry. This was reflected simply and clearly in Gauss's 1799 *The Fundamental Theorem of Algebra*, and in the subsequent development of the general principles of curvature leading into that celebrated 1854 habilitation dissertation by Bernhard Riemann

which defined a comprehensive notion of a universal physical geometry, and defined, for me (during 1952-53), the needed notion of a practicable form of that *science of physical economy* which is reflected in this paper.

Indeed, through the span of the history of specifically European civilization, since the work of Thales, Solon, and the Pythagoreans, there has been a see-saw battle between the forces of Classical humanist science, as typified by Plato, and the opposing forces of reductionism, as the latter is typified by the Delphi cult of the Pythian Apollo, the Sophists, and those celebrated "featherless bipeds" known as the Aristoteleans. The judicial murder of Socrates by that Democratic party of Athens otherwise known as the Sophists, typifies the essence of the fundamental division in all European civilization, from before the Age of Pericles to the present day. Modern reductionism, as expressed by the referenced work of Euler and Lagrange, is essentially a symptom of the continuing controversy, a controversy which the judicial murderers of Socrates defined as an issue of religion, the issue of that form of pagan religious fanaticism expressed by Euler's fraud against Leibniz.

The origin of the form of neo-Aristotelean and empiricist doctrines specific to Europe's Sixteenth Century, was the effort, by the reactionary forces left over from medieval society, to eradicate the leading influence of Europe's Fifteenth-Century, Italy-centered Renaissance. The account of the Euler controversy must be situated clinically in that context.

The Origins of Euler's Empiricism

Consider the political history of that hoax by Euler et al. This Fifteenth-Century Renaissance had produced the

20 Feature EIR November 21, 2003

^{2.} Carl F. Gauss, *Demonstratio Nova Theorematis Omnem Functionem Algebraicam Rationalem Integram Unius Variabilis, Werke III*, pp. 1-31. Various translations.

first modern nation-states which were premised upon the principle of national sovereignty of those kinds of governments committed to the defense and promotion of the general welfare of all the population and its posterity. These principles were not new in themselves; the Classical Greece of Solon, Socrates, and Plato had already defined those principles. The Christianity of the Apostles John and Paul had put the Platonic principle of $agap\bar{e}$ ("the common good") at the center of the practice of Christianity. However, it was almost two millennia later than the lifetime of Plato, that Louis XI's France and Henry VII's England appeared as the first two such states actually based on the common good (the general welfare) to exist in known history of the world.

The existence of modern political-economy dates from precisely those reforms institutionalized by the Fifteenth-Century Renaissance, and brought to a concrete form of realization under Louis XI and Henry VII. The modern state begins when that state ceases to tolerate the degradation of large sections of the population to the status of human cattle, such as slaves or serfs. It is the perfectly sovereign state's assumption of inalienable responsibility for the general welfare of all the living population and its posterity, which creates the indispensable natural-law basis for sovereign nation-states and for all doctrine of political-economy. Unless the government assumes its accountability for the maintenance and improvement of the general welfare of all its people and their posterity, that government is not acting as a legitimate nation-state under moral, e.g., natural law.

That poisonous weed, the form of society which that Renaissance sought to destroy, was, immediately, the medieval rule of most of Europe and its vicinity by the combined forces of the imperial maritime power of Venice's financier oligarchy and the Norman chivalry. It was the latter, unrepentant medievalist forces, led by Venice, which struck back with their effort to crush the Renaissance; that, by such means as the religious warfare spawned repeatedly over the course of the 1511-1648 interval.

This Venetian reaction was typified in significant part by the roles of Cardinal Pole, Thomas Cromwell, and royal marriage-counselor Zorzi (a.k.a. "Giorgi"), in Venice's recruitment of England's King Henry VIII. The new Aristoteleanism of Sixteenth-Century Venice, complemented by the introduction of empiricism by Venice's Paolo Sarpi and his household lackey Galileo Galilei, coupled religious and related forms of warfare with the political role of the Habsburg dynasties, not only for the purpose of restoring those medieval practices which had degraded most persons to the condition of virtually inhuman cattle; they sought to accomplish this with aid of a systemic effort to uproot those Fifteenth-Century conceptions of natural law which set all persons absolutely apart from and above the beasts. The crucial fact to be emphasized through this report, is that empiricism, the cult which produced such included, characteristic phenomena as the figures of Isaac Newton and Leonhard Euler, was crafted by Sarpi and his followers to the specific purpose of uprooting that conception of the individual human mind (and, therefore, soul) upon which all scientifically valid distinction of man from human cattle depends.

For those reasons, as I shall show here, the introduction of empiricism to supplant the Judeo-Christian-Muslim conception of man—man as made in the likeness of the Creator—defined empiricism as implicitly a pro-Satanic form of religious practice. The term "Satanic," so employed, identifies the generic quality of each and every systemic effort, such as that of the empiricist, to bestialize man as, for example, Thomas Huxley, Frederick Engels. Friedrich Nietzsche, Bertrand Russell, and the so-called "Frankfurt School" have done. The history of the modern development of empiricism, since Sarpi, is summarized as follows.

This continuing struggle by the Venetian tradition, to uproot the institutions of the Fifteenth-Century Renaissance, assumed a slightly altered political form with the late Seventeenth-Century decline of Venice as a state with former claims to imperial maritime power. The period of the wars of France's Louis XIV, the coup d'état of William of Orange, and the 1714 seating of George I on the newly established British throne, shifted the location of the imperial political power formerly deployed by Venice, to those virtual clones of Venice's financier oligarchy which appeared in the form of an emerging Anglo-Dutch Liberalism, a form which became known during the course of the Eighteenth-Century as "The Venetian Party." Out of this process of change, a modified organization of the empiricist cause emerged under the name of "The Eighteenth-Century French and British Enlightenment."

Beginning 1689, but especially with the subsequent accession of George I to the British throne, the emerging Eighteenth-Century Enlightenment came increasingly into conflict with a growing impulse of old Europe of that time, a growing impulse toward establishing a true modern republic among the English colonies of North America. With the 1763 British peace treaty with France, Lord Shelburne's British East India Company and its puppet-king, George III, moved to crush, "preventively," the emerging American tendency toward independence. Opposite to the rabid empiricists of the British East India Company's "Venetian Party," was the new Classical humanist movement which emerged around such figures of Germany as Abraham Kästner, Gotthold Lessing, and Moses Mendelssohn. This Classical movement, which spread its influence against empiricism throughout much of Europe, formed the intellectual basis for spiritual and physical support of the cause of American independence, up to the point of July 1789 and the subsequent Jacobin Terror.

For related reasons, the center of the conflict between Classical humanism and empiricism ("The Enlightenment") in Europe was centered in Frederick the Great's Berlin, where the empiricist forces represented by Voltaire, de Maupertuis, Euler, Lambert, Lagrange, et al., were in pitched intellectual

battle with the opposing forces grouped around the Leibniz tradition of Kästner, Lessing, Mendelssohn, and their followers. It was the deaths of Mendelssohn and Lessing which cleared the way for the appearance of an Immanuel Kant who would have been demolished politically had he published his infamous collection of sophistries, called *Critiques*, while Lessing and Mendelssohn were active as the intellectual lions of Berlin, Leipzig, et al. It was the French Revolution and its Napoleonic aftermath which restored the Romanticism of the Eighteenth-Century Enlightenment to a vengeful hegemony over most of the political life and culture of Europe, and thus prepared the way for the two great wars of the Twentieth Century.

Euler had been a leading part of the anti-Leibniz cabal during the period of influence of Lessing and Mendelssohn. It was the writings of Lagrange and Immanuel Kant during the middle through late 1780s and 1790s, which embedded the broader philosophical implications of Euler's empiricist corruption more widely within what was to become Napoleonic Europe's insurgency of the Nineteenth-Century German Romanticism of Kant, G.W.F. Hegel, et al.

The precepts of that Newton cult are usually presented, as by Euler, solely as a matter of the indoctrination of professionals in a form of blind utopianism, a form of utopianism which is, without exaggeration, a pathetic form of religious belief. Or, to restate that point, the faith expressed by such clinical cases expresses the kind of sharing of belief we should associate with phenomena of mass-psychosis, such as a mass delusion. The notable proponents of this cult of empiricism do not actually know what they say; but, rather, rely upon their mere wish to believe certain arbitrary, axiomatic assumptions constructed as a matter of blind faith. That wish thus assumes the functional role of a unproven, "self-evident" axiom.

The specific form of this religious faith which I am addressing here, the cult belief which Euler shared, is to be recognized as the Anglo-Dutch empiricism associated with the Anglo-French Eighteenth-Century "Enlightenment's" notorious scalawag Voltaire. The personal relationship between Leibniz-haters Euler and Voltaire in Berlin, is typical of the connections among the "Enlightenment" faction of that Century.

Leibniz & Gauss Versus Empiricism

This Eighteenth-Century hoax spread by the circles of Conti, Voltaire, Euler, the French Encyclopedists, Euler, et al., is the same fraud exposed as such by Carl Gauss's statement of the case for the complex domain, in his 1799 *The Fundamental Theorem of Algebra*.

The most immediate proof that Euler's argument is willful fraud, is that that admittedly expert mathematician, and Leibniz-hating fanatic, Euler, was fully knowledgeable respecting those characteristics of the generalized conic functions which demonstrate that the rate of change of curvature of an elliptical function is intrinsically, and ontologically, an

infinitesimal function, as Kepler, Pascal, Leibniz, and Jean Bernouilli had successively defined this. Euler was also informed of the work of Leibniz and Jean Bernouilli, including the principle of physical least action, the notion of the infinitesimal calculus, and that notion of natural logarithms which Euler parodied from Leibniz's original work. This was the kernel of the fact exposed by Gauss in 1799.

The principal experimental proofs, which were fraudulently evaded by Euler, were two. I now include some restatements of some of the points made above, in this specific context.

The first such proof, was Johannes Kepler's warning of the need to develop an intrinsically infinitesimal calculus, for astronomy, as this need was demonstrated experimentally, for the case of the planetary orbits, by Kepler's 1609 The New Astronomy. Leibniz's work in Paris, including the relevant study of the work of Fermat and Pascal, and Leibniz's collaboration with Christiaan Huyghens, produced Leibniz's original discovery of such a calculus, from about the time of his 1676 submission of that discovery to a Paris printer. The second, more comprehensive such proof, was the outcome of continuing work on this through the beginning of the next century, work which led Leibniz, working in collaboration with Jean Bernouilli, to the elaborated development of the physical principle of universal least action. This latter was a more adequate version of his earlier development of a calculus, as developed through a deeper examination of the evidence of physical pathways of quickest action (rather than the naive notion of shortest Euclidean pathway).

Leibniz had addressed this latter point in a richer elaboration of his uniquely original, earlier discovery of the infinitesimal calculus, in demonstrating the universal principle of physical least action, a demonstration which Euler referenced in his own, fraudulent attack, from Berlin, on this work by Leibniz. This added work by Leibniz, clarified the universal physical significance of the catenary, and defined the notion of natural logarithms before Euler's effort to redefine such logarithms from a reductionist standpoint. This work by Leibniz was to serve as a starting-point for Carl Gauss's definition, from 1799 on, of the complex domain and related general principles of mathematical-physical curvature.

Study of the practical implications of seeing the path from Gauss's development of the general principles of curvature, to Riemann's 1854 habilitation dissertation, illustrates the crucial importance of these issues for the teaching and practice of science today.

Euler's hateful attacks on Leibniz's work were therefore a product of asserting an argument which Euler knew to be false. In this way, he laid the basis for Immanuel Kant's reliance, in the latter's *Critiques*, on the argument by Euler and Lagrange, in Kant's own defense of axiomatic irrationalism. As I have already announced that intention above, I shall explain here, that the subject of Euler's hoaxes is not merely a problem internal to the formalities of classroom mathemati-





Gottfried Leibniz (1646-1716) and Carl Gauss (1777-1855). Gauss's 1799 "Fundamental Theorem of Algebra" exposed the fraud of Euler's famous attack on Leibniz, the discoverer of the infinitesimal calculus.

cal physics; it is nothing but a religious issue, the issue of the nature of the assumptions of belief, respecting the nature of man in the universe. Mathematicians shall not hide behind their blackboards, nor digital computers; the issue is not one peculiar to the department of mathematics, but to the domain of religious belief from which empiricism has drawn the policies which it has imposed, as axiomatic, upon empiricist practice of mathematics. It is, therefore, only in its relationship to religious belief that empiricism could be competently judged.

The appropriate treatment of such an issue does not belong in the department of arithmetic, but in the department of philosophy. By philosophy, I point to the subject of epistemology, in which attention is focussed upon the choice of the kind of slippery assumptions which modern sophist Euler, for example, superimposed arbitrarily upon the form of argument he employed against Leibniz. From the standpoint of epistemology, Euler's argument for his savage defamation of the modern Socrates, Leibniz, was essentially a parody of the methods of the ancient Sophists.

The religious side of this matter is one which needs to be made clear, with all delay removed: U.S. Speaker of the House of Representatives Tom DeLay, for example.

All that argument which I have summarized here so far, is true in its own right, as a mathematical-physics proposition as such. However, merely stating the formal proof of a fact is not sufficient. The proven facts I have cited so far, do not explain the essential practical implication of Euler's hoax for the political situation in Europe and the U.S.A. still today. We must show how and why this fraudulent defense of Isaac Newton, on an issue of mathematics, became a central feature of the Eighteenth-Century, and presently continuing attack

on the political movement which led into the U.S. 1776 Declaration of Independence.

The political motive is the same motive behind the British monarchy's repeated 1763-1865 efforts to crush the U.S. republic in its cradle. An understanding of that same specific type of motive behind the Newton hoax, is of crucial importance for understanding the hoax itself. The key to understanding that motive is found, by treating philosophical empiricism for what it is, a form of pagan religious cult traced from sources such as the Phrygian cult of Dionysus, the Delphi cult of Apollo, and the Sophists' judicial murder of the ever-Sublime Socrates, in Athens at the close of the Fifth Century B.C.

Thus, as I shall show here, the importance of exposing the Newton myth as a hoax, in this way, is that: Only those with the personal integrity, and courage, to attack a religious problem of sophistry, such as the matter of empiricism, are capable of leading mankind to freedom, away from a repetition of the worst horrors which globally extended modern European civilization has experienced to date.

So far, what I have said in these prefatory remarks, either has been said, or might be said, by my collaborators (among other qualified reporters). I give that entire matter a different frame of reference, the role of emotion in the practice of scientific discovery and belief. I bring thus to physical science, the crucial importance of a moral issue, the issue of the difference between merely doing one's duty in the sense of performing an assigned task, and the seeking of and fulfilling a duty which is selected as a necessary service of a life's mission of immortal importance in itself.

In other words, we must distinguish between science, for





U.S. Speaker of the House Tom DeLay (left) typifies the infectious influence of the epistemological hoaxes perpetrated by Leonard Euler (1707-1783). "The subject of Euler's hoaxes is not merely a problem internal to the formalities of classroom mathematical physics; it is nothing but a religious issue, the issue of the nature of the assumptions of belief, respecting the nature of man in the universe."

example, practiced as a means to an end, and the practice of science as an end in itself. Science as a means to an end, poses the question, "Will it work?" Science as an end in itself, poses the question, "But, is it also true?" All the sad or even ugly failures of what might appear to be technically competent science, fall into the gulf lying between those two distinctly different ways of practicing science.

One way, perhaps the best way of illustrating that point to a relevant contemporary audience is, as I have already stated here, to lay the emphasis on the fact that the frauds of such as Leonhard Euler must be attributed to a nasty variety of explicitly religious belief.

1. Empiricism As a Religion

I shall now show that the adopted empiricism of Euler and his co-thinkers is a religion.

In the preceding introduction, I have indicated summarily that the Venetian neo-Aristoteleanism and empiricism which erupted as instruments of medieval reaction during the Sixteenth and Seventeenth Centuries, were implicitly and chiefly anti-Christian religious movements. That is to say, movements which sought to defend not only the medieval, but earlier practice of holding the masses of the population in a state of virtual bestiality, as human cattle, such as slaves or serfs. This was done by placing the claims of financier-oligarchical usury above the principle of human life, that in the same spirit a farmer might cull a herd of cattle, for profit, convenience, or, as the Spartan tradition or the Emperor Nero would have done, mere amusement.

By invoking an irrationally arbitrary principle of dogma, such as John Locke's or Adam Smith's notion of "profit," in opposition to Christianity, in particular, as U.S. House Speaker Tom DeLay and U.S. Associate Supreme Court Jus-

tice Antonin Scalia's doctrine of "shareholder value" do today, those Venetian novelties known as neo-Aristoteleanism and empiricism defined themselves as pro-Satanic religions: as I shall show that connection here.

The relevant argument, which I have made frequently in earlier publications, may be fairly summarized as follows.

Were man merely a more developed form of higher ape, as Britain's Thomas Huxley and Frederick Engels insisted, the population-potential of the human species would never have exceeded several millions living individuals. Today, we have a reported population in excess of six billions. An argument to the same general effect was made by Russia's V.I. Vernadsky, in showing, on the evidence of geobiochemistry, that mankind expresses a power, of a principled form, which is categorically absent in such inferior species as the higher apes, a *noëtic* power typified by the discovery of experimentally valid universal physical principles.

Vernadsky's successive definitions of the *Biosphere* and *Noösphere*, divided the known universe of experimental physical science among the three Classical categories which are now known to modern science by the names of the abiotic, the living, and the noëtic. These are, functionally, respectively, phase-spaces; they are, when taken together—as they must be to make sense of our universe—multiply-connected phase-spaces. This implicitly defines our known universe as *Riemannian*, in the sense of Bernhard Riemann's 1854 habilitation dissertation.³

Although Vernadsky's argument is grounded on the evidence of an experimental physics in the tradition of his teacher Mendeleyev, especially in an expanded view of physical chemistry, our ordinary sort of experimental knowledge of a relevant principle of life, and of a noëtic principle, remains

24 Feature EIR November 21, 2003

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

essentially negative. We can demonstrate the presence, or absence of life; but, by the nature of the situation, a principle of life can not be positively affirmed from the standpoint of an ordinary abiotic physics. Thus, abiotic and living processes are shown, by experimental methods, to belong to respectively different phase-spaces, but both are, nonetheless, efficiently multiply-connected phase-spaces. Furthermore, all three—abiotic, living, and noëtic—are multiply-connected as a functional set. Similarly, the existence of the noëtic function, as distinct from that occurring in any known form of life other than man, is clear; but, the principle of noësis itself can not be accessed positively from the standpoint of an abiotic physics, nor even living processes in general.

Those difficulties should force our attention to a subject which was first defined for us, in terms of surviving literature, by Plato's dialogues. The human sense-perceptual processes are functions of our biology. Therefore, we can not claim that sense-perception shows us the world "outside our skins" directly; but, as Plato employs his allegory of "The Cave" to convey this notion, qualified experience does show that the human individual's matured sense-perceptual processes present us with the shadows which many among the processes outside our skins cast upon our mental-sensory processes.

For that specific reason, several years ago, I proposed to the members of my then emerging youth movement (principally of persons in the 18-25 age-interval of university students), that they remedy their present education by beginning with the ironies of Carl Gauss's definition of the complex domain, as encountered in his 1799 *The Fundamental Theorem of Algebra*. I proposed that they define the concept of an idea from the standpoint that 1799 paper proffers; and that they, then, organize their studies historically, as a matter of the history of ideas, as ideas are so defined implicitly. I have often repeated that proposal, as now, again.

I shall now show, that, from that standpoint, the referenced paradoxes posed by Vernadsky's presentation of the concepts of Biosphere and Noösphere, can be approached with some degree of approximate success. I explain.

The enduring elegance, and pure delight afforded by Gauss's first published work, his 1799 *The Fundamental Theorem of Algebra*, is that, although it is greatly indebted on that account to the education provided by his great teachers, Zimmermann and Kästner, it establishes the essentially relevant, direct connection of the modern tradition of Nicholas of Cusa, Leonardo da Vinci, and Leibniz to that tradition's ancient Classical roots in the founding of modern European science by the circles of Thales, Heraclitus, and Pythagoras. I shall begin the illustration of this specific argument by returning to the case of Kepler.

What Is a Universal Principle?

To repeat here what must be often repeated: Once we have abandoned the reductionist's misconception of space, as that is associated with Euclid, Descartes, et al., we are impelled to return to a pre-Euclidean, physical, constructive geometry,

as typified by Archytas' solution for the Delian paradox, and the treatment of the physical implications of the Platonic solids by Plato, Kepler, et al.

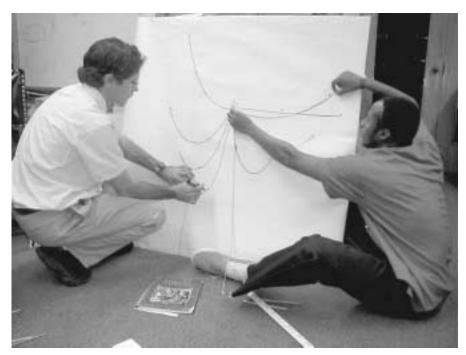
This signifies to the mathematician that we must adopt the standpoint of spherics as the elementary form of the physical geometry of sense-perception. In that experimental domain of physical geometry, we are confronted with formally insoluble paradoxes, such as the case of the physical implications of the Platonic solids in demonstrating a difference in mathematical principle between abiotic and living processes. At that point, we must leave the department of mathematics, as Bernhard Riemann concludes his habilitation dissertation, for the department of experimental physical science.

Archytas' solution for the Delian paradox is perhaps the best point from which to start such studies. The advantage is, that two mean actions can each be represented in a visual way, but they, as actions by which the cube is doubled, are invisible to an attempt to view the actual doubling of the cube. This paradoxical picture, typifies the necessity of Gauss's development of the notion of the complex domain, and also affords us efficient insight into the physical implications of Riemann's leading work. From that point, proceed as follows.

Take as our first choice of illustration, Kepler's uniquely original discovery of universal gravitation, as sufficiently illustrated by his 1609 The New Astronomy. The evidence that, a) the orbit of Mars is virtually elliptical, and that b) the rate of change of the motion of the planet along that normalized set of observations of its orbital pathway is inconstant, signifies some agency from outside our powers of sense-perception is controlling this visible behavior. Similarly, Fermat's experimental demonstration that light follows a pathway of quickest action, rather than shortest (Euclidean) distance, provided the point of departure for the further work of Christiaan Huyghens, Leibniz, and Jean Bernouilli, leading to the principle of universal physical least action, and Leibniz's uniquely original discovery of the catenary-related notion of natural logarithms. These kinds of experiences, throughout the scope of physical science, define that modern notion of universal physical principles, which is consistent with what was set into motion by Nicholas of Cusa's founding of the unfolding process of development of modern science, in his De Docta Ignorantia.

To repeat here what must be repeated from my frequent published statements to the same effect: By the nature of our processes of sense-perception, our direct perception of the world "outside our skins" (so to speak) does not show us that world "outside our skins," but, rather, the impact of that unperceived real world upon the biology of our mental-sensory processes. In other words, the shadows on the wall of Plato's Cave. However, it is a specific quality of the human mind, a quality absent in other living species, that we are able to adduce paradoxes from among the processes of sensed experience, and able to comprehend those paradoxes as experimentally demonstrable universal physical principles.

This specific quality of the human mind is congruent with



LaRouche movement organizers in Chicago demonstrate Leibniz's work on the catenary (the shape traced by a hanging chain): a discovery of universal physical principle in physical geometry, whose importance is ignored by the empiricists.

the three-phase-space characteristic of our known experience of the universe as a whole: that from our standpoint, as Vernadsky made this distinction, the universe is composed of a multiply-connected array of abiotic, living, and human mental processes, such that the relatively lower can not access the specifically characteristic principle of the higher, but that the higher can access control over the lower. So, the attempt by radical positivists to adduce the principle of life from the abiotic, or the noëtic from biology in general, are to be classed technically as behavior symptomizing the typical effects of a reductionist's delusion. What that says, is that the universe as a whole, which is composed of a multiply-connected ordering among the three specific phase-spaces, acts upon all aspects of that universe. This works to the included effect of superimposing upon a specific quality of living organism, the human being, a quality of those noëtic powers which are typically expressed as that quality of human reason whose existence reductionists such as Kant and Laplace denied.

We, as individuals, are not some creature which evolved from the upward evolutionary progress internal to living muck; we reflect an intervention into that muck, from above, an intervention which distinguishes us absolutely from the apes.

For example: The most crucial of the issues of religious belief, are located in that way.

The Religious Side of Empiricism

Notably, the monotheistic idea of God as the Creator of the universe, is an actual idea of the same specific qualities as

any experimentally validated universal physical principle, one generated by the individual mind's power to form experimentally validatable, non-self-evident ideas. For example, consider the Aristotelean's self-evident conception of a Creator as a creature who, by creating the universe, had deprived himself of the power to alter the course predetermined by the laws built into the original creation. God the Creator is not an object of Creation, but a continually acting Creator; we are a particular (individual) expression of that process of continuing creation. We, as individuals, are a mirror of the image of that Creator. It is by expressing that creativity that we are acting as representatives of the human species.

This brings us directly to the crucial issue of the science of physical economy. The human being who follows faithfully in imitation of the traditional ways of economic life in

which his or ancestors acted, as the code of Diocletian, for example, prescribes, is living as human cattle, not as a human being. He or she is behaving, not as a human being, but as a cow.

That cow is selected from the breeding process by qualities estimated to be fruitful for the cattle-herder, a process which sends some to early culling, slaughter. The cow who is privileged to survive, is "cared for," herded into the field, impregnated by the chosen bull, milked and fed in the barn, until the time for her culling (slaughter) has come. If it appears to the farmer that the bulls are being permitted to enjoy the cows, the farmer also watches the results of the breeding closely, to determine whether or not the progeny of those unions are satisfactory; if not, off to the slaughter-house with them! The accountants have decreed: No expenditure wasted on health-care for those who have passed their productive prime!

What distinguishes a person's life of labor from the nature of a mere beast? What else but freedom from the way of the medieval European guild!? Change, in the sense of development, is human freedom! It is the expression of the noëtic powers of the individual, as typified by a society committed to an upward track in scientific and technological progress, which distinguishes human beings, in practice, from beasts.

In a manner of speaking, a human personality is defined by what that individual accomplishes within the scope of that temporary visit to current history called individual life. However, important as such deeds must be, those deeds alone do not satisfy the more essential need of the mortal person. *The* essential quality of human need is located in a social process based upon the individual's development for its own sake. A person is what he, or she is the process of becoming. Becoming is those actions which express the fulfillment of the noëtic potential of both the individual as such, and the development of the society through the individual's interventions into its life. Human life is noësis per se, a particular expression of the universal creativity located in the Creator of the universe. It is being such a person which is the highest condition of individual humanity.

Such is human nature. Such is the premise of all natural law respecting human beings, physical science, Classical artistic composition, and society.

I shall return to this at a suitable point, later in this report. Now, return to the focus on physical science.

The Complex Domain of Noësis

If and when we discover and prove the efficient existence of a universal physical principle, we are implicitly confronted with the following problem of mathematical representation of that discovery.

Our discovery began with recognition of a special significance of a paradox in the evidence presented to us by our sense-perceptions. Kepler's discovery, through normalization of observations by Tycho Brahe and himself, of the paradoxical features of the elliptical orbit of Mars, is an example of this. Kepler sought the invisible principle which had caused this anomalous effect; he sought what his translator termed "the intention"—the Creator's intention—which had produced that apparently anomalous effect. This intention he identified as his hypothesis respecting a principle of universal gravitation. Through measures he reported in that book, and also additional qualifications reported in subsequent writings, he accomplished four things of relevance, as examples, for our present discussion here.

First, he qualified his discovery of universal gravitation as not only an appropriate form of hypothesis, but an experimentally demonstrated universal principle.

Second, he developed a general observation on certain anomalies of mathematics previously addressed by Plato, and by such followers of Nicholas of Cusa as Luca Pacioli and Leonardo da Vinci, respecting the implications of the Platonic solids, and related implications for music.

Third, from this work he concluded the necessary former existence of a missing planetary orbit between those of Mars and Jupiter, the orbit of a planet which destroyed itself because of anomalous harmonic characteristics of its determined-as-necessary orbit. This Kepler hypothesis was essentially proven by Carl Gauss's discovery of the orbit of such principal asteroids as Ceres.

Fourth, he pointed to two incomplete features of his own discoveries, problems which he relegated to future mathematicians:

First, those future mathematicians must define elliptical functions. This problem was solved in essentials by the work

of Gauss and his collaborators and followers, including Abel and Riemann

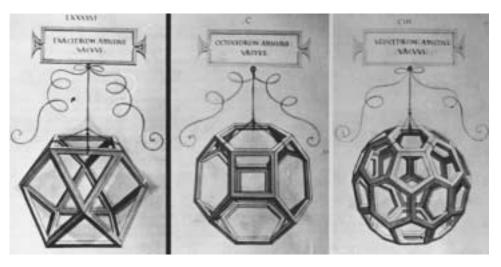
Second, those future mathematicians must develop a truly infinitesimal calculus corresponding to the implications of Kepler's discoveries in gravitation. This was accomplished, first, both by the uniquely original discovery of such a calculus by Leibniz, and by Leibniz's subsequent refinement of that, in collaboration with Jean Bernouilli, in defining a universal principle of physical least action. The generalization of such a mathematical physics was accomplished by the work on reforms of taught mathematics of the time, which were accomplished through emphasis on those higher principles of geometry which had been evaded by the empiricists. This was brought to a rounded state of generalization, by a number of crucial successors of the circles of Gauss and Riemann, with an essential contribution by Abel. The generalization of this challenge by Riemann, was modelled on thinking in that direction accomplished by Gauss.

This sweep of the development of the hypothesis of universal gravitation into the form of an experimentally demonstrated universal physical principle, typifies the case I am addressing at this juncture. This referenced case illustrates crucial features of all human knowledge, and, therefore, of categorical distinctions of human nature from that of beasts and empiricists alike. Such experience of scientific progress also demonstrates several crucial challenges to those who would represent themselves as purveyors of mathematical physics.

Firstly, although discovery shows that the images of sense-perception are shadows of reality, rather than substance, we can not deny the role of sense-perception. Yet, experiment has shown that sense-perception as such does not represent the universal physical principles which control our universe, the universe whose passing footprint is reflected as the shadows of sense-perception. Therefore, to define any event, we must combine both elements, shadow and substance, in a single expression of the form typified by Gauss's definition of the complex domain. There is no "imaginary" component in that complex domain; what the empiricist fanatics D'Alembert, Euler, and Lagrange defined as "imaginary numbers," were an indispensable aspect of a reality in which real perception and real, unseen causes are united in a single form of representation.

This challenge, as met by Gauss beginning 1797 (as reflected in the 1799 *Fundamental Theorem of Algebra*), did not spring from a mere response to the blunders of Euler, et al. on issues posed by the Cardan problem of cubic roots. Gauss was a student of the Kästner and Zimmermann, who were among the leading proponents of the mathematics work of Leibniz at that time.

Look at the political history behind the prevalent presentday academic nonsense on the subject of the content of Gauss's 1799 paper. Leipzig-born Göttingen University Professor Kästner was the leading teacher of mathematics in Germany of that time, and also not only the leading, public de-



Leonardo da Vinci's drawings for Luca Pacioli's geometry text, The Divine Proportion. Kepler identified the importance of the anomalies of mathematics respecting the Platonic solids, and related implications for music.

fender in Germany of the work of two other names of Leipzig, Leibniz and J.S. Bach; but the mentor of another, the Ephraim Lessing who, in concert with Moses Mendelssohn, had virtually founded that late-Eighteenth-Century Classical Humanist renaissance from which the international Classical Humanist movement of the late Eighteenth Century spread throughout Europe and into the Americas.

Kästner was also the one-time host and helper of founder of the U.S. republic, Benjamin Franklin, and the German whose inspiration was crucial in rescuing Shakespeare from a British Enlightenment artistic garbage-dump, to give rebirth to England's own, great but discarded English literature; this done, in large part, through the revival of the true Shakespeare in Germany.

Kästner was also the founder of rebirth of that ante-Euclidean physical geometry properly recognized as anti-Euclidean today. Thus, when Gauss, nearly a half-century later, wrote to Jonas and Wolfgang Bolyai about Gauss's own original discovery of an anti-Euclidean geometry, Gauss was not referring to interesting so-called "non-Euclidean" geometries of Lobatchevsky and young Bolyai, but the kind of actually anti-Euclidean geometry declared by Bernhard Riemann in the opening paragraph of Riemann's 1854 habilitation dissertation. Essentially, as Gauss's argument in the 1799 paper attests, his views on geometry, as reflected in that 1799 paper, were already an anti-Euclidean geometry, one built upon modern supplements to the work of pre-Euclidean constructive geometry in the Pythagorean tradition.

The sponsorship of empiricist Lagrange's decrees by the Emperor Napoleon Bonaparte, would have almost extinguished Gauss's scientific career but for the intervention of the circles of the Ecole Polytechnique of France's Lazare Carnot et al. Gauss was a special target of persecution during portions of the reign of Napoleon.

Later, the dictatorship of Lagrange disciples Laplace and Cauchy, virtually wrecked the Ecole, a wrecking officially prescribed by the London-appointed Restoration monarchy of France; the hegemony of the empiricists was established under the ascending slime of Romanticism which spread throughout the scientific and artistic culture with the rise of Napoleon and the aftermath of the Metternich-Castlereagh (sexual) Congress of Vienna (where the counting of votes was done by countesses arranged in bedrooms according to the provisions of Metternich and the princedom's same Chancellor-run *Geheimpolizei* which spied against Beethoven during comparable periods of time). The letters of Gauss prompted by Jonas and Wolfgang Bolyai's complaints against Gauss's announcement of the originality of his own youthful discovery of an actually anti-Euclidean geometry, reflect, thus, the police-state atmosphere under which European science was still menaced during most of the later life of Gauss's sponsor Alexander von Humboldt.

Such is often the political history, even police-state history of science. Secret-police agencies and ministers of justice are often boorish fellows, but they, or their employers, have learned that real ideas are the most powerful forces in the history of mankind, such that a single idea, once spread, may be more powerful in shaping history than even a large army. The suppression of politically unwanted ideas, is the dominant feature of the history of brutal official and kindred forms of oppression. If one can not put the idea in prison, or, at the least, ostracism, putting the thinker there may produce the effect desired by his enemies, if, perhaps, as my own case has demonstrated, only temporarily.

The fascinating feature of the history of ideas, such as those of the ancient Pythagoreans, Plato's Academy of Athens, the Fifteenth-Century Renaissance, Kepler, Leibniz, Gauss, Riemann, et al., is that these ideas sometimes spring forth afresh, sometimes after intervening leaps of many generations. In numerous cases, the rebirth of such an idea occurs as a rediscovery which was prompted by recognition of the work of a named discoverer, even thousands of years after his death. Some, reflecting on this, ask: "Has God intervened in the interest of justice?" In a certain way, the answer is "Yes."

28 Feature EIR November 21, 2003



Members of the LaRouche Youth Movement in Seattle use cubic blocks to investigate the principle of powers. "The power which intervened to set the human species apart from, and above all other forms of life, expresses the intervention as a simmering potential, waiting to spring forth from each newborn human individual."

We who discover, or rediscover, are the instruments by which such seeming miracles may be accomplished, as if we were ancient prophets on a modern mission. The principle we express by such work, is the highest-ranking principle known to us as existing in the universe: the principle which sets us apart from and above apes such as Thomas Huxley professed himself to be, and such as Huxley's virtual pet baboon, H.G. Wells, who demonstrated the bestiality, perhaps sexually and otherwise, which he had been taught at his master's beckoning.

With the birth of each child, a potential discoverer appears, ready to revive and advance the cause of noësis. It appears to us, that the likelihood of such a happy outcome of that newborn human life usually depends upon the nurture of the young, and might be restricted, therefore, by the qualities of opportunities afforded to the young and adult individuals. Sometimes, what is justly recognized as a genius, erupts in seeming defiance of all those circumstances of individual life which would seem to have prevented such a happy outcome. The fact remains, that mankind has risen from that level of

population of a few ape-like millions which appears, in practice, to have been the desire of such reductionists as the empiricists. Even the fanatically empiricist Euler was a very clever fellow, remarkably useful in some ways. The power which intervened to set the human species apart from, and above all other forms of life, expresses the intervention as a simmering potential, waiting to spring forth from each newborn human individual.

The crime to be prevented, is the suppression of that happy outcome in the young. Empiricism is such a crime against humanity, an offense against the Creator's clearly expressed intention.

Reductionism and Satanism

The difference, therefore, between man and beast, is expressed, in a unique manner and degree, by man's willful access to knowledge and control of what we have identified here as universal physical principles. The nature of man lies, thus, in the way in which the human mind is capable of comprehending what Gauss, in opposition to Euler and Lagrange, et al., defines as the complex domain. Reality is as Riemann states the principled case sharply in the opening of his habilitation dissertation. This is man in the image of the Creator.

The reductionists, from such traditions as the Delphi cult of Apollo, through the Sophists as such, Aristotle, and the modern intellectual and moral degenerates known as the empiricists, positivists, and existentialists, et al., either simply reject the notion of man as in the image of the Creator, or invent a diabolical concoction—such as that of Quesnay and Adam Smith—the willful demon which they proffer as a substitute for the Creator. Empiricists Hobbes, Locke, Mandeville, Hume, Adam Smith, and Jeremy Bentham, like Quesnay, quite plainly define what Smith calls "The Great Director of Nature" as a demonic creature expressing the same nature as the vice worshipped by Mandeville. Like Thomas Huxley, these other reductionists do not merely describe man as a beast; they also demand that society be ordered in such a way that morality of state, church, and individual alike, is defined, as Hobbes did, as the obligatory, predatory nature of beast-men. From the standpoint of science, there is no different definition of Satan and Satanism than that.

The motive for such Satanism as that of Sarpi, Hobbes, Locke, et al., is essentially political. If the majority of humanity is to be hunted or herded, and culled, as Locke's *Essays on Human Understanding* prescribe, as beasts are, then man must be defined politically, and by law. or in other expressions of public immorality, as nothing better than a beast. This purpose of such wickedness is not merely to entertain a low opinion of, and predatory behavior toward one's fellow-creature. The purpose is to prevent those parts of humanity held subject to the status of human cattle, from learning to practice the kind of behavior which would cause them to recognize the essential distinction between themselves and beasts. This is accomplished by prohibiting the lower classes, such as the

lower eighty percentiles of U.S. family-income brackets today, from actually practicing scientific and technological progress. The predator interest requires that the idea of actual scientific and technological practice be uprooted, or even made abhorrent, as the so-called "ecology movement" has expressed this maliciously intended perversion.

It is not possible for modern society, with its post-Fifteenth-Century population densities, to persist, if it were to resist scientific and technological progress altogether. Consequently, the feasible objectives of the predatory classes are: to tend toward inhibiting scientific and related progress when its immediate necessity can not be avoided; and, above all, to deny the subjugated strata of society the right to know the general principles for generating such progress; that, as a capability which is characteristic of the human individual. The object is to cause the victims not merely to believe that they are cows, but to be prepared to fight fiercely to maintain their proud status as mere cattle. Such was the intention of the Sophists, as this was exposed by Plato, and the intention of Aristotle after them. Such has been the intention of reductionists such as the modern empiricists and their offshoots, the positivists, pragmatists, and existentialists, since Sarpi. Such was the intent of Hobbes' "each against all," and of what Locke termed "property" and Justice Scalia "shareholder value." Modern science, as introduced by the Fifteenth-Century circles of Brunelleschi, Nicholas of Cusa, Luca Pacioli, and Leonardo da Vinci, has confronted the modern philosophical descendants of the Sophists with a new degree of challenge on this account.

The Fifteenth-Century Renaissance not only reversed the awful collapse of European population which was characteristic of the preceding century's "New Dark Age." The Renaissance set into a motion a long-term improvement of the standard of living and fecundity of the European and other, affected populations. The improved conditions of individual and social life unleashed by the Renaissance and its effects, depend upon a long-ranging trend of improvement in the potential relative population-density of mankind, a trend which depends upon realized scientific-technological and related cultural progress. Were this progress to be halted for a generation or more, the long-term effects would be a tendency toward a plunge into a new dark age, with deep levels of depopulation, and even eradication of entire branches of human cultures. Moreover, collapses of this class could not be prevented without new leaps in scientific-technological progress in the productive powers of labor and standard of living. No general turning back of the clock of progress were possible which did not lead into a catastrophic new dark age, perhaps a planetary new dark age. Since that Fifteenth-Century Renaissance, scientific and technological progress is now the law of civilization; cultures which resist that law will disappear, destroyed by their own will and hand.

Thus, the practice of modern European science since those developments within, and following the Fifteenth-Century

Renaissance, presented the reductionists with a new threat: the emergence of a systemically practiced modern science; and, also, the related developments of Classical humanist modes of artistic composition; as both were but typified with a certain extraordinary excellence, by the intellectual fertility of Leonardo. Experience showed the reductionists that the role of a systemically practiced modern science must be attacked in a new way. A more vicious expression of the sophistry of Aristotle was required by them. The empiricism pioneered by Sarpi and his personal lackey Galileo Galilei, was the result.

Therefore, if it were not possible for a durable form of national culture to ban the impact of scientific progress from general practice of society absolutely, a sophistical sort of substitute for that science might be concocted. Galileo's fraud, "action at a distance," typified the result of such scheming. By explaining the results of science in the fraudulent fashion a modern form of sophist would desire, it were feasible to train people in the practice of the new technologies, without exposing them to the methods by which discoveries of universal physical principles had occurred up to that time. In this way, by crafting the approved methods of teaching of the practice of science to the effect of making the victim of such education hostile to that essential principle—the Platonic principle of hypothesis defining the process of discovery of fundamental principles—the fruits of science might be plucked by the aristocratic rulers without letting the prestige of modern science infect the population with what the reductionist sort of political philosophers and kindred scoundrels might consider to be excessive admiration for the practice of scientific progress. Therefore, by such "brainwashing" of popular opinion, they might suppress what might be deemed excessive enthusiasm for the sacred distinction of the human individual. So, lunatic Newton wrote: "hypothesis was not necessary." So, during the 1890s, after he had been driven insane by his persecutors, Georg Cantor repudiated his great achievements of the preceding decade by writing the same lunatic's motto, "hypothesis was not necessary."⁴

Appropriate study of the case of Gauss's 1799 theorem,

^{4.} Georg Cantor, Beiträge zur Begründung der transfiniten Mengelehre, 1897. English translation published as Contribution to the Founding of the Theory of Transfinite Numbers, reprint of the 1915 Jourdain translation, with extended introduction by Philip E. B Jourdain (New York: Dover Publications Reprint edition). Under the impact of a savage, inquisitional quality of attack, led by Leopold Kronecker, the brilliant Georg Cantor of his middle 1880s work fell into fits of insanity which orbitted around an embarrassing effort to induce Pope Leo XIII to adopt the method of Isaac Newton. The theosophist Rudolf Steiner and Bertrand Russell came to play typical, pathogenic roles in fostering some of this problematic behavior. However, apart from the importance of his Grundlagen and his complementary correspondence on that subject during the middle to late 1880s, there was a deeply humanistic side to Cantor, which he identified with his ancestor Josef Böhm, the collaborator of Beethoven on the performance of the late quartets, and the method of the Böhm school of violin performance of which Cantor was a qualified amateur performer.



For the lunatic Isaac Newton, "hypothesis was not necessary." Here, Harpo Marx as Newton in the 1957 film "The Story of Mankind."

neatly illustrates the way in which the empiricist frauds of Sarpi, Galileo, Euler, Lagrange, et al., were crafted.

As I have repeatedly restated my frequent argument in this report, the scientist's distinction of the human being from the beast, points to the fact that what are demonstrated experimentally to be universal physical principles are ideas which exist beyond the direct reach of human sense-perception. They are known only through the process of hypothesizing, as Plato's dialogues, or the earlier precedents of pre-Euclidean Greek constructive geometry illustrate that fact. The consequence of this knowledge of the nature of such principles is that modern mathematical physics is obliged to combine the apparent action, as sense-perception defines action, with those discovered universal physical principles which exist only beyond the direct reach of sense-perception. The functional interrelationship of these two is the reality of the complex domain.

The use of the term "imaginary" for the square roots of negative numbers, as by Euler and Lagrange, is provocative. These are really imaginary in one sense of the use of that word, but only in the sense that they are the most significant aspect of a reality, an *image* of a reality reachable by human knowledge only through the human individual's power of

hypothesizing and proving hypotheses experimentally. Yet, Euler et al. insist that these so-called "imaginary" components of mathematical-physical reality are not real; and they misuse the word "imaginary" as a sophist's way of lying, by denying that these elements are not merely real, but indispensable for scientific progress.

The Satanic aspect of their misuse of the term "imaginary," is made apparent by considering the categorical nature of the effect their sophistry concocts. They not only deny a truth which is important for the continued existence of our species; they prohibit man from knowing his own nature, and thus degrade the credulous students of their doctrine into a form of mere human cattle. *That is Satanic!*

2. Science & Passion

For example:

Most among today's teachers and professors of mathematics are, in effect, clinically insane in their customary treatment of that and related subject-matters. The experimental proof of that fact has been lately demonstrated, more or less widely, on two continents, North America and Eurasia. It is implicitly demonstrated on all of them.

In the U.S.A. itself, the presently generally accepted practice of public education has reached the proportions of what might rightly be called "menticide." The textbooks, examination-and-grading procedures, and teachers and professors of this quality, assume that the consistency of a closed deductive-inductive system, if perfectly consistent in its own chosen terms, is therefore real knowledge. That form of sophistry, as practiced by such persons and institutions, is, in fact, a form of nothing other than clinical schizophrenia: a form of what may be called either "legalized," or "popularized" schizophrenia.

This point is more or less readily demonstrated to be true, by challenging almost any professor of mathematics or mathematical physics who merely accepts that notion of mathematical consistency in defiance of the issues posed by Carl Gauss in his 1799 *The Fundamental Theorem of Algebra*. The customary reaction from that professor, if challenged in an efficiently rigorous way, will be a sudden explosion into the type of utterly irrational, childish tantrum specific to a mental disease. The instances of specific tantrums of that wildly irrational type, from such pedagogues and the like, continue to be numerous.

The pedagogical point I am emphasizing in introducing that issue of sanity at this moment, is that the pretense of that sort of mathematician, or mathematical physicist, is his claim that his claimed objectivity is intrinsically unemotional. In other words, he or she assumes that physical science is based on reductionist mathematics, and that that mathematics is purely deductive-inductive. The explosion of emotion in the referenced sort of tantrum, proves that they, as professionals,



Construction of Platonic and Archimedian solids in a Schiller Institute Summer camp, using the pre-Euclidean, constructive geometry of "spherics."

are living a very, very emotional, big, very personal, lie. By identifying the fallacy of the definitions which they have adopted as a substitute for the real, physical universe outside their *Laputan* fantasies, a knowledgeable critic can trigger a clinically crucial, insane outburst from them.

Their insanity has principally two aspects. The first principle of their *systemic insanity*, is their delusion, that truth is "objective": rooted in the combination of sense-perception with a set of purely fictitious choices of sets of deductive forms of definitions, axioms, and postulates. The second principle, which is assumed to be a correlative of the first, is that emotion has no place in mathematical, or comparable modes of supposedly reasonable thinking. In point of fact, their minds are like goldfish swimming in a bowl, such that, for them, nothing exists outside the water contained within that bowl. In their mathematical schemas, the reality of mathematical physics exists in a goldfish bowl-like sub-universe, from which emotion and reality, alike, are shut out. To cause a leak in that container which holds the water, unleashes a flood of emotion in them.

We who might have provoked this reaction, did not actually cause that emotional display by them. We simply unlocked it, like tapping on a vial of overheated nitroglycerine. The explosion was an expression of the brutal repression which had been their continued experience, usually since childhood. This emotionally charged repression, this, their internalized Gestapo, had been the mechanism by which they were conditioned to adopt the ivory-tower assumptions at issue. The emotion expressed by the irrational outburst of emotion by them, was the result of pushing their attention to the fact of the container in which their delusory notion of mathematical principles was contained. The container was of

the ontological quality of a fear-stricken emotion of repression. That fear is what had imprisoned them, acting to this effect as what we experience from their wildly irrational outbursts, as the habituated set of emotional shackles on their minds.

The emotion expressed by their explosions of irrational rage, was the "force" which herded them into the set of so-called self-evident assumptions which they had pretended, until provoked, to express in an emotion-free way. That was the "force" of intellectual repression. When you made visible the barrier which contained their conditioned-as-emotion-free views; by merely making that barrier visible, you touched off the explosive charge that barrier represented.

One must add, that provoking such a reaction in that way, is not "doing a bad thing;" it is not a violation of what we could, defensibly, call polite behavior. Only if and when such a professor has, first of all, experienced such a "catharsis," will he or she be capable of becoming sane. It is not naughty to make lunatics sane; quite the opposite. Thus, telling the truth will usually touch off those or similar kinds of explosions of anger; the way to avoid such outbursts is to condone and nourish the lies, which is itself a form of lying commonly practiced by cowardly candidates for the U.S. Presidential nomination, and others.

Take the case of Euclidean geometry as an example of the way in which such forms of functional schizophrenia function.

The Thirteen Books of Euclid, are like a Scotsman's *haggis*, a lot of things, picked up from here and there, and stuffed into a kind of pudding. Many of the pieces which might be picked out of that pudding were generated as fruits of serious, competent investigations. When the pudding is taken as a

32 Feature EIR November 21, 2003

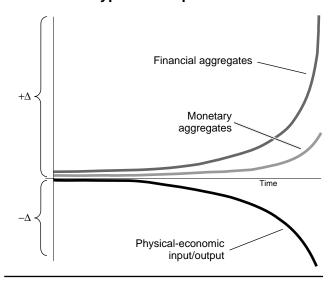
whole, the arrangement among the component parts is riddled with paradoxes, especially respecting the contents of the Tenth through Thirteenth of those books. Those latter books should be recognized as implicitly contradicting the set of so-called self-evident definitions, axioms, and postulates, on which the entirety of the content of *Euclid's Elements* depends.

The paradoxes reflected there, are a result of the fact that Euclid has replaced the real domain of "spherics," from which the ironical content of the Tenth through Thirteenth books was, chiefly, derived, by a childish fantasy-world in which objects are floating within an imaginary soup of linear space and time. The most critical features of the last three books, reflect the contributions of the pre-Euclidean, constructive geometry. This latter is the geometry which the Pythagoreans, et al. derived, as "spherics," from the kind of interrelated knowledge of astronomy and oceanic navigation which the emerging Greek culture derived chiefly from that Egyptian tradition typified by the design of the Great Pyramids. The error of the Euclidean or kindred sorts of a priori definitions, axioms, and postulates, is what polluted the so-called "mainstream" of European science's mathematics, as Riemann reported in the opening two paragraphs of his 1854 habilitation dissertation.5

Riemann thus reaches back to a time prior to Euclid. In fact, he combines the historical tradition of the pre-Euclidean, constructive geometry of "spherics," of Thales, Heraclitus, the Pythagoreans, and Plato, with the principal accomplishments of modern science since Nicholas of Cusa's *De Docta Ignorantia*, the latter including the work of such successors of Cusa as Leonardo da Vinci, Kepler, Fermat, Huyghens, Leibniz, and Riemann's principal predecessor, Carl Gauss. Following the line of Gauss's 1799 attack on Euler, Lagrange, et al., in Gauss's *The Fundamental Theorem of Algebra*, Riemann makes the most crucial of the steps which implicitly free European civilization's science from the relics of thousands of years of reductionist decadence.

My own, 1948-1953, crucial original contributions to Leibniz's 1671-1716 founding of the science of physical economy, had the specific, crucial significance of resolving what C.P. Snow fairly named the "two cultures" paradox of contemporary education. That is to say, the division of physical science from Classical art. My solution to this "two cul-

FIGURE 1 LaRouche's Typical Collapse Function



LaRouche's "Triple Curve" schematic diagram, first presented in 1995, shows how the cancerous rise of financial and monetary aggregates destroys the physical economy at an increasing rate.

tures" paradox depended upon showing the common ontological characteristics of Classical artistic principles of non-plastic art and scientific discovery, the latter as expressed by increase of the productive powers of labor through technological progress.

As a result of that work, which was done at sundry intervals of 1948-1953, I was able to eliminate the need for efforts to derive principles of political-economy from monetary processes, as the British Haileybury school had done; and, instead, to define monetary processes from the standpoint of comparative potential relative population-density (per capita and per square kilometer). The organization of my effort had the following features of relevance for the subject of the present report. Since late 1995, I have illustrated the effects of applying that method of physical economy, to design of a series of pedagogical charts [Figures 1-5], comparing relative changes in physical output with those expressed as monetary and financial aggregates. These charts cut through the nonsensical estimates of the U.S. economy which have been prevalent during the 1996-2003 interval of the Clinton and Bush administrations.6

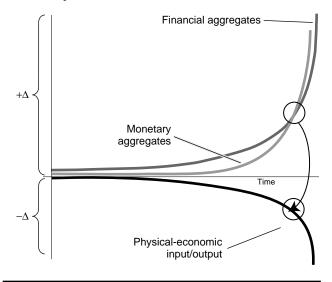
^{5.} From the Henry S. White translation, in D.E. Smith, *A Source Book in Mathematics*, New York, 1959. "It is well known that geometry presupposes not only the concept of space but also the first fundamental notions for constructions in space as given in advance. It gives only nominal definitions for them, while the essential means of determining them appear in the form of axioms. The relation of these suppositions is left in the dark; one sees neither whether and in how far their connection is necessary, nor *a priori* whether it is possible.

[&]quot;From Euclid to Legendre, to name the most renowned of modern writers on geometry, this darkness has been lifted neither by mathematicians nor by the philosophers who have labored upon it...." For the German original of those opening paragraphs, see *Bernhard Riemann's Gesammelte Werke*, H. Weber ed. (New York: Dover Publications reprint, 1953), pp. 272-273.

^{6.} As I pointed out in an early 1984, half-hour network TV broadcast: By about the end of 1983, the Federal Reserve System and U.S. government had introduced a monstrous fraud into the official reports on the state of the national economy. This hoax was called the "Quality Adjustment" index. It is now sometimes described as the "hedonic index," a notion derived from British East India Company utilitarian (and coordinator of the British-directed Terror in 1789-1794 France) Jeremy Bentham's 1789 An Introduction to The Principles of Morals & Legislation. This was the same Bentham of the kindred, short but notorious piece, In Defence of Usury. Since 1983, all

FIGURE 2

The Collapse Reaches a Critical Point of Instability



This elaboration of the "Triple Curve" shows the onset of hyperinflation, as the values for monetary aggregates exceed the financial aggregates. This began to occur around the onset of Federal Reserve Chairman Alan Greenspan's Y2K "wall of money" policy at the end of 1999, as Figure 3 shows.

I describe the most relevant aspects of the process of my discovery as follows.

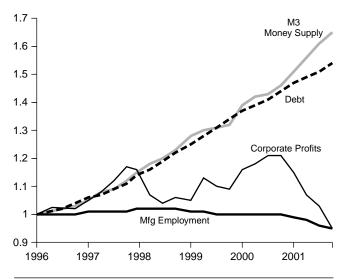
Targets: Wiener and von Neumann

The best way to convey any idea is to present the relevant audience with the process of experiencing the unfolding process of the idea's discovery. So, as Friedrich Schiller emphasized, the Classical stage is the best medium for the study of history. The member of the audience, seated perhaps in the balcony of the Classical theater, relives the history, or historylike legend on the stage of his or her own imagination. Seeing the doom gripping the leaders of a society unfold, on that stage of the imagination, the ordinary citizen is inspired to judge the principles which have brought an entire society to its tragic or sublime outcome. Thus, as Schiller reports, the ordinary citizen, so uplifted to the status of statesman, leaves that theater a better person than he entered it a few hours earlier. The same principle applies to the proper method for teaching science. The mastery of science is the reliving of the actual historical process of discovery and transmission of ideas. What must be retained is not textbook-like recollection of the formal, dictionary-like features of a discovery; what

official U.S. reports on inflation and economic growth have been a worsening gigantic fraud, as the continuing, post-1977 fall of the relative physical standard of living (market basket) of the lower eighty percentiles of U.S. family households attests.

FIGURE 3

The U.S. Economy's Collapse Function Since 1996



Source: FIRNS

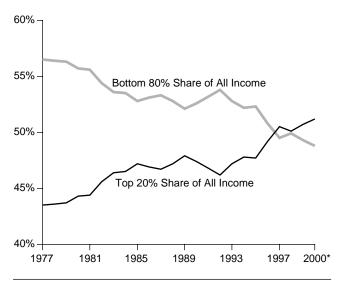
must be acquired is a memory of a relived experience, the experience of reliving the process of the relevant discovery and its transmission to present times. Proper education in science, is science re-enacted, and relived, as an historical drama, in the mode of a Classical tragedy or the like.

For me, my cultivated antipathy, since early childhood, toward learning something merely because it was the taught, or the popular view, impelled me, from about the age of fourteen, to take up an intense reading of English-language editions from among the best-known writings of the leading English, French, and German philosophers of the Seventeenth and Eighteenth Centuries, from Francis Bacon through Immanuel Kant. This was prompted, in part, by my sense of horror at being confronted with such shibboleths as what I later considered as the plainly fraudulent, purportedly self-evident definitions, axioms, and postulates of my first encounter with a standard Plane Geometry. My adolescent search for truth was soon steeped in enmity against what I have identified here as "reductionism." By about the age of sixteen, I had become a follower of Leibniz engaged in preparing a refutation of the principal thesis of Kant's first Critique.

By the close of the 1939-1945 war, I was occupied with the relationship and systemic distinctions among the three Classically defined categories of abiotic, living, and cognitive processes. How does the mind generate an idea, which is an unseen but efficient principle? For a period, I wrestled with the implications of William Empson's *Seven Types of Ambiguity*, with the purpose of identifying those features of Classical irony, as in poetry, which corresponded to the relationship

34 Feature EIR November 21, 2003

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



^{* =} projected

Sources: Congressional Budget Office; EIR

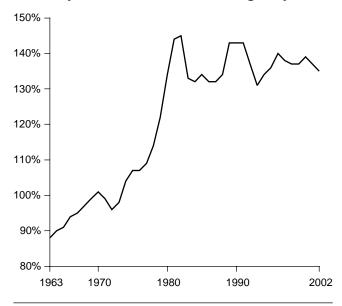
The decline in real incomes of the lower 80% of American familyincome brackets is suggested by Figures 4 and 5, which give the lie to claims of a "Recovery." Households have been forced to take on more jobs, longer work hours, longer commutes, and more debt, in order to survive.

between systemic paradoxes and successful hypothesis in physical science. It was a continuation of my adolescent occupation with affirming Leibniz against Kant's *Critiques*.

Against that background, in January 1948, I was loaned, through Professor Norbert Wiener's daughter, a copy of the Paris pre-publication, reviewers' edition of his *Cybernetics*. That date is significant only because the chain of developments leading to my discoveries in physical economy began under those circumstances. By March of that year, I was deeply committed to the intent to refute Wiener's argument for "information theory." The portion of the book devoted to control mechanisms, was delightful. The use of the term "cybernetics," to signify what Wiener defined as information theory, was a hoax, a logical positivist's intellectual horrorshow. Since that time, most of my intellectual life has been entwined, in one way or another, in warfare against the pure evil typified by Bertrand Russell and such among his numerous, self-dehumanized devotees as Wiener and John von Neumann. The point of reference for my argument against the specific evil of Wiener's notion of an "information theory," was as follows.

In competent science, we begin the discovery of a principle, or student's-like reaction to such a discovery, with attention to a systemic paradox. Kepler's discovery of the implica-

FIGURE 5
Combined Home, Car, Medical, College, and
Food Payments as Percent of Average Paycheck



Sources: U.S. Department of Commerce; National Association of Home Builders; The College Board; U.S. Department of Labor, Bureau of Labor Statistics; *EIR*.

tions of the Mars orbit, is a model case. The successful composition of a Platonic form of Socratic hypothesis defines a conjectured principle which might solve the paradox. This conjecture, that working hypothesis, requires a specific kind of experiment, something corresponding to a proof-of-principle experiment.

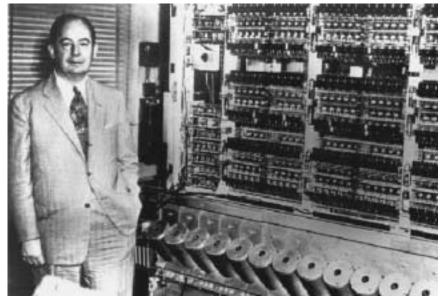
If the experiment were successful proof of that principle, we adduce from the relevant design of that experiment, certain features which directly echo the tested principle. So, we are able to proceed from the work of the laboratory-experimental machine-tool or comparable designer of the experiment, to the application of those features of the experimental design which reflect the newly defined principle.

In a general way, this is the image of the role of technology in the improved design of products and processes of production.

Reflect on what was going on stage, so to speak, as that procedure from paradox to new technology unfolded. The beginning of the process occurred within the sovereign cognitive processes of an individual human mind. The development of the appropriate hypothesis, and its experimental or equivalent validation, produced a technology by means of which man's power over nature, per capita and per square kilometer, was increased. Contrary to Wiener, the radically reductionist statistical method of Ludwig Boltzmann has no place in this process. In representing the increased physical power of labor

EIR November 21, 2003 Feature 35





Norbert Wiener (left) and John von Neumann. Since 1948, LaRouche writes, "most of my intellectual life has been entwined, in one way or another, in warfare against the pure evil typified by Bertrand Russell and such among his numerous, self-dehumanized devotees as Wiener and John von Neumann."

as a result of a statistically ordered process, Wiener had committed a fraud: a fact which would not have astonished the David Hilbert who threw both Wiener and John von Neumann out of Göttingen University for their committing precisely such kinds of hoaxes.

I do not accept Hilbert's delightful, descriptive notion of what he describes as (what translates from German as) the "intuitive" methods of pure geometry which are essential replacements for standard classroom algebra, for purposes of crucial aspects of advanced scientific work. Nonetheless, I recognize his intention to refer to something valid, something which I do recognize as a real phenomenon of human creative work, but which I locate in what would be considered the strictly Platonic methods of the Pythagorean tradition, as I do in my present report here. Better than "intuition," were "insight." However, whatever terms are used to refer to the phenomenon, it signifies the Classical Greek *noësis*, a quality which distinguishes human beings from apes, man as made in the likeness of the Creator. Call it "intuition," or not, the intent of Hilbert's argument on this point coincides, in fact, with my own ontological sense of what Classical tradition defined as the *noëtic* quality of cognition. In all that I have read from the work of both Wiener and von Neumann, and of their kindred modern sophists, that quality of scientific insight is precisely what is conspicuously lacking, even willfully, savagely excluded.

This (noëtic) power of creativity is not something which was done *to* man; it is a sovereign power *of* the individual person. It is not man acted upon by creativity; it is man expressing that creativity which is already embedded in his na-

ture.⁷ This is an agency outside the reach of both abiotic and merely living processes, as Vernadsky followed the relevant Classical Greek tradition on this point. Just as the principle of life exerts an increasing role in determining the geological development of the planet as a whole, so the human creative principle uniquely specific to the sovereign human individuality, has the power to transform both the abiotic and living processes in general. Thus, were mankind, whose population is presently reported to exceed six billions persons, merely a higher ape, the living population would have never exceeded several millions.

Man's ability to increase our productive power over nature, per capita, by willfully efficient intention, is the only true source of what might be called "profit" and the accumulation of physical capital. Such is mankind's power to increase the human species' power to exist, something which can occur among lower species only through an evolutionary up-shift of species, not by any willful potential available to that species.

That is not the end of the argument against Wiener, von Neumann, et al. The development of the productive powers of labor, is generated by individuals, but its realization is social, not merely individual. This brings us to the principal

36 Feature EIR November 21, 2003

^{7.} E.g., the Creator did not deprive himself of the power to change the universe by creating it. Note the importance of the German educator Herbart for both Riemann and, later, Georg Cantor, on this point. Whatever is discovered to be a validated universal physical principle, is a definite object. See Riemann's *Werke*, on "Geistesmasse," *Zur Psychologie und Metaphysik*, pp. 509-520. This Herbartian ontological feature of the work of Riemann and Cantor was crucial for me in 1952-53.

follies of Wiener, von Neumann, et al., the subject of human communication.

'Communication Theory'

In that increase of mankind's power to exist which is generated by newly discovered universal physical principles, there is an element which is uniquely sovereign to the individual mind. How is such an element transmitted, as communication, from one mind to another? Each such discovery is a revolution, for which nothing existed within the realm of that person's sense-perception, up to that point. Therefore, it would be clear that no literal statement within the existing language could contain the relevant communication of the pertinent new idea. With that, the claims to a body of "statistical communication theory," such as that of Wiener, von Neumann, or MIT's Marvin Minsky, break down.

This brings us back to the ambiguities posed to me implicitly by Empson's work. That brings me back to a long-favorite passage from P.B. Shelley's essay, "In Defence of Poetry," and to some fascinating work by one of my favorite American spies, Edgar Allan Poe. During certain periods, there is an increase of "the power of imparting and receiving profound and impassioned conceptions respecting man and nature." What Shelley references thus, is the power of irony and metaphor associated with the great Classical humanist resurgence of the late Eighteenth Century. Compare the case of the famous Third Act Hamlet soliloquy: "To be, or not to be. . ."

Language uses ambiguities arising in the use of language, or mathematical physics (for example), to define systemic paradoxes having the quality of distinctness shown by Kepler's reflections on the implications of a corrected image of the Mars orbit. These are the ambiguities, of a validatably systemic quality, which point toward the sovereign creative powers of the individual human mind, toward the discovery of a relevant hypothesis. By the same means, the use of well-crafted ironies, such as metaphor, one mind is able to provoke another to replicate ideas which can not be explicitly stated in previously established use of language as known previously to those engaged in that communication. This generation and receipt of such communication is accomplished through the principle of Plato's Socratic hypothesis.

When Wiener, for example, sought to argue that an antientropic progress in the human condition could be effected in ways determined by Boltzmannian statistical mechanics, he perpetrated a fraud, as Hilbert would have understood Wiener's behavior on this account. The theory of the brain, of mathematical economics, and of artificial intelligence, by von Neumann, were frauds of the same general class of hoaxes.

These considerations led me, by 1953, to a preliminary general notion of the differences and consonances of the principles of composition of Classical non-plastic art and of physical science. Both taken as one, define a validatable science of physical economy.

The increase of the potential relative population-density

of the human population, demands a relevant source of antientropy. There must be, first, the specifically anti-entropic characteristic of living processes, as distinct from that of abiotic processes. There must be, second, another specifically anti-entropic influence which is otherwise absent among inferior living species, but specific to human beings. The function of a science of physical economy, is to define the kinds of measurements by which society might successfully define some of those policies which will lead to net improvement of the human condition over a span of several generations to come. The development of such ideas by individuals, is not sufficient. There must be a communication of such and also certain other classes of ideas within the society. This latter task has two principal, relatively distinct aspects.

First, there is the matter of the communication of specifically anti-entropic ideas among individuals, as I, not Wiener, have summarily defined anti-entropy above. Second, there must be the discovery of an additional class of universal principles which, like what are ordinarily considered physical principles, pertain to the necessary ordering of social processes.

Society is not a simple aggregation of individual or otherwise local activities. A modern national economy, for example, is a kind of "social organism," in which the most significant effects are a reflection of individual actions directly on the economy as a functionally indivisible whole, rather than as an accumulation of localizable effects. This means that the members of a society must, to a very large degree, subordinate what local experience suggests to be their interests, to a superior definition of that local interest as defined by proceeding from the society as a whole, rather than the particular to the whole.

There are maddened fanatics who seek to deregulate everything, arguing that any interference with their antic impulses were not merely a wrongful assault on their individual will, but necessarily bad for the society as a whole. This lunatic view was that proposed by Mandeville's paean to vice in his *The Fable of the Bees*; in John Locke's notion of "property"; in Quesnay's "laissez-faire" doctrine that peasants are merely cattle; and in Adam Smith's 1759 *Theory of the Moral Sentiments* and 1776 anti-American propaganda-piece *The Wealth of Nations*.

In fact, approximately half of the allotted effort of a healthy form of modern nation-state economy, is expended to produce and maintain those forms of basic economic infra-

EIR November 21, 2003 Feature 37

^{8.} The term "anti-entropy" is coherent, both formally and functionally, with "anti-Euclidean." The concept is of the type associated with the Classical paradoxes of doubling the line, square, and cube, in the Pythagorean mode of pre-Euclidean constructive geometry. The shadowy effects of such procedures in defining relatively higher orders of existence can be described in algebra, but the process of generation of those results belongs entirely to the domain of constructive geometry, as the case of Archytas solution for doubling the cube typifies this. Again, the notion of anti-Euclidean geometry is not to be confused with a merely non-Euclidean geometry.

structure which are of general importance to the economy of that region, rather than merely to some particular enterprise within that area. Generation and distribution of power, water management, general transportation, health-care systems, educational systems, urban organization, and so on define the characteristics of the general environment within which individual activities are situated.

For example, two ostensibly identical factories situated in different environments will have different characteristic physical productivities. The quality of sources of generation and distribution of power, development of water resources, and so on, are relatively more obvious. Then consider the lower productivity of the plant, if placed in an area which relies on highways rather than modern mass-transit systems for passengers and freight. The inherent social cost of the highway travel is greater per capita, and the time lost by reliance on highway transport is multiply a cost-factor, that for reasons which include the substantial, if indirect effects of a diminishing of the quality of family life.

The development of infrastructure coheres with level of technology in defining the geometry of the society and its economy as a whole. The addition, or elimination of some of the functional elements which characterize that society as a whole, will determine a variation in the productivity expressed by the individual firm so situated. The source of this variation is not the firm, but the general economic infrastructure's impact upon the actions occurring within the firm. This relationship between infrastructure and individual enterprise is of the form of a Riemannian geometry. The interpolation of a short explanation of that, will suffice here.

Man in the Universe

The crucial paradox presented by realized forms of application of fundamental physical principles, is the following.

What man discovers, in uncovering a universal physical principle, as Kepler discovered universal gravitation, is a pre-existing principle of the universe. Generally, we think of this in terms of principles presumed to exist prior to the appearance of mankind. When man discovers and applies such a principle to change the universe, he has not added an absolutely new principle to the universe; but, the added re-application of that pre-existing principle to the universe, by the will of mankind as discoverer, changes the universe.

We must therefore think of physical geometries of the universe along the following lines.

The immediate physical-geometry of reference for us, is, in first approximation, the universe as represented by a set of principles whose effects we know. If the universe contains *m* principles, we know a mere portion, *n*, of such principles. Can man increase the number of principles corresponding to *m*? When man applies a discovered universal physical principle, such as controlled nuclear fission or fusion, we change the universe; this effect occurs not by our discovery of that principle's existence, but our willful application of that principle to produce new kinds of principled

states of existence in the universe, kinds of effects which did not exist prior to man's such willful action. New elements and isotopes are merely typical. If we could control what we define experimentally as matter-antimatter reactions, that would be quite stunning. That seemingly paradoxical effect is perhaps the most intellectually stunning expression of man's creative nature.

In all cases, a change in those aspects of our physical-space-time geometry which are more or less immediately important for society's present functions, may alter the way in which ordinary action occurs in the detailed features of social and economic life. Generally, man's power over nature increases, and man's ability to accomplish positive actions is sped up. The tempo of processes may be accelerated or slowed relative to specific, important functions of daily life and economy generally. This relationship between the physical geometries of the whole environment in which we live, and the relative value of space and time of our actions, is the true practical meaning of relativity.

So, we have the following picture. The source of increase of the productive powers of labor is, on the one side, the creative power of the individual, especially the productive individual, such as the scientist, the inventor, the true entrepreneurial farmer, manufacturer, and so on. However, the increase of the productive powers of labor is not limited to action at the proverbial "point of production." Improving the basic economic infrastructure can increase the productivity of the individual enterprises within society even without any notable change in the behavior internally generated by those enterprises themselves. To sum up the sundry arguments so implied, the physical geometry of the basic economic infrastructure within which the particular enterprises of a society are contained, is the boundary-condition which determines the general level of productivity which may occur within individual parts of that economy. The development of basic economic infrastructure therefore represents the primary "cost of materials" of any society as a whole. If that cost of infrastructure is not fully paid, the productivity of that economy collapses significantly.

Return to the problem of communication from that vantage point.

In respect to those qualities of the human mind which set the human individual apart from all lower forms of life, the individual human mind is the most sophisticated design-work we encounter. Whenever we attempt to proceed from relatively simplistic explanations of "human nature," we are not merely wrong, but probably dangerously muddleheaded meddlers. The "structure" of the system of relations represented by social processes, is the most scientifically challenging of all of the topics of scientific inquiry we might choose. Plato's dialogues offer us a core of principled insights into those processes. On that matter, the context of this present report permits us to limit ourselves to saying this much of the following about that subject-matter.

The characteristic feature of the individual human mind

is what is illustrated by the Platonic principle of hypothesis. That principle of hypothesis, which is the foundation of all Classical artistic composition and physical science alike, is the key to the distinction of man from all lower forms of life, and is, for our knowledge, the principle from which all other characteristics of social processes must be adduced. So, in the known history of human cultures, those aspects of communication which share the attributes of Classical artistic composition, typify the means by which successive generations of populations are able to transmit specifically human forms of knowledge within contemporary society, and across even thousands of years of successive generations.

So, the development and realization of discoveries of physical science, taken together with the aspects of culture which correspond to Classical artistic principles of composition, combine to supply us a higher and broader working definition of physical science. As the history of legend and Classical tragedy attests, from Homer through Schiller and Beethoven, and in the traces of ancient Vedic poetic calendars, these kinds of reflections present us an overview of the subject we might term "Platonic ideas," ideas corresponding to that principle of hypothesis upon which both physical science so-called and Classical artistic composition depend absolutely.

However, all of these elements of knowledge are not sufficient to give us a clear, principled image of the human individual. The crucial word is "immortality." A species may be relatively immortal as a species; but only man is immortal as an individual. The trouble with the word "immortality" begins when we insist upon locating the notion of specifically human immortality axiomatically in the biological individual. The following points are to be considered.

To focus the argument, think about certain great scientific discoveries. Choose discoveries for which we know the original discoverer by name, such as Pythagoras, Plato, Archimedes, Eratosthenes, and so on. We actually know these persons only when we have replicated their relevant act of discovery within our own mind, and when we, in turn, also transmit that inner experience of discovery to others who may come after us. This personification of great discoveries of universal physical principle, is in no sense a fantasy. Think of any experimentally validated universal physical principle. That principle functions as an Herbartian principle, an individuality of the form which Herbart and Riemann reference by the German term Geistesmasse. In orderly scientific practice, there is a correspondence between the named (personality) of the discoverer and the quasi-personality of the discovered principle. We must think of the principle as of the form of a personality: It was an object brought into our knowledge by the sovereign cognitive (noëtic) action of a discoverer.

So, the creativity of the individual, both original discoverer and he or she who replicates the act of discovery, is the essential distinction of both man and woman as individuals,

and attaches the immortal quality of personality to the discovered principle itself.

Thus, to the degree a person is a consistent reductionist, he or she is virtually dead, or worse, spiritually.

It is this sense of being part of humanity as a whole, a sense accessible to us only through our roles in an ongoing social-noëtic process, which is the proper source of a sane passion for science, or for the creation and performance of Classical forms of artistic composition. It is this sense of the role of science and Classical art which is the only true personal morality of the person. This is what Socrates and the Apostle Paul identify as $agap\bar{e}$, as that is translated into English as "the common good," or "the general welfare." It is only when we locate our identity so, as opposed to merely those desires which lie within the bounds of our mortal biological existence, that we can be happy in Leibniz's sense of *the pursuit of happiness*.

The cultivation of this sense of the true meaning of happiness, the intention upon which the independence of our republic was founded, is the true, exceptional, virtually unique greatness and exemplary virtue of that republic so constituted under the guiding mind of our Benjamin Franklin, and that of Cotton Mather before him. It is that quality of passion, so infused in our choice of deeds, and our actions themselves, which expresses what Friedrich Schiller defines as *the Sublime*, the quality which a self-doomed Hamlet of Shakespeare's Third Act soliloquy fears, and for fear of which he willfully brings about his own useless death, and that of his nation besides.

The foolish person pursues rewards, or merely avoids penalties. The wise person, of which there are admittedly few in our society today, pursues eternal happiness as Leibniz defined it. That pursuit is his passion, the force which moves him, or her, to discover, and to act for mankind.

It is the consonance of the Socratic way of thinking, the *Sublime*, with science as Plato implicitly defines science as hypothesizing, and with love for mankind, past, present, and future, which expresses that wonderful passion by which the greatest acts are inspired. There lies the passion for science which is lacking in the reductionist. It is hatred of that which they are not, by the reductionist, which is key to understanding the evil of Newton and of Euler's attacks on Leibniz. If we understand this, we are able to do happily what we must, without regard for fear or favor. Such is, among others, the true scientist.

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EIR November 21, 2003 Feature 39

Image International

George Soros Spreads Opium Wars Across the Americas

by Gretchen Small

Richard Grasso no longer serves as chairman of the New York Stock Exchange (NYSE), but Wall Street's drive to bring to power those "very sophisticated capitalists" who head Ibero-America's narco-terrorist cartels, as Grasso so brazenly declared to the world on June 29, 1999, is roaring ahead. Thanks, in large part, to the efforts of the "grassroots" billionaire narco-lobbyist, George Soros.

As the Bush Administration fixates on the Middle East

debacle it has created, a conflagration looms throughout Ibero-America. Wall Street's narco-terrorists are mobilizing to overthrow any government which does not do as they say, and hand them power. Smelling victory, they are manic, and not without reason. The mind-set which has taken over, was succinctly summarized by Soros' jet-setting *cocalero* asset in Bolivia, Evo Morales. Evo told a conference of the Latin American Council of Social Sciences, meeting in Havana,

LaRouche: Combat Coca With Development

With a diplomat from an Ibero-American nation, Lyndon LaRouche discussed how to fight the problem of coca in the Andes. The following is a paraphrase.

We must change the system, in order to do anything. The choice today is between the debt, and the people. If you don't nationalize the debt to save the people, you will end up like Africa. But no one will do it, because of the United States. They will take defensive measures, partial measures, but they won't move against the system. Therefore, we need a strategic policy to change the United States.

On drugs: This is a war against civilization. Take Bolivia, which has suffered British wars—the War of the Pacific, and the Chaco war. These questions are live today; some people think like this still. The question is, how do you help the people under these conditions? First, there was the mining period of exploitation. People were dying at high altitudes; they were impoverished; they had no

food; they were looted. That history is known. What you need, in a place like Bolivia, is obvious: large infrastructure projects, which are a great challenge in a mountainous region, where it's harder than on the plains.

When people go into coca, a normal response under European civilization, would be to develop the country to solve the problem. And to use the military. It's a logistical question. You have to defend the whole country. You use the military to build up infrastructure: transportation, power, water, health, education. And you offer the people a better life. Even potatoes are better to grow than coca.

Coca is not considered a problem by leading U.S. interests, nor for any of the leading ruling circles in the Americas, because they all have their hands in the drug money. That's all they have: control over raw materials, and drugs. They don't have anything else.

In dealing with the *cocaleros*, you have to offer them a way out. This point goes back to Livy, who said you always have to give an enemy you are trying to defeat, an honorable way out. The United States should go after the transport of the drugs; forget the eradication—for now. We should interdict, get the big international dealers, and concentrate on that. And we have to go for development

40 International EIR November 21, 2003

Cuba on Oct. 30, that if they work hard enough at achieving regional unity, "very soon we could celebrate in Latin America another Vietnam for the United States."

Target: Uribe Vélez

Evo Morales soared to international fame in October, when he and his fellow Soros asset, declared terrorist Felipe Quispe, led mass protests which overthrew the government of Gonzalo Sánchez de Lozada in Bolivia. Now, it is the government of Colombia's President Alvaro Uribe Vélez, the one hard-line anti-drug government left in the region, touted by the Bush Administration as its best ally in the Americas, which is on the line, and it is Washington's own policies that are bringing him down.

The resignation of Uribe's hard-line Interior and Justice Minister, Fernando Londoño, on Nov. 6, may in hindsight prove to be the beginning of the end for Uribe. Repeatedly, the corrupt narco-political class in Colombia had tried to get Uribe to dump the blunt-speaking Londoño. First among Londoño's enemies was former President Alfonso López Michelsen, whose three-decades-long efforts to legalize drug monies, drug-traffickers, and the drug trade itself have earned him the nickname "The Godfather." Also demanding Londoño's head, was Soros' human rights lobby, especially after he dared denounce, a year ago, the myriad of human rights Non-Governmental Organizations opposing any war on drugs or terrorism, as "agents of terrorism." (Soros is the leading financier of, and sits on the board of the mother of the self-

proclaimed "human rights" NGOs in the region, Human Rights Watch/Americas.)

Every effort to dump Londoño failed, until the President suffered his first big political defeat on Oct. 25-26. In back-to-back elections that weekend, Colombians defeated the government's referendum to authorize far greater austerity (a referendum demanded by the International Monetary Fund and Wall Street), and then elected a narco-terrorist frontman as mayor of the nation's capital, Bogotá, because he, unlike Uribe's candidate, promised economic improvement.

Ten days later, Londoño was ousted, victim of a crude watergate: He had held a private arm-twisting session with opposition Senators, which, unbeknownst to him, was taped by a hidden microphone. When his threats that the Senators had better back up the President, or he might be forced to resign early and call new elections, were leaked to the media, his enemies went wild. Former Finance Minister Rudolf Hommes, an intimate in Grasso's dealings with Colombia's terrorist cartel, the FARC, threatened in a commentary in *El Tiempo* that Londoño had to be dumped to restore Colombia's "international credit."

Then, in quick succession, Uribe's entire security and defense team resigned: his Defense Minister on Nov. 9; the national Chief of Police on Nov. 11; and the Commander in Chief of the Armed Forces on Nov. 12. It is rumored that a reorganization of the entire military command may follow.

Each resignation ostensibly occurred for different reasons, which varied from in-fighting to corruption. Nor has

in the producer countries, so you have something to offer people.

The coca/drug problem has been imposed on us. The enemy who imposed the problem has to be destroyed. They are the problem, not the *cocaleros* who are their pawns. Therefore, the issue is one of philosophy. You have to build up an intelligentsia. That's why I focussed on building the LaRouche Youth Movement. You have to start by building a cadre force, which understands the global and national strategic situation in which they are operating. You have to educate them for that. And then you have to give them the power to implement these ideas.

So my view of basic combat, is education. But you need a social vehicle for this. You have to look for the natural leadership in the population and develop them. Then, when those people have the power, you have to crush the enemy. But you have to offer something to people. The country has to develop over the long-term. You have to have a vision of a viable future. You must have a sense of mission. That's why soldiers are willing to die: not for a practical reason, but for a mission. Politics is the same thing. You don't organize society around practical programs, but around a mission. And that's what leadership is.

You need a mission for the continent.

Ask: Why do we have a drug problem? Where did it come from? Financial interests *want* us to have it, in order to destroy us! They are trying to keep the situation under their control, to create a situation of "terror against terror." Therefore, we need a more conscious, more articulate network working together in the Americas. Take the case of Peru. They had an effective anti-drug program under Fujimori. In Colombia, it has not been as effective. In part, this is because Peru has a more cohesive and coherent society: People view their neighbors as like themselves. We are all the same. We are all human. The army is understood as *our* institution in Peru. They go to it for suggestions, ideas, help.

Bolivia, with its current crisis, needs a flanking operation. What is its flank? Peru and Brazil. The key countries in the area are Brazil, Argentina, Peru, and Bolivia: It's a complex. Venezuela is much harder to deal with. Colombia is divided, but what's left of its patriotic forces can participate. Also, the enemy is deploying new Wars of the Pacific to divide one country from another. This has to be avoided by working together, by integration.

—Dennis Small

EIR November 21, 2003 International 41

any formal announcement been made that the government intends to change course from the program upon which it was elected to office: that of defeating, rather than negotiating with, the narco-terrorists destroying the country. The narco-terrorists had had the run of Colombia under Uribe's predecessor, Andrés Pastrana, who championed Wall Street's policy of negotiating with the cartels (it was under Pastrana that Grasso carried out his infamous personal negotiations with the FARC in their redoubt in the southern jungles of Colombia). In 2002, the population gave Uribe an overwhelming mandate to fight.

The signs that a capitulation to Wall Street's insistence on power-sharing with the narco-terrorist cartels is in the works, are mounting, however. Chief among them, is the naming of the head of the National Business Federation, Sabas Pretelt de la Vega, as Londoño's replacement as head of the Interior and Justice Ministry.

Pretelt's track record on narco-terrorism is far different than Londoño's. He participated in every major negotiation with narco-terrorist groups which the Pastrana regime carried out, from the discussions with the ELN in a German convent and in Havana, Cuba, to visiting the FARC's southern head-quarters in the Caguán as a member of Pastrana's National Peace Council. "A negotiated solution is absolutely indispensable to reach peace," he told Colombia's RCN radio after being named on Nov. 7.

Ironically, the ouster of Londoño may prove the catalyst for exactly the chain of events he was watergated for mentioning. Uribe could, indeed, become the next Sánchez de Lozada of the continent. Uribe is far more popular than the millionaire mining baron Sánchez de Lozada ever was, but only because of his commitment to defeat the narco-terrorists. Take that away, reduce him simply to being the enforcer of Wall Street's policies, and he's gone.

The ouster of Uribe would deal a devastating blow to a region already reeling from the Bolivian crisis. With all the limitations and errors of his administration—most especially his abject subservience to the neo-conservative-dominated Bush Administration—the Uribe government nonetheless has kept alive the principle that the drug trade *can* be fought, that capitulation is not the only option available, as the government of Alberto Fujimori in Peru once did, albeit more strongly.

In the view of Soros' drug legalization team, the time is now ripe to eradicate that concept entirely from the region. Last February, representatives of the *cocaleros* of Peru and Bolivia (including Quispe) met with drug legalizers from around the hemisphere, and from Italy, at a conference in Mérida, Mexico, entitled "Out From the Shadows," called to map out the next phase of the war to legalize drugs in the Americas. The conference was made possible by Soros' money, and a featured speaker was Ethan Nadelmann, executive director of Soros' Drug Policy Alliance. Nadelmann declared that the meeting "shows us that opposition to drug

prohibition is popular and widespread in Latin America. And it has begun to unite."

In July, Nadelmann announced that the time had come to force a break. In an article published in the July-August 2003 issue of the Carnegie Endowment's *Foreign Policy* magazine, rapidly circulated widely in Spanish by the legalizers, Nadelmann called for "Latin America to start breaking with Washington over the war on drugs." The region should "regulate" dope use, through "harm reduction" strategies such as those implemented in Europe (cannabis coffee houses, "medical" heroin dispensation, etc.), and join together in "an organized revolt involving a number of Latin American countries," to say "no" to any war on drugs.

Central to his proposal, was that Ibero-America, as a whole, launch a campaign to establish international trade in coca, the basic ingredient of cocaine. *EIR* documented, in June 1998, how Nadelmann and fellow legalizers designed the subterfuge of establishing an international coca trade, as yet another flank in their drive to bring back the good old days of Britain's Opium Wars against China, when the global narcotics trade was legal, and how Evo Morales was a creation of that project. Not surprisingly, establishing such a coca trade is the central plank of the Morales/Quispe team today, who threaten that any Bolivian government that does not legalize the "industrialization" and export of coca, will be overthrown, just as Sánchez de Lozada was.

Repeating the Bolivia 'Model'

Popular anti-government sentiment is rising across the continent. Bolivians have been visiting universities in Bogotá, briefing Colombian students on how they overthrew their government. Leaders of the Jacobin unemployed movement in Argentina known as the *piqueteros* are calling for a mass demonstration on Dec. 20, the second anniversary of the demonstrations that brought down the government of Fernando de la Rúa in 2001, "to demand a people's and workers' government." A speaker at a Nov. 5 rally of this crew called for Argentines to follow the example of the Bolivian peasants, and go out and "take power. . . . It's not good enough to get to the doorway; we have to go in, and take over the government palaces."

The situation in Bolivia is calm, for the moment. There is a hiatus in the popular conflict, which local observers chalk up to the fact it's planting season now, and the *cocaleros* are busy with the next crop. That ends in December, but the time of renewed conflicts generally does not begin again until after *Carnival*, at which point, popular mobilizations are guaranteed against President Carlos Mesa, unless he can offer some economic hope to Bolivia's desperate population.

At about that time, from Feb. 9-12, 2004, some 800 people are expected to attend the First Latin American and Caribbean Harm Reduction Conference, in São Paulo, Brazil, organized by the International Harm Reduction Association (IHRA), yet another arm of the Soros dope machine.

All-Out Political War Is On in Britain

by Mary Burdman

Britain in the second week of November was in the throes of unprecedented political warfare. All parts of the establishment—the political class, royalty, the legal establishment, security services, and the financial sector—were in turmoil. The international strategy of Prime Minister Tony Blair—who took Britain, as the leading ally of the United States, into the Iraq debacle over enormous public opposition—was coming apart by the day. The British economy is in a perilous condition, with the Bank of England itself issuing regular warnings about dangers posed by its record-level £900 billion of debt.

This being Britain, the political and economic fissures emerge in public fights which are as convoluted as they are brutal. Since October, the rate at which one controversy or scandal has overwhelmed the one before it, has become breathtaking. Tony Blair had had the effrontery to proclaim himself "the only game in town," in a self-justifying interview with *The Times* published on Oct. 13, when the opposition Tory Party fell into bloody in-fighting. This was during a—very temporary—lull in the highly damaging revelations being made by the inquiry conducted by Lord Hutton into the apparent suicide of Britain's prominent arms inspector, Dr. David Kelly, on July 17.

Blair should have known better. While the Tories' troubles and other scandals might have appeared to be a diversion from Blair's troubles, you must remember, as one London insider told EIR, that "this is the land of Shakespeare, and the powers-that-be know that such diversions will not really save Blair. If Blair's sins were on the front page every day, people would get bored with them." Soon enough, "attention will go back to Blair's troubles, with even greater effect." And indeed, the lull was short-lived; public protests about the Iraq war, which had been muted so as not to undermine the troops in the field, were again raised from the highest levels of the British establishment. On Oct. 14, Dr. Rowan Williams, the Archbishop of Canterbury, told Britain's Royal Institute for International Affairs that the attack on Iraq "cannot be justified as just war." The same day in London, Lord Alexander of Weedon attacked Britain's Attorney General, Lord Goldstein, for giving legal sanction to the war, and told the Law Society that Lord Goldsmith should publish his "judgment," a break with British legal tradition.

This being Britain, the national policy fights emphatically include the monarchy. The revelation by Paul Burrell, former butler to the late Princess Diana, that she had written him a letter before her death warning that she feared she could be killed in a staged automobile accident, caused a furor which had scarcely abated when other nasty rumors against Prince Charles, dating back to the mid-1990s, hit the press—"establishment" as well as tabloid. That attack culminated in a barrage of screaming headlines on Sunday, Nov. 9, of the sort not seen since the astonishing national reaction to the death of Princess Diana in 2001.

The reports' reliability is of little matter; the issue is whether Prince Charles, and possibly the monarchy itself, will survive the onslaught. The situation harkens all the way back to the 1936 Abdication Crisis, which also occurred amid great economic and political upheaval and danger. Feeble efforts to protect Prince Charles by court restraints on publication, crumbled within days. In 1936, reports on King Edward VIII's lover, Mrs. Simpson, were banned from the British press to little avail.

It is far from clear just who is doing what to whom. There are reliable indications that Burrell himself is loyal to the Queen and Prince Philip, although not to the Prince of Wales; meanwhile, one of Charles' highest-level former aides, Mark Bolland, has made some of the most damaging public revelations about the Prince. And the "liberal" press, including *The Guardian* and *The Independent*, have demonstrated internal rifts and extremely conflicting loyalties to Tony Blair's "New Labour" and his Iraq war. These establishment newspapers are involved in nasty political infighting, while the tabloids are having a field day. The real issues are the international political and financial crisis, being fought over in classic British style.

'Cynicism About Iraq Is Tangible'

The Hutton Inquiry is now formally adjourned for Lord Hutton to write his final report. It had been presumed, as a London insider told *EIR*, that the report would be finished in November, and Blair had staked a lot on that. He had wanted to use the Queen's Speech—the British Prime Minister's equivalent to the U.S. State of the Union, which is written by the government, not the Queen—at the opening of Parliament Nov. 25, to re-launch "New Labour." Blair had chosen that date assuming the Hutton report would be public, and he could counter it. But the report will not be ready until the end of the year, and is hanging over Blair's head.

The prolonged Hutton inquiry only fed into the growing public malaise with the ever-worsening war in Iraq. The depth and width of the entire population's cynicism about the Iraq war is "really tangible," and is a matter of open public discussion, a Scottish source said. There is "extreme cynicism about the rationale" used to get into the war—which is the real issue of the Hutton inquiry.

Blair and his Chancellor and chief Labour Party rival,

EIR November 21, 2003 International 43

Gordon Brown, fell out in a much-publicized rift beginning Nov. 6, when Brown went on national televison with his political grievances. The cited "issues" were trivial, but underlying them is the future of the whole "New Labour" project and government. Brown's real objection is to Blair's adherence to Peter Mandelson, who was Blair's closest political advisor before scandals about Mandelson's goings-on in Rio de Janeiro forced his resignation. Blair, however, simply cannot afford to kick Brown out of the Treasury. As one political observer warned: "it would spook the markets." Brown has been responsible for maintaining the "stability" of the British economy since new Labour came to power in May 1997. That "stability," in reality, is a mountain of debt.

On Nov. 6, the Bank of England raised interest rates for the first time since 2000, up from 48-year lows. On Nov. 13, Bank Governor Mervyn King warned British consumers that "rates may change," implying a series of rate rises. King had warned in a speech in October, that the unprecedented level of consumer borrowing had increased the risk of a "sharp correction." Overall debt in Britain is at levels never seen before. On top of the mortgage bubble, probably the worst in the world, credit card lending has doubled in the last four years, and, despite the rock-bottom interest rates, over 6 million households are having trouble managing their debt.

As one observer noted, "This is not the time to be axing your Chancellor."

The Labour infighting faces an—at least for now—united Tory Party under its newly-elected leader, former Home Secretary Michael Howard. Howard is known to have a fairly realistic sense that something must be done to stop the decay of the British economy. His hapless predecessor, Iain Duncan Smith, was notoriously close to the U.S. neo-conservatives led by Vice President Dick Cheney and Defense Secretary Donald Rumsfeld.

Who Invited Bush Here?

Into this turmoil will walk the extremely unpopular American President George W. Bush, on a state visit to Britain from Nov. 18-21. Large demonstrations are being organized to protest the Iraq war, by the "Stop the War Coalition" and the Muslim Association of Britain—the same organizations which organized the 2 million-strong peaceful demonstrations in London in February. The White House is demanding unprecedented security for Bush, including, reportedly, that the main streets of central London be closed off for the entire visit and a wide "exclusion zone" be maintained between the President and everyone else. This is impossible: London Mayor Ken Livingstone, who marched in February, stated that "the ideas of some American security advisers, that perhaps we should shut down the whole of central London for three days, ignoring the economic consequences of that; I don't think that's got a chance at all."

Such blatant interference in London is hardly increasing

the President's welcome. The visit, planned many months ago as likely to enhance Bush's electoral chances, has been made into the first "state" visit by a U.S. President since Woodrow Wilson in 1918. This means that Bush's official hostess will be the Queen; but, with all the travails hitting the House of Windsor, it is not likely she will welcome the repercussions of three days hosting the most unpopular U.S. President in decades.

Bush has reportedly refused to speak in the City of London, *The Times* noted on Nov. 12, to avoid any taint from association with financiers. "His minders in the States said they were looking for pictures beamed back of him with ordinary people rather than toffs and financiers in an election year," *The Times* quoted one City insider. "After Enron, WorldCom and other such disasters, Bush does not want to be seen in their company." But will "ordinary people" want to be seen with Bush? In the huge February demonstrations around Britain, the "ordinary people"—of all ages, backgrounds, and appearances—were out on the streets protesting the impending war, and they could well be there again next week.

Blair, more and more on the defensive, used the London Lord Mayor's Banquet on Nov. 10 to try to justify his disastrous war, and his determination to save the "special relationship" with the "neo-con" crew dominating the Bush Administration. Blair re-asserted his "New Labour" foreign policy, that Britain should be the "bridge" between the United States and Europe. But this meant that Blair had to re-assert his support for the Iraq war, and his role as the "poodle" of the U.S. chickenhawks, as opposition to these policies rises by the day in Britain. Blair had to admit: "At present there is a fairly narrow constituency for this view." As to Bush's visit, Blair acknowledged: "There will be demonstrations. His friends wonder at the timing. His enemies rub their hands at what they see as the potential embarrassment." On Iraq, Blair had again to admit that there "can be entirely legitimate disagreement" on the "rights and wrongs of that conflict. . . . It will test the validity of the view of those whose protest goes far wider than merely condemnation of the war in Iraq and extends to the whole of American and U.K. foreign policy." That, at least, is certainly true enough.

To objections that "the coalition is an army of occupation," stealing Iraqi oil, and unleashing terrorism, Blair could only counter that Iraq is "moving toward full democracy." He ended by attacking "anti-Americanism," but his "pro-Americanism" is only a filthy bargain with the Cheney war-hawks in Washington, and more and more people in Britain recognize this. Blair ended his speech with a pathetic cheer: "Europe and America together. Britain in the thick of it. The world, a darn sight safer as a result."

Just two days later, 30 people, including Italian policemen, where slaughtered in the worst guerrilla bombing so far in the war.

Anglo-Americans Dictate 'Peace' to Sudan

by Uwe Friesecke

After meeting the peace negotiators for Sudan on Oct. 22 in the Kenyan holiday resort Naivasha, U.S. Secretary of State Colin Powell declared he expected a comprehensive peace deal signed by the end of the year. Initially, government sources in Khartoum were quoted saying that nobody could dictate a deadline to the Sudanese government. But a day later, Khartoum declared officially that the government would redouble its efforts to meet the year-end deadline. This shows that Khartoum's policy is not uncontroversial within the Sudanese governing elite. But the war in Iraq is a strong enough warning of what could happen to Sudan, if it should not comply. Therefore, in Khartoum right now, policy is determined by those who are convinced that there is no alternative but to give in to the Anglo-American stick, hoping that one day also the carrot will be delivered.

U.S. and British diplomacy has invested much to bring to an end to 20 years of fighting in Sudan's South. Since 1983, the Sudan People's Liberation Movement/Army (SPLM/SPLA) in Southern Sudan has been fighting the Sudanese government in Khartoum. Now, after many failed attempts, the two parties to the conflict seem to be close to an agreement. But the deal communicated by the American Secretary of State is motivated more by Anglo-American geopolitical concern for control over Central/East Africa and the Horn of Africa, than by a genuine desire for peace for Sudan and its neighbors.

Negotiations have taken place between delegations from Sudan's government and the SPLM, within the framework of IGAD (Intergovernmental Agency for Development) in Kenya since early 2002. Kenya's former army chief, General Sumbeiywo, is heading the mediation team; rather than honestly trying to mediate, it is engaged in winning one concession after the other from the side of Khartoum. U.S. and British diplomats and intelligence operatives are all over the negotiations, to make sure that the Sudanese government accepts a deal making the secession of the southern territories possible. During his meeting in Naivasha, Secretary Powell praised the two leaders of the delegations, Sudan's Vice President Taha and SPLM leader John Garang, for their commitment to peace, and promised the signing of the deal would take place with President George W. Bush at the White House in Washington. But a week later, Washington wielded the stick against Khartoum, when President Bush extended sanctions against Sudan for another year.

So far, the winners in these peace negotiations have been John Garang and his backers in Washington and London. A united, sovereign Sudan is, for now, clearly on the losing side.

From Machakos to the Division of Sudan

What the international media characterized as a breakthrough occured on July 20, 2002 in Machakos, a town southeast of Kenya's capital Nairobi. There, the Sudan government and the SPLM signed a protocol in which the government de facto recognizes the right of secession of the southern provinces. The text of the protocol still held out the idea of unity for Sudan, but in reality it was the first step for the breakup of the country. This became clear a year later in July 2003. The mediator, General Sumbeiywo, presented a new paper for negotiations, which differed sharply from the Machakos Protocol. In Machakos the agreement was that during the transition period of six years, national administrative and political unity would not be questioned, and thereafter the final decision would be taken through a referendum. But the 2003 proposal was for two separate administrative, political, and financial structures. It would recognize the control of the SPLA and John Garang over the South already during the socalled transition period.

Naturally, Garang agreed to this immediately. Sudanese President Al-Bashir, on the other hand, first rejected the proposal angrily and recalled his delegation. But after he had replaced his peace advisor Dr. Ghazi Salaheddine Atabani as head of the delegation, by his Vice President Ali Osman Taha, the delegation went back to Kenya and signed the deal proposed by Sumbeiywo. When the negotiations resume at the end of November in Kenya, the last disputed points—wealth-sharing, power-sharing, and control over three areas in central Sudan—will probably be settled the same way.

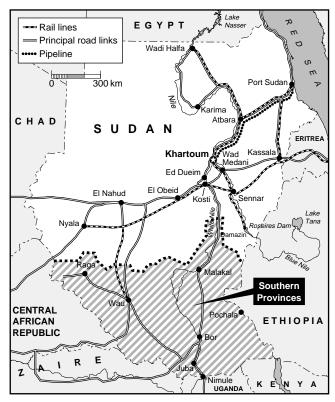
Nothing but the destruction of Sudan's sovereignty as the largest country in Africa has, in reality, been the agenda of the peace talks. All signs are that Washinton and London are committed to see this accomplished.

During the Clinton Administration, U.S. Secretary of State Madeleine Albright used a visit to Sudan's neighbor Uganda to call for the overthrow of the government in Khartoum. The Administration was full of fanatical ideologists who wanted to destroy the Islamist government in Sudan at all costs. Susan Rice, as Undersecretary of State for Africa, or John Prendergast as director for Africa policy in the National Security Council (NSC), were among them. Today, Prendergast is special advisor on Africa to the International Crisis Group (ICG) in Brussels, a think-tank with George Soros, Zbigniew Brzezinski, Richard Allan, and Mikhail Khodorkovsky on its board. Prendergast is part of the team steering the IGAD process for Sudan in Kenya.

When President Bush came into office in January 2001,

EIR November 21, 2003 International 45

Line of Anglo-American Division of Sudan



Oil geopolitics and "war on terror" pressures from the United States and Britain (i.e., the invasion of Iraq) have pushed Sudan to accept a July 2002 "peace agreement"; and now, after renewed instigation of civil war, a drastically-altered agreement which divides the country in two, on lines going back to British 19th-Century colonial policy.

and Powell and Walter Kannsteiner replaced Albright and Rice in the State Department, a more "pragmatic" Sudan policy was formulated by the United States. It dropped some of the fanatical rhetoric against Khartoum, but did not lose sight of the fundamental strategic changes envisaged for Sudan and the region.

The change also became apparent in Khartoum. In January 2001, Lyndon and Helga Zepp-LaRouche's Schiller Institute organized a seminar in Khartoum, sponsored by the Sudanese government, under the title "Peace Through Development Along the Nile Valley." Lyndon LaRouche was the keynote speaker; his warnings of the policy of the incoming Bush Administration in Washington were taken with great reserve by some of Sudan's government representatives in attendance. It was clear that the demise of the Clinton Administration was greeted with hopes to come to some kind of an agreement with the new American government.

The Bush Administration engaged in a simple double game. On one side, they offered talks, which had been impos-

sible under Clinton and Albright; and they sent Sen. John Danforth as the President's special envoy. He delivered his report in April 2002, recommending further U.S. engagement in the Sudan conflict. But Garang's SPLA kept constantly threatening military attacks, aiming at the Sudanese oilfields. Right after the Machakos deal was signed in July 2002, the SPLA threatened the government town of Juba in the South. Back in Washington, Congress adopted the Sudan Peace Act, which gave the White House the right to ask for more sanctions against Sudan from the UN Security Council. And the Bush Administration kept Sudan on the list of states supporting terrorism.

Finally, in March 2003, the Iraq war sent an additional message to Khartoum for those who still might not have understood what really was at stake in the IGAD peace talks.

Anglo-American Objectives

The peace agreement being dictated by the Anglo-American powers to Sudan is part of a decades-long process of realignment of power structures in Africa. Before Garang began his rebellion in 1983, he studied in the United States and received military training in Fort Benning in Georgia. His rebellion would never have succeeded if he had not been supported financially, militarily, and politically by America, Britain, and Israel. The Sudanese war was, from the beginning, steered from the outside.

Garang's closest ally in Africa was Yoweri Museveni, who came to power as President of Uganda with British help in 1986.

During the transitional six-year period as now laid down in Kenya, Garang would become Vice President of Sudan, and be another Anglo-American asset in Africa to guarantee the good behavior of a government. After the Congo peace agreement was dictated in a similar way, Africa—from Angola to Kenya, and from Burundi to Sudan—would be governed by regimes dependent on Anglo-American interests, not the least regarding oil and other raw materials.

If, after the end of six years, Southern Sudan should split from the rest of the country, and take with it most of the oil concessions which are largely located in the South, the remaining Northern Sudan would be rendered hopelessly weak. The new state in the South, as a landlocked entity, would not have much independent power either. Anglo-American control would be complete.

This Anglo-American strategy, to bring John Garang to power in Khartoum and/or to split the country, is also directly aimed at Egypt. The waters of the Nile are Egypt's lifeline. The area in the South claimed by the SPLM is run through by the White and Blue Nile. Any power changes here can be used as blackmail against Cairo.

Unfortunately, Sudan and the rest of Africa will remain far from real peace and development if the Western powers continue to manipulate power and politics on the continent for their own geopolitical desires.

International Intelligence

Russians: U.S. Losses Like Ours in Afghanistan

Russian experts reckon that the U.S./British casuality rate in Iraq is approximately equal to that suffered by Russian forces in Afghanistan during their much longer occupation. The calculations were reported by Sergei Lavrov, Russia's permanent representative to the United Nations: "The other day, our colleagues from the UN, who used to be in charge of Afghanistan-related issues, made some simple calculations. It turned out that if we multiply daily American casualties in Iraq, by the number of days the Soviet troops were in Afghanistan, the figure would be about 13,000. We had that many casualties in Afghanistan. This information showed everyone the scope of the Iraqi problem."

LaRouche Representatives Welcomed in South Korea

Lyndon LaRouche's representatives Jonathan Tennenbaum and Kathy Wolfe addressed almost 800 people in five public meetings, two press interviews, and more than 15 private discussions during a trip to Seoul, Korea from Oct. 31-Nov. 8. The meetings ranged from a national economic and trade association conference, to one of 200 university students, organized by a student who has been studying EIR and produced a leaflet entitled "Eurasian Land-Bridge—Build Our Way Out of Pre-emptive Nuclear War," which spread around the Internet in Seoul. The leaflet calls for the founding of a LaRouche Youth Movement in Korea, and for the anti-war movement to give up its negative anger and demand the positive solution of the Eurasian Land-Bridge. The students were all eyes and ears to hear about LaRouche's program for "our bright future" and to finally make fun of Dick Cheney's neo-con gang, instead of living in constant fear of nuclear war.

The student leader said in opening the meeting, "When I first saw LaRouche's Eurasian Land-Bridge book, with all the brightly-colored maps and its vision of

world economic development, with such a bright future for Korea, it made my heart beat fast with excitement."

The other public meetings included seminars on the Land-Bridge infrastructure-building concept and LaRouche's New Bretton Woods proposal, at several graduate schools, and an address to a peace movement group which included some of the most elite scholars in Seoul, with direct lines to the Presidential Blue House. Several Senators and retired cabinet ministers, and advisors to President Roh, including a top official of the President's party, were also briefed in personal meetings.

"We are so happy to finally discuss the Eurasian Land-Bridge as the great project illustrating the spark of the Divine in every human being," said one professor, in explaining the LaRouche campaign and the Schiller Institute to his students. "This is truly what Friedrich Schiller spoke of as the 'Göttterfunken' ('sparks of God') in his great 'Ode to Joy,' "the professor added.

Adult Stem-Cell Research Makes Another Advance

Several treatment experiments being reported to the American Heart Association conference in Washington on Nov. 10, indicate once again that stem-cells in a patient's own body can be used to reverse or prevent some of the damage caused by heart attack or heart disease.

German researchers at the Hanover Medical School reported that in a test involving some 70 patients, cells taken from those patients' bone marrow at the hip, and washed into the heart in the areas of disease, could either transform themselves into heart-tissue cells, or stimulate new growth of damaged heart tissue, so as to increase the heart's function.

"This is the first demonstration that this treatment is effective," Dr. Helmut Drexler, who led the study, told a news conference at the AHA convention. The 30 patients who got the cells had an average 6.7% improvement in the pumping efficiency of the critical left ventricle of the heart. Both Drexler and other doctors reviewing the

work independently, called this improvement very significant, much greater than that from angioplasty, and perhaps enough to turn short-term into long-term survival.

In a second study, Dr. Bodo Strauer of Heinrich Neine University in Düsseldorf, and his colleagues, gave bone-marrow stem-cells to half of 40 heart attack patients. They found that the patients given stemcells seemed to regenerate new heart tissue in the damaged area, shrank the damage, and doubled the heart's contraction speed.

While these studies remain small, they continue a train of significant therapeutic results in recent years from the use of stemcells from the patient's own body—results lacking with morally controversial research with embryonic stem-cells, which continues to be given the great bulk of media coverage.

Israelis, Palestinians Rally Against 'The Wall'

Thousands of Israelis and Palestinians demonstrated against Prime Minister Ariel Sharon's "apartheid wall" on the 14th anniversary of the fall of the Berlin Wall, Nov. 9. The demonstrations, organized by "Citizens of Israel Against the Fence," were held in Jerusalem, Tel Aviv, and the West Bank.

What the Israeli government describes as a fence, "is actually a system of cement walls, electric and barbed wire fences, trenches, patrol roads, trace paths, guard towers, lookouts and cameras. The average width is 60 meters and the length is 590 kilometers, with an estimated building cost of 7 billion Israeli shekels [\$1.5 billion]," warned the leaflet distributed by the marchers. The wall "dissects the West Bank and puts the Palestinians in a pressure cooker: without agriculture, without trade, without water sources, without freedom of movement and without educational, health and welfare services."

One of the organizers of the march, Khulood Badawi from Taayush, the Arab-Jewish Partnership, said that they marched to show the world that "unlike what the Israeli government claims, there is no general consensus in Israel about the wall."

EIR November 21, 2003 International 47

ERNational

LaRouche Turns Up The Heat on Cheney

by Jeffrey Steinberg

On Nov. 12, Democratic Party Presidential pre-candidate Lyndon LaRouche began airing radio advertisements on Washington's all-news station WTOP, calling for Vice President Dick Cheney's removal from office, for his role in the Iraq war "for which there was no need. A war we're trying to get out of now."

LaRouche further scored Cheney for orchestrating a vicious dirty-tricks campaign to shut down the work of the Senate Select Committee on Intelligence, which has attempted—despite persistent Administration obstruction—to get to the bottom of the bogus intelligence used to foist the Iraq war on the President, the Congress, and the American people.

The LaRouche radio ad is also circulating, with added documentation, as a million-run LaRouche in 2004 nation-wide campaign leaflet, under the headline "LaRouche: Dump Cheney Now!"

LaRouche has been placed on the ballot for the Washington, D.C. Democratic Presidential primary election on Jan. 13, 2004, the first in the country. On Nov. 15, scores of members of the LaRouche Youth Movement invaded the halls of Congress, to circulate the "Dump Cheney" statement and lobby for a full probe into the crimes of the Vice President and his underlings—including the Cheney-led shutdown of the Senate investigation of the Iraq intelligence fraud.

Cheney's Plumbers?

For the second time in five months, Vice President Cheney has been caught staging an intervention to shut down the probe into the pre-war Iraq intelligence—at the moment that bipartisan momentum was building in the Senate to repair a badly damaged Bush Presidency, by exposing the authors of the Iraq war hoax.

On Oct. 30, Senators Pat Roberts (R-Kan.) and Jay Rocke-

feller (D-W.Va.), the chair and co-chair of the Senate intelligence panel, sent strongly worded letters to National Security Advisor Condoleezza Rice, Defense Secretary Donald Rumsfeld, and Secretary of State Colin Powell, giving them a 24-hour deadline to produce documents and witnesses sought by the committee since July.

The two panel leaders told Rice: "We have made numerous requests for documents which we have not yet been provided, and we have sought to interview a member of your staff without success. Some of these requests have gone unanswered since July. You must expedite our access to the outstanding documents and immediately make available the individual identified. You also must lift your objection to the Central Intelligence Agency providing the Committee with certain documents and allowing us to interview individuals involved in briefing senior Administration officials."

The letter to Rumsfeld made specific reference to Undersecretary of Defense Douglas Feith, and demanded information on the super-secret Office of Special Plans (OSP), the rogue intelligence and covert-action unit inside the Pentagon, at the center of the faked intelligence scandal. Roberts and Rockefeller complained to Rumsfeld, "The committee is yet to receive responses to all the questions-for-the-record submitted by Committee members to Undersecretary Douglas Feith after his July 10 appearance before the committee."

Appearing together on "Meet the Press" on Nov. 2, Roberts told Rockefeller and host Tim Russert that, while the White House and the Pentagon had failed to meet the Oct. 31 deadline to produce the material and witnesses, he had received assurances from both Executive agencies that they would comply. Rockefeller voiced skepticism, and, within days, his skepticism proved accurate.

On Nov. 4, Fox network commentator and syndicated

radio host Sean Hannity went public with a stolen Democratic staff memo from the Senate intelligence committee, which spelled out plans to assure that there was no coverup of the role of senior Bush policymakers—i.e., Dick Cheney—in foisting the Iraq war on the basis of false allegations of Iraqi possession of nuclear weapons and links to the 9/11 terrorists. These are both claims that Cheney persists in peddling to this day.

Instantly, a chorus of hard-core right-wing Republican Senators—all allies of the Vice President—launched into a self-serving tirade against the Democrats, for playing "partisan politics" with the intelligence panel probe. Senators John Kyl (R-Ariz.) and Rick Santorum (R-Pa.) led the charge, and were eventually joined by Roberts himself, after the panel chairman came under intense pressure. A Knight-Ridder story confirmed that Roberts had come under pressure from Vice President Cheney himself, to break the bipartisan cooperation on the Senate panel.

On Nov. 7, Senate Majority Leader Bill Frist (R-Tenn.) announced that he was taking the unprecedented and unconstitutional action of shutting down the Senate intelligence panel probe altogether. Frist is Cheney's chief hatchet-man in the Senate. Congressional sources confirm that the two men confer "constantly," and that Cheney is a regular attendee at the weekly Senate Republican policy sessions. Cheney was at the Senate on Nov. 4—the day Hannity leaked the staff memo; and on Nov. 6—the day before Frist shut down the committee.

Continuing Coverup and Obstruction

The actions of Cheney and Frist represented a continuation of White House obstruction of the work of the Senate intelligence panel, dating back to July, when the committee first attempted to probe the Administration's abuse of the intelligence system to justify the Iraq war. Back on July 17,

LaRouche on 'Cheney-Gate'

The Presidential candidate's political committee, LaRouche in 2004, released this actuality to the news media on Nov. 10; campaign radio ads based on it aired in Washington, D.C. beginning Nov. 13. LaRouche is on the ballot in the District's Jan. 13 Presidential primary.

This is Democratic Presidential candidate Lyndon LaRouche speaking. Also, of course, a Presidential candidate in the current Washington, D.C. Presidential primary selection.

There are several matters which have broken out, which are of specific relevance to us in the Washington area, as well as in Washington, D.C., itself. One, of course, is what has broken out on the Senate Select Committee on Intelligence.

If you go back to Oct. 22, at the time that I made a public statement, saying that the time had come, to proceed rapidly on cleaning up the Cheney case, if we wished to have any government, or any decent election process. The following day, the Senate Select Committee heard, on the Valerie Plame case, testimony on that subject.

Since that time, the Senate Select Committee on Intelligence has been a central point of much of the debate about getting discovery on matters pertaining to the way in which Cheney and others faked up the reports, to get the United States into a war, for which there was no need—a war we're trying to get out of now.

Recently, on or about Nov. 4, Fox-TV responded to the announcement of an agreement between the Republi-

can head of the committee, and Senator Rockefeller, on sending letters to relevant parts of the government, to get discovery of the way in which some of the decisions were made, which might have affected the way fake intelligence was conduited through the government, to get us into a war. A perfectly legitimate question.

During that period, of course, people were trying to push things onto the CIA, as opposed to what we know is the problem—which is various agencies associated, particularly, with Vice President Cheney.

Then, on that date, on Nov. 4, Fox-TV sprang this leak, alleging it had a document from inside the committee, which was immediately used by the Republican faction, to try to jam up the entire investigation—really as a way of trying to save Cheney's neck. This is typical of the kind of problem.

The problem here, otherwise, is that the Democratic National Committee, and leading candidates for the Presidential nomination, have so far refused to deal with this thing in a straightforward manner. If they had, then you wouldn't have this jam-up in the Senate. And therefore, you should examine the qualifications of people for President, on the basis on which they are responding to this kind of important issue.

The D.C. Health-Care Issue

Of course, also, as you all know, I am insisting on restoring the D.C. General Hospital, as a full-service public hospital, in its former form. And at the same time, of course, reversing the present HMO health policy, back into a Hill-Burton-type policy—an issue on which I have a fundamental difference with Dr. Dean, who is for, in his own terms, the HMO policy.

panel member Sen. Richard Durbin (D-III.) had gone on "Good Morning America" to chastize CIA Director George Tenet for his "taking full responsibility," for allowing the reference to alleged Iraqi uranium procurement in Africa to appear in President Bush's State of the Union address. A similar reference had been removed from a Bush speech in Cincinnati in October 2002—at the urging of the CIA, which had investigated the allegations and concluded they were false. Durbin reported that Tenet had told the intelligence panel "who the person was" who insisted "on putting in this language about the uranium shipment from Africa." Durbin refused to reveal the name of the individual, but said that "the CIA knew [the information] was incredible."

The initial White House response was to denounce Senator Durbin for "rewriting history." Several days later, when the *Washington Post* identified the author of the infamous "sixteen words" in the State of the Union address as National Security Council staffer Dr. Robert Joseph, a protégé of neoconservative ideologue Richard Perle, the White House launched a campaign against Durbin, accusing him of being the source of the leak to the press. Rumors began circulating that a Federal grand jury had been convened to probe the Joseph leak, and some right-wing Republican Senators demanded that Durbin be fired from the intelligence panel.

The Durbin flap in July did stall the work of the intelligence committee, by creating a partisan ruckus. It also diverted attention from the White House leak to syndicated columnist Robert Novak of the identity of CIA "non-official cover" operative Valerie Plame, the wife of Ambassador Joseph Wilson, who had been sent by the CIA to Niger in February 2002, at the behest of Vice President Cheney. Wilson had reported back that it was "highly doubtful" that Niger had ever sold uranium to Iraq—not what the Vice President wanted to hear.

Numerous intelligence community sources have said that all the available evidence points to the Office of Vice President Cheney as the source of the Plame leak. According to one well-placed intelligence source, the targetting of Ambassador Wilson by Cheney and staff began in March 2003—within days of the testimony of Dr. Mohamed ElBaradei, head of the International Atomic Energy Agency (IAEA) at the UN Security Council. Dr. ElBaradei revealed that the so-called Niger government documents purporting to show Iraq's efforts to purchase large quantities of uranium, were crass forgeries.

Backlash From Moderate Republicans

Cheney's bullish efforts did not go unchallenged, and there is now a growing chorus demanding his ouster.

The Nov. 17 issues of both *Newsweek* and *Time* magazine ran stinging exposés of Cheney, with *Newsweek* accusing him of running a "parallel government" out of his vast national security staff, which bullies NSC Advisor Rice and under-

mines the efforts of Secretary of State Powell. The *Newsweek* story documented the links between the Pentagon secret intelligence unit, dubbed "Team B," which was the antecedent to the Office of Special Plans, and the Vice President's chief of staff and top national security aide, I. Lewis "Scooter" Libby. Libby met with "Team B" on a number of occasions, and one of the first members of the "off the reservation" intelligence team, David Wurmser, is now in Cheney's office as a Mideast aide. Libby was also involved in tasking the OSP, headed by another former Cheney staffer, William Luti.

Time reported that the shutdown of the Senate panel probe came just days before scheduled testimony from a "current intelligence official who is expected to allege that senior Bush officials ignored or sidelined analysts who didn't back their hard-line views."

The Los Angeles Times published a Nov. 6 commentary by Mary Lynn Jones and Thomas Schaller, headlined, "Has Cheney Turned Into a Liability? Iraq and Domestic Failures Might Cost Him a Place on the 2004 Ticket." The authors cited Cheney's role as the Administration's leading Iraq warhawk, but also catalogued his failures to get key legislation through the Congress.

A widely respected Republican Party-linked newsletter, *The Big Picture*, featured a Nov. 10 lead story, detailing the behind-the-scenes faction fight inside the White House over Cheney's fate, and that of the entire neo-con apparatus that he runs inside the Bush Administration. According to the account, the senior George Bush, and even White House political director Karl Rove, have concluded that Cheney has become a serious liability to G.W.'s re-election, and are looking for a way to dump him. The report warned that Cheney and his longtime collaborator Rumsfeld will not leave without a big fight, which could bring Bush down with them.

On Nov. 13, *New York Times* columnist Maureen Dowd also uncorked against Cheney, accusing him of "creating a parallel universe inside the White House that is shaping the real universe." While praising Rep. Charles Rangel's (D-N.Y.) recent call for the firing of Defense Secretary Rumsfeld, Dowd recommended, "But maybe Mr. Rangel should aim higher. If the Pentagon is responsible for mismanaging the occupation in Iraq, it is the vice president's office that is responsible for the paranoid vision, the 'with us or against us' biceps flex against the world that got us into this long, hard slog."

The same day, ABC-TV's "Nightline" aired a half-hour tear against Cheney, identifying him as a radical right-winger and the most powerful Vice President in American history—and the architect of the Iraq war disaster.

The picture that emerges is that, beyond the Byzantine struggles inside a now deeply divided Team Bush, the crimes of Cheney—from the intelligence hoaxes, to the ongoing fiasco inside Iraq, to the corrupt doling out of contracts to his former employer, Halliburton—are becoming too big to bury.

On Nov. 13, all eight Democratic Party members of the Senate intelligence panel wrote to Chairman Roberts, demanding that the committee's work resume, and reiterating that the panel must "explore fully the role of policymakers in the intelligence process, including the use or potential misuse of intelligence" prior to the Iraq war. Senators Rockefeller, Carl Levin (D-Mich.), and Harry Reid (D-Nev.) have all charged that the real crime surrounding the Democratic staff memo, was not the content of the document, but its theft. Watergate began with a break-in to the Democratic National Committee headquarters. Cheney-gate may prove to be a replay.

Time-Line

Moves To Shut Down the SSCI Cheney-Gate Probe

This chronology of events in the weeks following Lyndon LaRouche's Oct. 22 "Preparing the Post-Cheney Era" webcast from Washington, builds up to Senate Majority Leader Bill Frist's shocking move to shut down the Senate Select Committee on Intelligence on Nov. 7.

Wednesday, Oct. 22: Democratic Presidential candidate LaRouche told international webcast audience: "If you want to get through to next year, to the next election, *get rid of Cheney now!* Tell that man to go!"

Thursday, Oct. 23: At the request of former CIA officers Larry Johnson and Jim Marcinkowski, SSCI holds special, closed-door session on the Valerie Plame Wilson leak.

Friday, Oct. 24: The *Washington Post* ran a planted lead article, claiming that the SSCI was preparing a "blistering report" blaming the intelligence community, and the CIA in particular, for "overstating" the case on Iraqi leader Saddam Hussein's chemical, biological, and nuclear weapons, and his alleged links to al-Qaeda terrorists. The chairman of the Committee, Sen. Pat Roberts (R-Kan.), said, "The Executive was ill-served by the intelligence community" and its "sloppy" intelligence, but that the investigation is "95% complete."

A special briefing was held by the Senate Democratic Policy committee, featuring three retired CIA officials: Vincent Cannistraro, Larry Johnson, and Jim Marcinkowski, highlighting the severe damage to U.S. national security resulting from the Wilson leak, and attacking the overall faking of intelligence to justify the Iraq war. They stressed that cur-

rent CIA analysts were under heavy pressure from Cheney and others to produce intelligence that supported the Administration's push for war, noting the "unprecedented" visits to Langley by Cheney and Libby. They disclosed that analysts interviewed by the SSCI had "minders" from their agency with them when they were interviewed by Roberts SSCI staff.

Sen. Jay Rockefeller (D-W.Va.), the senior Democrat on the Senate Intelligence Committee, held a press conference to denounce Roberts for trying to rule out the "matter of use" of intelligence by the White House, when this aspect is specifically part of the jurisdiction of the Committee. Rockefeller made it clear he was prepared to utilize a special SSCI rule to conduct his own investigation of how top Administration officials such as Bush, Cheney, and Defense Secretary Donald Rumsfeld, used or exaggerated Iraq intelligence. "All I have to do is to get five signatures that we want to investigate a subject—the use of, for example, of intelligence, the shaping of intelligence, the manipulation of intelligence, or whatever," Rockefeller states. "And there's no way that the Chairman can say that we cannot do that."

Reports of pressure: By Friday afternoon, it was reported that Vice President Dick Cheney himself had pressed Roberts to put the blame on the CIA. "A senior administration official, who agreed to speak only on the condition of anonymity, said Roberts' CIA comments were issued with Cheney's encouragement," reported the Knight-Ridder news service. "The official said Cheney is trying to shift the blame for the lack of progress on Iraq, which is becoming an issue in next year's Presidential and Congressional elections, from the White House to the CIA."

Later in the day, Senator Roberts backed off the statements attributed to him by the *Washington Post*, saying they had been "mischaracterized." The CIA also held an unusual press conference, with four senior CIA officials speaking on background, refuting the claims of CIA failure made by Roberts.

Saturday, Oct. 25: Senator Roberts, speaking in Kansas, said that Congress would have voted against the Iraq war authorization, if they had known at that time, what they know now.

Sunday, Oct. 26: Senators Rockefeller and Chuck Hagel (R-Neb.), also a member of the SSCI, appeared together on "Meet the Press." Both expressed anger at the Administration's failure to produce documents to the SSCI. Rockefeller indicated the Committee would focus attention on the Pentagon units that provided intelligence, outside of normal channels, to justify the war.

Monday, Oct. 27: A senior retired CIA official told *EIR* that Rockefeller had broken with Roberts, over Roberts' efforts, under immense White House pressure, to stall and obstruct the investigation into the Wilson leak, and into the Pentagon's disinformation leading into the war. Cheney is leading the effort to get Roberts to scapegoat the CIA and the

intelligence community for the fake intelligence that stampeded the Congress into voting to give the President the authorization to go to war; and he added that the Cheney crowd is desperate to prevent a serious investigation of the Office of Special Plans (OSP) in the Pentagon.

Thursday, Oct. 30: Sometime between Tuesday and Thursday, Senator Roberts, in a dramatic about-face, cosigned letters with Senator Rockefeller, which letters were sent to the National Security Council at the White House, the State Department, and the Defense Department, castigating those agencies for delaying the production of documents which the SSCI had been demanding for months, and giving them a deadline of noon on Friday, Oct. 31. The letter to Rumsfeld specifically named Undersecretary of Defense for Policy Doug Feith; sources cited in news accounts said that the SSCI is looking into the Pentagon's OSP, and also Assistant Secretary of State John Bolton. A Congressional source told the *Los Angeles Times:* "By co-signing these letters, Roberts has done what he spent the last two months saying he wouldn't—extending this into the White House."

Sunday, Nov. 2: Senators Roberts and Rockefeller appeared on CNN's "Late Edition." Rockefeller insisted the Administration would be forced to deliver all the requested records. He reported that, as of Friday, the State Department and CIA had complied, while both the NSC and the Pentagon had failed to meet the deadline. Senator Roberts "apologized" to Rockefeller for not yet informing him that, late Friday afternoon, a very top White House official had called him to promise, in the "spirit of cooperation," that all the subpoenaed records would be turned over. Roberts said his staff received a similar call from the Pentagon. Rockefeller reserved judgment on this cooperation until he had the material in hand.

Rockefeller repeated his earlier statements about the broad legislative mandate of the SSCI, and specified that he is interested in the intelligence leading up to President Bush's Oct. 7, 2002 speech in Cincinnati, from which all references to the Niger yellowcake allegations were struck, in contrast to Bush's State of the Union message three months later, in which he cited the already-discredited report of Saddam's African uranium search. Rockefeller also says that he and Roberts have agreed that there would be personal calls by them to senior Administration and Pentagon officials this week, if they have not complied with the Committee's demands.

Monday, Nov. 3: The *Washington Post* reported that, in addition to the document requests, Roberts and Rockefeller "have requested interviews with officials of the National Security Council and Cheney's office."

Tuesday, Nov. 4: Fox News commentator and talk-show host Sean Hannity reported that he had obtained a memorandum, circulated among the Democratic staff on the SSCI, which, he claimed, showed that Democrats intend to use classified information to drive President Bush from office in the

2004 elections. The memo actually only reiterated Rockefeller's Oct. 24 statement. The leak memo quickly went from Fox's website to many others.

Roberts responded that the memo "exposes politics in its most raw form," and "appears to be a road map for how the Democrats intend to politicize what should be a bipartisan, objective review of pre-war intelligence."

Wednesday, Nov. 5: Republican Senators took to the Senate floor and press gallery to denounce the Democrats for "politicizing" the Iraq intelligence investigation.

Rockefeller said that Roberts is trying to shield the White House from scrutiny, and suggested that Republicans may have stolen the memo by breaking into a Committee computer: "I would suggest to my colleagues that there is reason for concern today, and it is not for the content of this draft staff memo. It was an internal memo, a draft. At some point, the Committee and the Senate are going to have to explore the chain of events surrounding this draft memo, since it raises serious questions about whether the majority is obtaining unauthorized access to private internal materials of the minority."

Thursday, Nov. 6: The *Washington Times* urged, in its lead editorial, that the White House should henceforth be extremely cautious about providing any classified information to the Intelligence Committee, "until the credibility and reliability of the committee can be re-established." A *New York Post* editorial demanded that the Senate dump Jay Rockefeller from the Committee, and conduct a thorough purge of its staff.

Sen. Rick Santorum (R-Penn.), chairman of the Senate Republican Conference, threatened to scrap the bi-partisan, power-sharing arrangements in the Intelligence Committee. (Under those rules, either Roberts or Rockefeller can chair a hearing, and the minority party can launch an investigation by obtaining five signatures out of the eight Democrats on the Committee.)

Friday, Nov. 7: The *Wall Street Journal* editorial demanded that, until those responsible for the memo are fired, the SSCI be "shut down, cleaned out and reconstituted later, preferably after the next election."

Senate Majority Leader Bill Frist shut down the SSCI, cancelling all its activities, including a meeting scheduled that day.

WEEKLY INTERNET AUDIO TALK SHOW

The LaRouche Show

EVERY SATURDAY
3:00-4:00 p.m. Eastern Time
http://www.larouchepub.com/radio

52 National EIR November 21, 2003

LaRouche Campaign

D.C.'s Primary Becomes Critical National Test

by EIR Staff

Only three weeks after Lyndon LaRouche's Oct. 22 Presidential webcast from Washington, D.C., that city's first-ever Presidential primary was turning into a decisive battle of the 2004 campaign, and a field of escalation of the strategic battle, LaRouche vs. Cheney, for the fate of the United States right now. From Nov. 12 onward, the District became a central focus of the mobilization of the LaRouche Youth Movement, with the mass distribution and broadcasting of LaRouche's "radio actuality" on the deepening "Cheney-gate" scandal which threatens the White House (see page 49 above). But the candidate had also announced, in that Oct. 22 webcast, decisive actions he will take in his first hours of office as President, on health care and military policy, which are critical for the District of Columbia, as for the nation as a whole.

These escalations occurred because of simultaneous strategic blunders by both Vice President Dick Cheney and his faction, and by the Democratic National Committee (DNC), which has acted as a de facto "Cheney protection racket," rendering all Democratic campaign criticisms of Cheney's war policy impotent by directing them against his puppet, President George W. Bush. The Cheney backers' desperate and dangerous move was the Nov. 7 shut-down of the Senate Select Intelligence Committee, carried out by Majority Leader William Frist (R-Tenn.) to "save Cheney's neck" from that Committee's investigation, as LaRouche put it in his radio statement (for full story and consequences, see page 48 above).

At the same time the DNC's venal and feckless national chairman, Terry McAuliffe, made another move suicidal for the Democratic Party, ordering its Presidential candidates to remove their names from Washington, D.C.'s Jan. 13 primary election ballot. McAuliffe was attempting, in hallmark racist fashion, to torpedo the new District primary completely, simply because it would precede the traditionally first-in-thenation New Hampshire primary, and because its non-binding vote would be an expression for Washington's mostly African-American voters, whose representatives have no vote in Congress.

DNC Treachery

Five Democratic Presidential candidates—Sens. Joe Lieberman, John Kerry, and John Edwards, Gen. Wesley



A view of candidate Howard Dean's "confederate flag" policy, center of controversy in the Presidential campaign in mid-November. Democratic National Committee fears a LaRouche-vs.-Dean contest in Washington, D.C. primary.

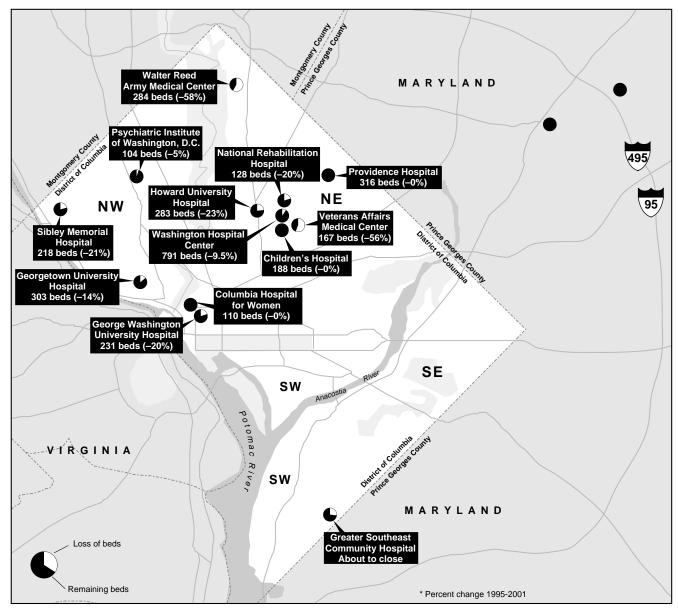
Clark (ret.), and Rep. Dick Gephardt—foolishly complied with the DNC's command and withdrew from the District primary. The action was denounced as "gutless" by D.C. Councilman Jack Evans, the author of the D.C. primary legislation.

That left Howard Dean and Lyndon LaRouche contesting in the nation's capital, along with Rep. Dennis Kucinich, Carol Moseley-Braun, and Rev. Al Sharpton. As of Nov. 12, with the District's Democratic Party and elected officials insulted by the DNC and its heavy-handed move backfiring, McAuliffe was reportedly preparing another move, to try to put the five withdrawn candidates *back* on the ballot. The DNC—which has done everything, including arguing the unconstitutionality of the 1965 Voting Rights Act, to keep Lyndon LaRouche out of candidates' debates and off ballots—feared a showdown in D.C. between Dean and LaRouche, who were first and second among all candidates in total number of campaign contributors nation-wide, through the end of October.

For the District's voters, both as citizens of the depression-wracked United States and as residents of the nation's capital, voting and mobilizing for LaRouche in the Jan. 13 primary is a critical opportunity to change national policies. First, the candidate is leading the drive to get Cheney out of office and end the insane war policy. Second, in LaRouche's Oct. 22 webcast, he announced that in his first hour in the White House, he would reopen the wrongly shut-down D.C.

Remaining Hospitals in Washington, D.C.

(With Beds and Beds Lost, 1995-2001)



Map of the area within the Washington, D.C. Beltway shows the entire southeast quadrant of the area without hospitals or emergency rooms when the bankrupt and about-to-close Greater Southeast Hospital shuts down. This is the result of the disastrous May 2001 closing of D.C. General Hospital; candidate LaRouche's announcement that he will re-open the hospital has set off waves.

General Hospital as a full-service hospital. He will immediately move to get repeal of the law enabling Health Maintenance Organizations (HMOs), enacted in 1974 under Richard Nixon, and instead restore a health-care policy based on the 1946 Hill-Burton Act, which ensured funding and planning for adequate levels of hospital and clinic beds and staffing in every county in the United States.

Howard Dean, on the other hand—a banker, and a medical

doctor but one who has never practiced—has long been, and still is, an advocate of putting Americans into HMOs, notorious for restricting their medical care.

As of now, because of the shut-down of the highly-ranked public D.C. General Hospital in 2001, under an HMO strategy imposed on the city, the entire Southeast quadrant of Washington has only one hospital, which is bankrupt and on the verge of closing.

54 National EIR November 21, 2003





At Concord, New Hampshire Nov. 12: Above right, LaRouche signs Presidential primary filing with Secretary of State William Gardner (left) and State Rep. Barbara Richardson (right), who introduced him at his packed press conference that day. Above left, TV station interviews the candidate.

As LaRouche put it in his radio statement, "Of course, also, as you all know, I am insisting on restoring the D.C. General Hospital, as a full-service public hospital, in its former form. And at the same time, of course, reversing the present HMO health policy, back into a Hill-Burton-type policy—an issue on which I have a fundamental difference with Dr. Dean, who is for, in his own terms, the HMO policy."

Speaking on a Missouri radio talk show Nov. 7, Lyndon LaRouche declared that he is the "unnamed" Democrat who can beat President Bush in 2004. LaRouche was referring to a recent poll showing that all of his so-called rivals for the Democratic Party Presidential nomination, running against Bush, would lose; but that an "unnamed" Democrat could beat Bush. LaRouche dismissed speculation that Hillary Clinton was the "unnamed candidate," pointing out that her ambitions extend no further than becoming a Vice Presidential candidate in a hung Democratic Party nominating convention, a strategy which assumes a Democratic defeat in November.

Youths' Series of Victories

LaRouche's remarks capped a week in which his campaign moved from strength to strength, beginning with the Nov. 3 decision by the Secretary of State of California to place LaRouche's name on the California ballot. California Secretary of State Kevin Shelley selected LaRouche as a nationally "generally recognized" candidate. LaRouche had previously been certified for the Feb. 3 Democratic primary ballot in Missouri, despite a last minute DNC-directed effort to refuse his submission.

The California certification was followed by a smashing victory in the Nov. 4 Philadelphia Mayoral race, where the deployment of the LaRouche Youth Movement secured a massive margin for incumbent Mayor John Street, who was under attack from Attorney General John Ashcroft's Gestapo-

like Justice Department. Then, on Nov. 7, LaRouche was certified for the Jan. 13 primary ballot by the D.C. Board of Elections.

LaRouche has the only campaign with a significant youth movement, and with demonstrated broad support among the lower 80% of income brackets in the American population. Washington, D.C. is a hotbed of organizing by the LaRouche Youth Movement, which has carried the campaign to unseat war-mongering Vice President Dick Cheney into the streets, as well as into the halls of the U.S. Congress. The campaign has been running ads indicting Cheney on D.C.'s largest news-radio station, WTOP, for months.

As the LaRouche Youth Movement in the nation's capital geared up its mobilization for "Cheney-gate" and for the upcoming Presidential primary contest, the candidate in mid-November toured New England—with appearances in New Hampshire, Vermont, and Massachusetts—and the Midwest, with appearances in Michigan and Missouri the week of Nov. 16.

New England Echo of Washington Mobilization

All of the New Hampshire press, in covering LaRouche's Nov. 12 press conference in the state capital of Concord, where he filed his candidacy for that state's primary, emphasized that as he addressed supporters there, his LaRouche Youth Movement was launching mass distribution of the "Dump Cheney Now"leaflets in the nation's capital, Washington. "LaRouche, who had raised \$5.7 million through Sept. 30," reported the *Concord Monitor*, "printed 1 million copies of the flier, urging the Vice President to step down now, rather than lead the country on what he called an inevitable march to war."

Two dozen media representatives and others gathered to

hear LaRouche at his filing press conference; about 100 students attended his campaign speech the next morning at Plymouth College, which has held forums for several of the Democratic candidates; and he was to speak at Middlebury College in Vermont the evening of Nov. 14, invited by both campus Democrats and Republicans and several state representatives.

At the Concord press conference, the candidate was introduced by veteran Democratic State Rep. Barbara Richardson, who said his ideas—she particularly emphasized his New Bretton Woods monetary reform to restart the world's economies—and his campaign's broad financial support should place him in every Presidential debate and primary context. LaRouche, besides focussing on removing Cheney as the key change, addressed three main topics: how to prevent the Iraq war from spreading worldwide; how to remake a "world financial-monetary system in the last phases of disintegration"; and how to spread ideas to mobilize the youth of America, to re-organize their reality-averse Baby Boomer parents.

In New Hampshire and Vermont, as he does in his Washington radio statement and mass leaflets, LaRouche emphasized that polls are showing American voters would like to vote for "a Democrat" against President George W. Bush next year—an FDR Democrat, as LaRouche insists—but that each of his nine "official" Democratic rivals trails far behind the President in one-on-one surveys. LaRouche said that he, the sole Democratic leader in the tradition of Franklin D. Roosevelt's response to the last economic Depression, is "the unnamed candidate" who can beat Bush. "Now is the time for a New Hampshire native to be President, one newspaper quoted him. Referring to the other candidates as "losers," LaRouche asked, "Would you put a cripple on the football field as your quarterback?"

"LaRouche Rallies Youth Vote," headlined the Nashua Telegraph). "LaRouche Hits Bush, Cheney, Democrats," was the Manchester Union-Leader headline. The Concord Monitor noted that "if LaRouche is well-known anywhere, it is on the college campuses . . . where his supporters set up tables and hand out LaRouche literature, like the latest edition of Children of Satan"—referring to LaRouche's world-famous exposé of the Cheney-Wolfowitz cabal as Straussian liars. The newspaper interviewed one LaRouche Youth Movement (LYM) member from New Hampshire, whose brother—a university student in New York State—is also in the LYM. He described how a mobilization of the LYM had just victoriously turned the Nov. 4 Philadelphia mayoral election into a "national" defeat for Attorney General John Ashcroft, who tried to witchhunt Mayor John Street. Street called in the LYM and won in a landslide.

Rep. Richardson noted the LYM's previous victory in California, where, while the state's voters as a whole bought the Recall hoax and voted in "beast-man" Arnold Schwarze-

negger, a strong LYM mobilization shifted the Los Angeles area dramatically such that the Recall was unexpectedly defeated in Los Angeles County. She also cited LaRouche's campaign to save D.C. General Hospital in 200-2001, and his vow to restore it immediately as President. Richardson commented that she has not been at a Concord press conference at the Legislative Office Building attended by so many press. LaRouche interviews also ran on WMUR-TV channel 9, and on the area's National Public Radio affiliate.

LaRouche was to speak in Boston on Nov. 15, then travel from New England to the Midwest for major campaign events in St. Louis, Missouri and Detroit, Michigan, both sponsored by Democrats in the legislatures of those states.

Overall, it was a bad political week for Dick Cheney and his neo-conservative cabal controlling the Bush Administration, and another bad week for the Democratic National Committee faction which has been leading the Democrats into oblivion.

Interview: Lamarr Lemmons

'Proud To Bring LaRouche To My Constituency'

Democratic State Rep. Lamarr Lemmons hosted Lyndon LaRouche's Presidential campaign meeting in Detroit on Nov. 20. Lemmons served in the Michigan House of Representatives for six years until 2003, representing East Detroit. He was interviewed on Nov. 14 by Marcia Merry Baker.



EIR: We are now seeing lots of "recovery" headlines about the United States, played

around the world. You know the situation in Detroit and in Michigan as well as anyone. What is really going on?

Lemmons: My constituents haven't felt any recovery at all. Many of them have given up hope. The unemployment figures are skewed because it doesn't count the people who are no longer seeking employment. And of course, the state is in a budget crisis, so they've cut—they've closed the unemployment offices all over the state. Now, you have to deal with

56 National EIR November 21, 2003

them electronically. And so the unemployment figures are not accurate. I would say that the unemployment figures are probably twice as bad as what they say they are, in the City of Detroit. And in Detroit, they are pretty bad.

EIR: I understand that Detroit showed up to be number one in the nation, as far as the rate of job *loss* in the past three years, by the National Association of Mayors.

Lemmons: That's exactly what I am describing.

EIR: So with unemployment benefits running out, and the state cutting social benefits—child care, and so forth—people actually need food relief in Detroit?

Lemmons: Right. At my former District Office, we disseminate food, and we can't keep it in stock. Our pantries are constantly depleted by individuals needing food. And we refer them to places, and their pantries are also badly depleted. We haven't been able to procure the donations at a rate commensurate with the demand. The demand has increased sharply; and simultaneously, the donations have decreased. So that's a recipe for disaster.

EIR: Besides food, there are the other necessities—medicines, and so on. You mentioned the state budget crisis, because, of course, the state revenues are down.

Lemmons: We have about a \$900 million deficit in the state of Michigan. And the Governor is going about the state to ask the citizens where we should cut. . . . It reminds me of a scene in *Roots*, when they ask Kunte Kente, did he want his genitalia or his foot? So that's the type of decisions we have to make here.

EIR: Even before this, you have been speaking out on deadly cuts, like health care?

Lemmons: Well, they've constantly been threatening to close our equivalent to D.C. General Hospital, which is Detroit Receiving. But, I think the floodgates would open to overwhelm the other hospitals—particularly, the suburban hospitals—and so we've been able to keep that from happening. They just had a \$50 million bail-out, and that's only a temporary band-aid to hold the hospital open.

It's part of the Detroit Medical Center, so the ripple effect would be devastating to the existing hospitals. It's still unresolved. It's patchwork. Somebody's putting their finger in the dam, and *hoping*, until we come up with something else.

EIR: The \$50 million that was advanced to the hospital—that was done this Summer, I believe—how long can that last? **Lemmons:** In fact, that is closely, if not completely depleted by now. By the first of the year, they will have to come up with something else.

In police and other services, temporarily, the city has been able to stave off any massive lay-offs at this time. But with



Detroit Receiving Hospital, "our equivalent to D.C. General Hospital" in Washington, has been on the verge of closure. Community and union demonstrations have so far managed to keep Detroit Receiving open, but other city hospitals have closed.

the state budget the way it is, any additional cuts in revenue sharing—money that we receive from the state—would cause additional lay-offs. The unions have taken pay cuts, or haven't received raises.

EIR: One of the Senators from Michigan, Debbie Stabenow (D), during the overnight filibuster/debates in the Senate Nov. 13-14, was reading off names of smaller-sized companies in Detroit, or the outskirts, that have shut down. She read letters from her Detroit area constituents, describing just what you're saying. However, her policy response to all this was to say, that if free trade had been made to be fair all along, then we wouldn't be in this mess.

But you are hosting the spokesman in the Democratic Party, Lyndon LaRouche, who is known for saying the opposite: Free trade would never have been able to be fair; we need economic rescue measures to restore production.

Lemmons: Exactly. That is exactly the type of approach that I think that we need, and which is why I am hosting Lyndon LaRouche, much to the dismay of the Michigan Democratic Party and the DNC.

EIR: One year ago, November, before the last national elections, Mr. LaRouche said, the issue in elections should be how to have a "Super-TVA"—big projects kind of approach. What do you see that meaning for the Great Lakes?

Lemmons: In Michigan, we need to open these factories. Restore production and manufacturing. We need to stop the insanity of this NAFTA. *We need to end NAFTA immediately*. In Michigan, those are the approaches that we need. On the 20th of November, I'll be proud to host and introduce Mr. LaRouche to my Detroit constituency.

Soros Has Dumb Dems Diving For Dope Dollars

by Scott Thompson

If financier George Soros, who is trying to buy out the Democratic Party, and his Republican twin, George P. Schultz, the godfather of the neo-conservative fascists who run the Bush Administration, have their way, mind-destroying drugs will be legal in the United States *within 4-5 years*. In turn, this legalization will be forced upon other nations under the rubric of "free trade," and globalization. It is part of the Synarchist International's war against civilization.

This was the message delivered at the bi-annual conference of George Soros's Drug Policy Alliance (DPA), at the Sheraton Meadowsland Hotel in New Jersey from Nov. 6-8. Throughout the three days, when away from the cameras and the tape recorders, speaker after speaker called for the legalization of drugs, and gleefully discussed how they would implement it, all the time whispering that legalization has to be "kept separate" from Soros's latest front-end operation: the takeover of the Democratic Party of the United States.

On Oct. 27, Democratic Party Presidential candidate for 2004 Lyndon LaRouche warned against the Soros operation to buy up the Democratic Party. "We caught them dead to rights," said LaRouche. "They're pushing drugs, which is what George Soros is doing. And Soros is trying to buy the Democratic Party with the proceeds of his policy. . . . My line is that any Democrat who takes Soros's money, perhaps should think about retiring. Or the very least, *admit* that they are taking that money. . . . I, as a Democratic candidate, say that anybody who is taking money from Soros ought to know what Soros's policies are. And then: What do they have to say about drugs? Are they, in one sense or another, actually drug pushers? And if so, why, they should *say* so; put that on their campaign website: 'I am a drug-pusher. I'm pushing cocaine.'"

Just two weeks later, on Nov. 10 and 11, Soros's buy-up of the Democratic Party suddenly became the hottest political news: in the *Wall Street Journal*, the *Washington Post*, the London *Guardian*, CBS News, and the *National Review*. After LaRouche associates had exposed the Soros/Democratic Party alliance as a "Cheney protection racket" (see *EIR*, Nov. 14), Soros went into high gear and high drama. In an interview, he declared that defeating George W. Bush in 2004 "is a matter of life and death," and "the central feature of [his] life." Soros, the megaspeculator, who has destroyed Third World nations' currencies and economies, poured out crocodile tears, and said he loses sleep every night, because

"America, under Bush, is a danger to the world. If necessary, I would give more money." Then, giving Soros the cover he needs to become "the opposition," the Republican National Committee criticized him through spokeswoman Christine Iverson, who complained, "George Soros has purchased the Democratic Party."

What all these stories about Soros's "war" against Bush leave out, is that George Soros is the biggest drug legalizer in the the United States, and probably in the world. The role he is playing in the 2004 elections is even more sinister—to attack Bush, while leaving the Cheney imperial apparatus intact.

The 'Two Georges'

George Soros is not a Democrat. He is, like Shultz, a high-level operative of the "Synarchists," the international fascist movement created in the 1780s in reaction against the American Revolution, to impose "beast-man" dictators from Napoleon Bonaparte, to Adolf Hitler, to Vice President Dick Cheney. The Synarchist International (see "Synarchy vs. America," *EIR*, Sept. 5) is the heart of the drug and terrorism operations that are used to destabilize most of the nations targetted by Dick Cheney's cabal today.

Soros is actually part of the Cheney operation, by virtue of Soros's alliance with fellow drug legalizer Shultz, the man who created the Bush Administration. Shultz assembled, in 2000, the team of Halliburton's Cheney and of the neo-con Likudniks Paul Wolfowitz and Richard Perle, to control thencandidate George W. Bush. The pre-emptive nuclear war policy of the Bush Administration that Soros says is a "danger to the world," was created by Soros's own cohort, Shultz. According to eyewitness accounts at Soros's Drug Policy Alliance conference, it was Shultz who created North America's biggest "legalized" dope operation in Vancouver, British Columbia—which is now being used by Soros's DPA as the model of models for North and South America. From that conference, EIR can also report that Shultz and Soros have been working together for the last decade, including during the time Shultz created Soros' "enemy," Bush.

According to EIR's Special Report, Bush's Surrender to Dope, Inc., Shultz had already called for drug legalization in an Oct. 7, 1989 address to the Stanford Business School. Shultz told alumni that the time had come "to make it possible for addicts to buy drugs at some regulated place at a price that approximates their cost." He asserted that the "criminal justice approach" to fighting drugs had failed, because what drives the drug trade is simply the economic marketplace. "These [criminal justice] efforts wind up creating a market where the price vastly exceeds the cost. With these incentives, demand creates its own supply and a criminal network along with it. . . . We're not going to get anywhere until we can take criminality out of the drug business. . . . We need at least to consider and examine forms of controlled legalization of drugs."





The national conference of the George Sorosfunded Drug Policy Alliance, Nov. 6-8, was full of the evidence that Soros-who is now buying up the Democratic candidates—is doing it with drug money; and that his chief oligarchical partner in drug legalization is George Shultz, who picked and created the Cheney team in the Bush Administration which Soros is "crusading" against!

The attention given to the the Soros/Shultz alliance was one of the most startling developments at the DPA conference, which was, admittedly, full of bizarre events. DPA's annual award was given to the current and former Mayors of Vancouver, for establishing on Sept. 21, 2003 the first legal heroin injection center in North America, with a legal cocaine center to follow. And it turned out that the Vancouver model was Shultz's brainchild. The story was told at the session called "Those Wild and Crazy Canadians," where former Vancouver Mayor Philip Owen, who took office in 1993, said that in 1995 he had travelled to the Hoover Institute at Stanford University, for a seminar. There, George Shultz and Soros's protégé, then-Baltimore-Mayor Kurt Schmoke, convinced him that the War on Drugs was a "disaster."

Back in Canada, Mayor Owen opened a similar seminar modelled on the Hoover Institute event, and held dozens of meetings with Vancouver citizens, while coordinating with the Canadian government in Ottawa. What came out of this was the "Four Pillars Declaration" for effective legalization, and Owen, who had been in phone contact with Shultz throughout this period, returned to see Shultz in California, with a Vancouver drug addict at his side, once the declaration had been accepted.

Having served the longest consecutive term of any mayor in Canada, Owen did not run again in 2002. He was succeeded by Larry Campbell, a former member of the Royal Canadian Mounted Police, who set out to implement the Shultz/Owen program. While Campbell claimed support from 80-90% of Vancouver citizens, opposition was such that he could not open the first legal heroin injection center in North America until September 2003—eight years after Owen had begun the Shultz drug legalization campaign.

But even with all the hype about "harm reduction," in the

short six weeks since the opening, there have already been 20 overdoses (though no deaths). No problem for Campbell, who forecast that "financial breakeven" will be reached if the number of HIV cases among the addicts is less than ten, since it costs \$150,000 to treat an HIV/AIDS patient. Next, he promised a legal cocaine center.

At the DPA's conference, Campbell let the cat out of the bag. After a night in which the DPAers kept at him to try marijuana, he agreed he would not bust pot growers in Canada, "because if we did not have those \$3 billion [from the pot trade], we'd be in a recession."

A last-minute add-on to the Canadian panel was Philippe Lucas, Director of Vancouver Island Compassion Society/ Canadians for Safe Access. He gave a computerized slide presentation that demonstrated the superiority of Vancouver and British Columbia grown marijuana (20% THC content) over that grown in a zinc mine by the government (3% THC)—ostensibly for medical marijuana purposes.

Canadian national Senator Pierre Nolin told the conference that his Senate Special Committee on Illegal Drugs, has issued a comprehensive report calling for the legalization and regulation of marijuana in all of Canada.

It cannot be assumed accidental, that one week before the Soros conference, *Forbes* magazine—owned and run by Steve Forbes, another Hoover Institute sympathizer and former GOP Presidential candidate—hailed British Colombia's economic pot "boom" on its cover.

'Grass Roots'

The Democratic Party has reinvented the meaning of "grass roots," and is going down for the Soros-connected dope dollars, in the biggest political buyout in decades. Not since the "Southern Strategy" of post-1972, when Democrats

picked up on Dick Nixon's embracing the Ku Klux Klan in his 1968 Presidential campaign, have the Democrats embarked on such suicide. It is completely out in the open, that LaRouche's rivals for the Democratic Presidential nomination—especially those most active in keeping LaRouche out of the debates—are all on Soros's dole. Led by Howard Dean, for whom Soros threw a major fundraiser, others of the "nine dwarves" whom Soros supports also include John Kerry, Wesley Clark, and Richard Gephardt, according to the Washington Post. Soros told the Post that the Democrats who set up America Coming Together (ACT), Steve Rosenthal and Ellen Malcolm, "were ready to kiss me," when he told them he would be giving them \$10 million, bragging that "Money buys talent."

Soros and his buddy, dope legalizer Peter Lewis, announced on Nov. 10 that they had committed \$5 million for a matching-funds program for the "progressive" organization, MoveOn.Org, which earlier this year refused to include LaRouche in its Internet "primary."

As *EIR* already reported, Soros's front groups are a retread of the discredited Democratic Leadership Council (DLC). The *Jewish Times* on Nov. 11 reported that Soros is working with Michael Steinhardt, the organizer of the Mega group of billionaires, who made his fortune using the organized crime lucre of his father, the fence for Murder, Inc. boss Meyer Lansky. Steinhardt used his money to found the DLC as the "second Republican party." For the DLC, Steinhardt, Soros, and the dope legalizers, LaRouche is "Public Enemy No. 1" because LaRouche's organizing *is* the Franklin D. Roosevelt tradition. LaRouche is organizing to stop the Democratic Party from "going to pot."

Soros is not the only pot-pusher who is providing the Democrats with big bucks. Co-financing the takeover is fellow drug-legalization financier Peter Lewis, chairman of the Progressive Corp., an Ohio-based insurance company. For more than a decade, Soros and Lewis have poured tens, if not hundreds of millions into a single "grass roots" cause—drug legalization. Together with Arizona Republican moneybags John Sperling, Soros and Lewis poured \$30 million into California alone in 1996, to push through the paradigm-shift legislation—"medical marijuana." These three financed decriminalization measures nationwide, and are adoringly referred as "The Funders," by the dopers backing legalization. In 2000, Lewis, the head of the fifth-largest insurance company in the U.S.A., was arrested with hashish and pot in New Zealand, while attending a yacht race for the jet set. He was let off with a "contribution" of \$5,000 to a drug rehabilitation center.

Now the Democratic Party, led by hedonistic Baby Boomers devoted to "feeling good," are going for the money from Soros & Lewis, while abandoning those FDR referred to as the "forgotten man"—the lower 80% of the U.S. population suffering under economic depression.

The vehicle for the Soros takeover is a series of organizations called "527's," created after the McCain-Feingold legislation passed to bar "soft money" and special interests. Ironically, the legislation gave even greater power to the superrich, such as billionaire Soros, by "privatizing" the soft money. Now billionaire pot-lovers like Lewis can buy up organizations like John Podesta's Committee for American Progress (CAP), Americans Coming Together (ACT), the Partnership for American Families (PAF), and the (formerly) radical MoveOn.org.

Baby Boomer Democrats, such as Soros fan Harold Meyerson, editor of the American Prospect, believe that using big, easy money from Soros and Co. is better than organizing real people. Writing in the Washington Post on Nov. 12, Meyerson falsely claimed that Soros was responsible for the landslide victory of Mayor John Street, Democrat of Philadelphia, who had been targetted by Attorney General John Ashcroft, and whose re-election was secured when his campaign called in a deployment of the LaRouche Youth Movement—the envy of Democratic Party hacks across the United States. Meyerson actually attacked the idea of a youth movement. He wrote that Mayor Street, whom he calls not one of the "great American mayors," was saved by Soros's dope money. Now, organizations funded by Soros have "the resources to hire . . . as state directors experienced operatives . . . not the 25-year-olds who have often run such operations in the underfunded past."

Case Studies in Insanity

Soros has other plans for youth: They're the market for his legalized dope. And, this was clear at the Drug Policy Alliance conference.

Years ago, Soros had hand-picked Ethan Nadelmann, now the head of the DPA, his chief henchman for drug legalization. The DPA is the product of a series of mergers of Soros-funded groups including the Open Society Institute's Lindesmith Center, which Nadelmann originally headed, and the Drug Policy Foundation (DPF). Going back to 1994, at pro-legalization Drug Policy Foundation meetings, this author recalls the cackles of the DPF leadership as they plotted how "medical marijuana" would be the foot-in-the-door for broader legalization schemes. But these drug legalizers are usually slick enough to pose as reformers when TV cameras and tape recorders are on.

But the following case studies from breakout sessions, and other events, of the DPA conference begin to show the dangerous nature of the real Soros agenda.

Case Study I: "MamaCoca": the International Plan. Matthew Briggs, who is Research and Publications Director of the DPA, moderated the panel on called "Drug Wars in the Americas: The View from the South." He began with a rousing cheer for the coup that overthrew the elected leader of Bolivia, stating that this was the beginning of a "mass resistance movement to the War on Drugs" in the region. Brazil, Bolivia, and Colombia were each targetted in turn. Dr. Fabio Mesquita of São Paolo, Brazil, after a lunatic and lying history of the drug wars, suggested that a combination of Brazil's Lula, Mexico's Vincente Fox, and the new head of

Argentina would ally to break the *diktat* from Washington for a "War on Drugs".

Jeremy Bigwood, who is purportedly an independent journalist despite having received money from Soros's Open Society Institute, started with a rousing defense of coca as a benign, short-lasting stimulant. He praised the 1901 period when there were coca lozenges, extracts, teas, etc. He complained that a plan by himself and three friends to start growing coca in the United States was stopped by then President Ronald Reagan's War on Drugs.

Bigwood is "on the case" in unstable Bolivia, claiming to be in close contact with Bolivian Evo Morales, Soros's man among the *cocoleros*, who want to place coca on the same legal basis as coffee and tea, and make it a major trade commodity. The trick that Bigwood and others use to push legalization, is saying that coca should be legal, but its refined product, cocaine, should still be illegal. Care to buy a bridge in Brooklyn?

Then there is the case of Colombia. Representing the legalization fight was "MamaCoca" earth mother Maria Mercedes, who had been trained at the Sorbonne in Paris. Her website is in English, Spanish, and French, where she is known for her saying, "MamaCoca es la palabra." ("Mother coca is the word"). Mercedes says that the United States grows marijuana; Colombia grows coca and coffee; and, Holland produces "Ecstasy"; and that is a fine division of labor. She said that there is a time-bomb in Colombia; that when former President Pastrana's peace plan turned into Plan Colombia, which brought about "La Violencia." While totally excusing the actions of the narco-terrorist FARC, "MamaCoca" accused President Hector Uribe, Pastrana's successor, of using indiscriminate terror against peasants.

In addition, Soros's legalizers came up with a new tactic: a law enforcement front group, Law Enforcement Against Prohibition (LEAP), led by one Edward "Eddie" George, a former Detective Chief Superintendent and head of the Scotland Yard Drug Squad. Long committed to legalization, George said in an interview that he only busted the big distributors, except for crimes committed to support a habit. Apparently, this means that a wealthy man with a heroin addiction is acceptable in his book. George peddles the usual pablum that that drugs should be treated like tobacco and alcohol, and nodded agreement with the "victimless crime" line of fellow Scotland Yard'er Lindesmith, after whom Soros's legalization project was named. He wants to see heroin injection centers like Vancouver's internationally.

Case Study II: Menticide Against Children. A major session entitled, "Congress, Club Drugs and the Business of Dancing" sought to protect the producers and club owners who put on Raves from prosecution, now pending in Federal legislation introduced by Sen. Joseph Biden (D-Del.). Raves are the all-night "dances" where there is high violence, and high consumption of Ecstasy, and increasingly of Methamphetamines, which are often sold by the Rave producers and club owners.

Biden Is Legalizers' Target

Hip-Hop historian and disk-jockey Davey D., who moderated the panel, claimed that if law enforcement could crackdown on club owners for 13- and 14-year-olds passing out from Ecstasy, then police should arrest college presidents for "frat house" alcohol excesses in colleges. When Rave disk-jockey "D:FUSE" called for more self-policing and no drugs at Raves, the other panelists attacked him.

DPA's Bill Piper zeroed in on Senator Biden. When Biden found that laws against crackhouses could not be applied to nightclubs, he introduced the Rave Act which passed committee in ten days, and seemed assured of success. The DPA launched a mobilization with the American Civil Liberties Union to kill the bill. He claimed that "tens of thousands" of protest letters caused two of the co-sponsors to drop out, and the bill was dead. The DPA is now mobilizing to fight Biden's Illicit Drug Non-Proliferation Act which has been attached as an amendment to a bill on child kidnapping.

The worst were "medical" experts. Chris Mann is the creator of MedEvent—a nationwide organization made up of volunteer physicians, paramedics, nurses, and EMTs who provide support for special events such as Raves. He argued that by making Ecstasy illegal, you are denying Rave participants proper medical attention, including chilling-out rooms. Dr. Julie Holland, the "wicked witch" of Bellevue Hospital, took the cake, claiming that human beings have "a biological need to alter their states of mind." She co-authored *Ecstasy: The Complete Guide to MDMA*.

Case Study III: Psychedelics. This panel was a Baby Boomer travelogue of bad LSD trips. But it had a "happy ending": the three panelists are now successful establishment figures, with studies approved by the Food and Drug Administration, and regular columns in favorite Baby Boomer journals.

Richard Doblin, Founder and President of the Multidisciplinary Association for Psychedelic Studies (MAPS), still takes psychedelics, but he is about to get FDA approval for a study of the effect of MDMA on rape victims. He also applied to the FDA for use of LSD on terminal cancer patients. Doblin's qualifications: he dropped so many psychedelics and had so many "bad trips" in the 1960-70s out of fear of being drafted, that it took him a decade before he could enter graduate school.

Then, self-described "Old Acid Head" John Horgan, author of *Rational Mysticism: Dispatches from the Border Between Science and Spirituality*, and a fanatical hater of LaRouche, blathered about his bad trips, regretting that he confessed to continued tripping, in *Slate* magazine. During a trip in 1982 on a powerful psychedelic, he became convinced that God was a Multiple Personality Disorder (MPD), and that this was demonstrated by behavior of human beings.

There was little wonder why the conference participants insisted to all who asked, that their efforts should be "kept separate" from George Soros' financial takeover of the dumb Democrats.

Congressional Closeup by Carl Osgood

Defense Authorization Gives Rumsfeld Powers

On Nov. 7, the House of Representatives passed, by a vote of 362-40, and with little debate, the \$407 billion Fiscal 2004 Defense Authorization bill. Included was legislative language giving Secretary of Defense Donald Rumsfeld the authority to reorganize the Defense Department's civilian workforce as he sees fit. Instead of Congress creating a new civilian personnel system, Rumsfeld has been given that authority, and the ability to bypass much of the present civil service law, including the provisions on collective bargaining and employee appeals.

The defense bill came out of the conference committee with the original House language largely intact and then was voted through so quickly that many Democrats had not had a chance to read the bill before being forced to vote on it. Rep. Martin Frost (D-Tex.), who voted for President Bush's Iraq war resolution last year, complained that the leadership shut Democrats out of the conference committee meetings on the bill. He pointed to a "clear and dangerous pattern" by the House Republicans to lock Democrats out of the legislative process.

Rep. Henry Waxman (D-Calif.) said, "This bill makes a mockery of labor relations at the Defense Department." He added that the bill gives the Pentagon the authority to waive collective bargaining rights for the next six years, as well as the authority to decide what issues will be bargained and how labor-management impasses will be resolved.

Even though the civil service reform was only one of many provisions in the bill that made many House members uncomfortable, few were willing to take the risk of being seen as "not supporting the troops," given that the bill included many benefits for military personnel—including healthcare benefits—that had wide support in the House.

GOP Begins Marathon Anti-Filibuster

Senate Republicans, frustrated with Democratic blocking of three judicial nominees out of 168 submitted by the Bush White House, began a marathon session on Nov. 12, to try to force Democrats to give up their filibusters. In announcing the strategy on Nov. 6, Senate Majority Leader Bill Frist (R-Tenn.)—fresh from shutting down the Senate Select Intelligence Committee to protect Vice President Cheney-invoked the Constitution. "The goal is to break these partisan filibusters and give, not necessarily approval of these nominees, but that up-or-down vote, consistent with advice and consent in the Constitution of the United States."

The Republicans plan to try to take arcane quorum rules that normally apply *after* a cloture vote ends a debate, and apply them in a pre-cloture vote situation, in order to force the Democrats to talk, rather than allowing them to use quorum calls to avoid talking. The marathon session was to go through the night of Nov. 12 to at least midnight Nov. 13. The GOP even made a show of bringing cots into the Capitol Building to dramatize what they are doing.

For his part, Senate Minority Leader Tom Daschle (D-S.D.) appeared unintimidated by the GOP strategy. On Nov. 12, Daschle called the planned marathon session "a colossal waste of time." He added, "We only wish they would devote the kind of attention they are to these 30 hours, to the matters that the American people care most about." He meant the loss of 3 million jobs in the last three years, the rising cost of health insurance, and the lack of funding of education programs and homeland security measures.

The GOP's larger political goal seems to be to create some kind of popular revolt against the Democrats' obstructionism among the voters. While that may be doubtful, what is certain is that the 30 hours they plan to spend on judicial nominations will not be available for other important business, including appropriations bills and, more particularly, investigation of Vice President Dick Cheney's manipulation of Iraq war intelligence.

No Budget, Yet Another Continuing Resolution

As the Senate fights over judicial nominations, the Fiscal 2004 appropriations process continues to languish. Under these circumstances, the House passed another continuing resolution, on Nov. 5, to keep the government open, this one running until Nov. 21. Only four of the 13 annual spending bills have been sent to President Bush for his signature: the Defense, Homeland Security, Legislative Branch, and Interior Department appropriations bills. The Senate has sent six others to conference committee, the most recent being the Agriculture Department bill on Nov. 6, but has yet to act on the three remaining bills. The House had finished the last of its bills in early September.

Rep. David Obey (D-Wisc.), the ranking Democrat on the House Appropriations Committee, attributed the

62 National EIR November 21, 2003

difficulties in the appropriations process to the Senate GOP leadership's inability to schedule consideration of appropriations bills. and the insertion into some of provisions that are so outrageously partisan that agreement cannot be reached. Obey gave as one example of the second problem, the school vouchers provision in the District of Columbia appropriations bill. The Republican majority, he said, "went beyond where they could go and still maintain a bipartisan consensus for that bill, and in the process lost the votes of" most of the Democrats.

In the Senate, rumblings of finishing up the year with an "omnibus" budget package continue, despite Majority Leader Bill Frist's assertions to the contrary. Sen. Robert Byrd (D-W.Va.), defending the Constitutional prerogatives of the Senate, warned, during debate on the Defense Authorization bill on Nov. 11, that an omnibus bill would compromise the Constitutional powers of the Senate. He said that the House can open the door to appropriations legislation, "but if the Senate is denied the opportunity to consider amendments, or is severely limited in the number of amendments which it may consider, Senators are thereby denied the opportunity to offer amendments of their own and the potential for the achievement of good legislation in the final results, accordingly, lessened."

Concerns About Military Readiness Aired in House

The ability of the U.S. military to sustain its current level of overseas commitments at its present level of personnel strength, and its dependence on the National Guard and reserves, came

into question on Nov. 5, during a hearing of the House Armed Services Committee. It began when Rep. Joel Hefley (R-Colo.), after noting that both active duty and reserve units are deploying more frequently, warned, "Our ability to deal with contingencies may be at risk, because our strategic reserve will shrink." He suggested that winning the war on terrorism may mean expanding the force structure"—i.e., increasing the armed forces.

The Administration witnesses, Undersecretary of Defense for Personnel and Readiness David Chu and Vice Chairman of the Joint Chiefs of Staff Gen. Peter Pace, both insisted that they were taking measures to make more people available, short of asking for a bigger force structure. Said Chu, "We have a lot of individuals who we believe are performing jobs that could, in fact, be done by civilians, freeing up a soldier, so to speak, to go back to another unit." Pace insisted that "the war games that we have done tell us that we will not need" an extra division, assuming training of new Iraqi security forces expected to take over security in Iraq from U.S. troops, etc. "But," he added, "it is clearly a judgment about current status, future needs, and the ability to transform within the sized force that we currently have."

Prison Industry Reform Voted

On Nov. 6, the House voted 350-65 to force the Federal Prison Industries to compete for more of its business. House Judiciary Committee chairman James Sensenbrenner (R-Wisc.) told the House that FPI's guaranteed mar-

ket for its products and very low costs for labor and capital "clearly amount to an unfair advantage when put in direct competition with private industries." FPI employs about 7,000 Federal prisoners in 111 factories and sells all of its products to the Federal government. According to Sensenbrenner, the bill would phase out, by Oct. 1, 2008, FPI's exclusive right to sell to government agencies. The bill also provides funding for inmate rehabilitation and vocational training in order to make up for the jobs that would be lost under the bill's provisions.

Bobby Scott Rep. (D-Va.) charged, in effect, that FPI was being made the scapegoat for the last three years' decline in manufacturing jobs. He said that when representatives of the textiles and furniture industriestwo sectors said to be suffering substantial job losses as a result of competition from FPI—were asked, they conceded that "FPI sales represent an insignificant or negligible portion of their industries," and that other factors must be responsible for their job losses. Scott defended the program for giving real work skills to Federal inmates so that they can hold down jobs after release.

During the debate, Scott offered an amendment that would have allowed FPI to develop and produce goods and provide services for charitable organizations, and allowed FPI to produce goods for the commercial market that are otherwise only produced offshore—both in the form of pilot programs that pay prevailing wages to inmates. However, he agreed to withdraw the amendment when Rep. Peter Hoekstra (R-Mich.), a co-sponsor of the original bill, promised to work with all of those interested in reforming FPI to craft a compromise that will be acceptable to everyone.

Editorial

A Challenge for Germany

For the past 58 years in Germany, Nov. 9 has been dedicated to commemorations of the progroms that the Nazi regime launched on Nov. 9, 1938 against Jews, burning down their synagogues, stores, and other Jewish sites throughout Germany. That day is seen as the opening of the Holocaust, which reached horrifying European dimensions from early 1942 on. Because of this dark history, that specific day has a special value for post-Nazi Germany, but unfortunately also a different value for the murky underground of neo-nazi groups, which take it as the occasion to cause maximum political damage to the modern German republic which they hate, through incidents like desecration of Jewish cemeteries, swastika graffiti, and the like. The fact that this year's Nov. 9 passed without any major incidents and acts of disturbance, is welcome. The national ceremony for the laying of the cornerstone of the new synagogue in Munich (with almost 10,000 members the second-largest Jewish community in Germany), attended by German President Johannes Rau, Bavarian State Governor Edmund Stoiber, Chairman of the Jewish Communities in Germany Paul Spiegel, among numerous other prominents, was undisturbed despite earlier hints of threat of right-wing attacks. Germany, according to the official statistics, has become the country worldwide with the largest Jewish immigration—even before Israel, and the United States.

Experts saw the concentrated police raids against right-wing and neo-nazi groups during the past weeks as the main reason for the peaceful observance of this Nov. 9. From early September on, police had searched several hundred flats and meeting-points of right-wingers; secured numerous weapons and hate-propaganda material; and, in a spectacular move, neutralized a group of pro-terrorist neo-nazis in Munich and other cities. The Munich group was in possession of 14 kilograms of explosives, including 1.7 kilograms of TNT—enough to blow several large buildings to pieces and kill hundreds of people. That material was seized, and 13 members of that group, which is con-

sidered a branch of the British extremist neo-nazi group "Combat 18," await trial.

Intensified police raids, upgraded protection of Jewish sites in Germany, and other state measures to disrupt the scene of Synarchist groups—as well as the exposure of links to groups abroad—are, however, only one aspect of what can be done. The problem lies in another sphere: will non-Jewish and Jewish Germans be able to revitalize the legacy of the second half of the 18th Century, when the cooperation between Jews and non-Jews reached a high-point which created the conditions for the great era of the German Classic? Will the heritage of such great minds of philosophy and science as Moses Mendelssohn and Gotthold Ephraim Lessing, who personally laid the cornerstone for the other great minds of the Classic like Friedrich Schiller, or Heinrich Heine, be revitalized? Are there leaders among present-day Germans who can appeal to the revitalization of that philosophical and scientifical richness that Germany had at the turn of the 19th Century? Are there such leaders, outside of the LaRouche Movement that has called for a revitalization of that great era of the Classics, for 30 years now?

The other big problem lies in the relationship between Germany and the Israel—both being postwar foundations. Real security and economic prosperity for the Israeli state can only be achieved in the context of general development in peace in the entire Mideast—based on mutual respect and commitment to cooperation. The same is true for the neighboring Arab states and the future state of Palestine. This is not only what many Germans think, it is also what the recently established independent Geneva Initiative group, composed of prominent politicians from the Israeli (like Yossi Beilin) and Palestinian sides, led by Yossi Beilin and Yasser Abed Rabbo, thinks. At least one of the preparatory meetings of that group for the Geneva Initiative took place in Berlin, the capital of Germany. Assisting in this kind of dialogue between Israelis and Palestinians is the best positive contribution that Germany can make to establish peace in the Mideast.

64 Editorial EIR November 21, 2003

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- Comcast Ch.57 PISCATAWAY Cablevision Ch.71 Wed—11:30 pm
- PLAINSBORO Comcast Ch.3*
- NEW MEXICO ALBUQUERQUE Comcast Ch.27 Mondays—3 pm ANTHONY/SUNLAND T/W Ch.15 Wednesdays 5:05 pm
- LOS ALAMOS Comcast Ch.8 Mondays—10 pm SANTA FE
- Comcast—Ch.8
- Saturdays—6:30 pm TAOS—Ch.2 Thursdays—7 pm
- NEW YORK AMSTERDAM T/W Ch.16 Wednesdays-7 pm
- BRONX Cablevision Ch.70 Fridays—4:30 pm BROOKLYN
- T/W Ch.34 Cablevision Ch.67 Tue: 12 Noon & 8 pm BUFFALO
- BUFFALO
 Adelphia Ch.20
 Thursdays—4 pm
 Saturdays—1 pm
 CHEMUNG/STEUBEN
 Time Warner Ch.1
 Mon & Fri: 4:30 pm
 PERIE COUNTY

- 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—7 nm
- Thursdays—7 pm JEFFERSON/LEWIS
- Time Warner Ch.2 Unscheduled pop-ins 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*
 QUEENS QPTV Ch.34
- Fridays—5 pm Tuesdays—9 pm
- OUFENSBURY Ch.71
- Thu—12 Midnight
 ROCHESTER—Ch.15 Sundays—3 pm Mondays—10 pm

- ROCKLAND-Ch.71 Mondays—6 pm STATEN ISL.
- Time Warner Cable
 Thu—11 pm (Ch.35)
 Sat—8 am (Ch.34)
 TOMPKINS COUNTY
- Time Warner Ch.13 Sun—1 pm & 9 pm Saturdays—9 pm 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

- CUYAHOGA COUNTY Ch.21: Wed—3:30 pm
 • 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-1 pm 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 Comcast Ch. 23 Wed:7 pm; Fri:10 am

Sun:6 am: Mon:11 pm RHODE ISLAND

- E.PROV.-Ch.18 Tuesdays—6:30 pm STATEWIDE
- RI Interconnect Cox Ch.13 Full Ch.49 Tuesdays—10 am

TEXAS

- AUSTIN Ch.10 T/W & Grande Wednesdays-7

 • DALLAS Ch.13-B
- Tuesdays—10:30 pm EL PASO COUNTY Adelphia Ch.4
- Tuesdays-8 pm Thursdays-11 am HOUSTON
- HOUSTON
 Time Warner Ch.17
 Tuesdays—5 pm
 Saturdays—9 am
 Wed, 11/5: 7:30 pm
 Mon, 11/10: 7 pm
 Wed, 11/12: 6:30 pm
 Thu, 11/20: 5:30 pm
 KINGWOOD Ch.98
 KINGWOOD Ch.98
- Kingwood Cablevision Tuesdays—5 pm Saturdays—9 am Wed, 11/5: 7:30 pm Mon, 11/10: 7 pm Wed, 11/12: 6:30 pm Thu, 11/20: 5:30 pm

 RICHARDSON AT&T Ch.10-A Thursdays—6

UTAH

- F MILLARD Precis Ch.10 Tuesdays—5 pm SEVERE/SAN PETE Precis Ch.10 Sundays & Mondays 6 pm & 9 pm
- VERMONT
 GREATER FALLS
 Adelphia Ch.8 Tuesdays-1 pm

VIRGINIA ALBERMARLE

- Adelphia Ch.13 Fridays—3 pm ARLINGTON ACT Ch.33 Mondays-4 pm
- Tuesdays—9 a BLACKSBURG WTOB Ch.2 Mondays-6 pm CHESTERFIELD
- 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
- WASHINGTON
- KING COUNTY AT&T Ch.29/77 Mondays—7 pr 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 Wednesdays—6 pm WENATCHEE
- Charter Ch.98 Thu: 10 am & 5 pm

WISCONSIN

- MADISON—Ch.4
 Tuesdays—3 PM
 Wednesdays—12 Noon
 MARATHON COUNTY
 Charter Ch.10
- Thursdays—9:30 pm Fridays—12 Noon
- Charter Ch.20 Mondays—7:30 pm Wednesdays—11 pm
- WYOMING
 GILLETTE—Ch.36
 Thursdays—5 pm

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