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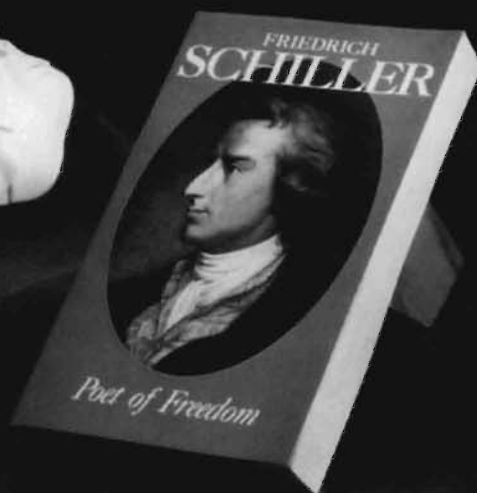
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From the Associate Editor

We are very happy to welcome Lyndon LaRouche back to the pages of *EIR*, with his marvellous article on “The Substance of Morality.” As indicated in the text, this piece will be followed, in short order, by a second part: a study of musical composition, currently under preparation by an *EIR* task force.

Sometimes readers ask us, “What does all this about music and science have to do with the political and economic crisis we face right now?” In the coda of his article, LaRouche makes this very clear. The world, including the United States, is embarked upon a journey to Hell, he writes. And although the President of the United States deplores the injustice and suffering which this will cause, he has shown no inclination to reject the economic policies that are leading us toward such certain disaster. There are basically two reasons for that. First, is the political pragmatism of a heavily besieged President. Second, on a deeper level, are the flawed cultural axioms of Bill Clinton’s generation, in which truth is no longer considered a standard for policy-shaping practice.

In order to remedy this problem, it is not only necessary to change President Clinton’s mind; we must do something much more revolutionary than that: change the way of thinking of a potent and energetic minority among American citizens. And, do that quickly, before our time runs out.

Elsewhere in this issue, we address that question through a number of important news stories. First and foremost is Clinton’s June 25-July 3 visit to China, which his enemies (steered from London) are determined to derail. See the interview, in *Economics*, with Liu Xiaoming, the incoming Minister-Counselor at the Chinese Embassy in Washington, for the Chinese view of the potential for cooperation with the United States.

In last week’s issue, Helga Zepp-LaRouche wrote a sober strategic analysis, “What China Can Expect from Clinton’s Visit,” in which she underlined the inability of the governments of the United States and western Europe to define an effective policy toward China, and called for relaunching the Non-Aligned Movement, with China as a participant. In an interview with “EIR Talks,” published in this issue, she expands upon this concept further.



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By Lyndon H. LaRouche, Jr. "The human species' long-term progress, when measured, as a whole, over the span of hundreds of generations, shows progress to be a crucial, characteristic, and implicitly inevitable feature of our species, as a species. However, it is not simply pre-assured that every step of progress during a shorter term, such as several or more generations of a global or local culture, will lead to its appropriate supercessor. Scientific and technological progress, as such, are indispensable for the continued progress of the entirety of our species. However, when and whether progress, or even retrogression occurs, is never automatic; the actual outcome is a result of what we term 'cultural factors,' as much as impulses attributable to progress in discovery of higher physical principles as such."

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‘Act on New Bretton Woods,’ EIR tells Washington seminar

by Marcia Merry Baker

Some 100 invited guests attended an *EIR* seminar in Washington, on the disintegrating world monetary system, on June 18, including diplomatic representatives from 12 nations, and political activists from several U.S. states and the District of Columbia. *EIR*'s experts briefed the seminar audience on the regional crises in Russia, Mexico, Brazil, and Asia, and previews were shown from a forthcoming *EIR* videotape on the world financial breakdown.

The seminar was the national focus for a series of *EIR* events under way in cities around the globe, on the theme, “When Will the Leading Nations, Including the United States, Admit That the IMF Is a Complete Failure, and Implement Lyndon LaRouche’s New Bretton Woods System?” So far, in the United States, a total of 500 people, including business and foreign consular leaders, have attended seminars in Houston, Los Angeles, and other cities.

Leading up to the seminar, as of mid-June, the last month of the second quarter, financial and economic breakdown developments had reached such intensity, in so many locations, that even daily headlines made use of the feared word: “depression.” On June 15, there was a slide on all international stock markets, and many currencies. International Monetary Fund (IMF) officials went off to Moscow, doling out \$670 million on June 18, and spreading talk of needing a \$10 billion package to “save” Russia. On June 17, the United States and Japan jointly intervened to back up the value of the yen. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto were on the phone over the financial crisis (see article, p. 8).

The timing of these developments is right on the schedule forecast by economist-statesman Lyndon LaRouche in January, when he said, “If you think things are bad now, wait until March or April come around. It’s going to be impossible.”

At the Washington seminar, the deliberations were opened with a special message from LaRouche, read by mod-

erator Nancy Spannaus, editor-in-chief of the *New Federalist* newspaper (see accompanying box).

International messages of support included video-greetings from Dr. Eneas Carneiro of Brazil, who is a Presidential candidate of the Prona coalition in the October elections; and a statement from Dr. Natalya Vitrenko and Volodymyr Marchenko, members of the Ukrainian Parliament. Dr. Carneiro said, “Know this: Mankind is watching. . . . We agree with Mr. LaRouche and his New Bretton Woods proposals.” Dr. Vitrenko, the co-initiator, with Helga Zepp-LaRouche, of the February 1997 call to President Clinton to convene a New Bretton Woods Conference, reported that “there is now recognition of the economic collapse, which is the lawful result of implementing the policies of the IMF.” She announced that on July 3-4, a conference will be held in Kiev, titled “The Economic and Legal Reasons for the Onset of the Financial and Banking Crisis in Ukraine.”

From Italy, a videotape was shown of remarks by Roberto Formigoni, former vice president of the European Parliament, now president of Italy’s opposition party, the Christian Democratic Union, and president of the Lombardy region, one of the most industrialized in all of Europe. Formigoni said that, as president of Lombardy, he is well aware of the importance of promoting infrastructure and development projects, rather than tolerating the speculation now causing world turbulence and crisis. Formigoni said that were President Clinton to convoke a conference for a New Bretton Woods, he would “have our full support.”

A new *EIR* video

A short preview of the *EIR* video, commissioned by Lyndon LaRouche for mass circulation, dramatically presented the many ironies of the global collapse process. The film opens by counterposing scenes of rioting in Jakarta, with re-



Moderator Nancy Spannaus addresses EIR's seminar in Washington, D.C. on June 18. Also at the podium are (left to right) Rachel Douglas, Dennis Small, and John Hoefle.

peated statements by IMF officials, such as Managing Director Michel Camdessus in February 1998, that everything is all right.

Next, an historical background report on the past 30 years economic growth of Indonesia, and other East Asian nations is given by Gail Billington, including archival footage contrasting colonial poverty with the post-colonial development period. One can see how Indonesia became self-sufficient in rice, and even built up a nascent machine-tool sector, for aeronautics. But, within weeks, this decades-long growth process was collapsed, under IMF-mandated intervention.

The hour-long video will be available for distribution soon, to further the organizing for a New Bretton Woods conference.

'Fool's paradise'

Following the video preview, moderator Spannaus called attention to the "fool's paradise" behavior among U.S. leaders, which contrasts starkly with the shift under way within the general population to demand action. She pointed out that LaRouche has been proven right in his forewarnings about the timing and scope of the collapse, but still, leaders in the United States and elsewhere have declined to act; they have continued with attempts to "crisis manage" the collapse.

Spannaus made reference to the decline in moral and cultural outlook in the United States, as shown by the people who "do not care if nations live or die." She pointed to the importance today of the spirit of the 1970s Non-Aligned Movement. Spannaus quoted from the June 19 *EIR* feature by Helga Zepp-LaRouche, "What China Can Expect from Clinton's Visit," which revives the call of the 1970s' Non-

Aligned Movement for a "new, just world economic order," as the only means by which "mankind will be spared a descent into barbarism." Zepp-LaRouche warned, "The political direction of the United States, western Europe, and Japan, today is indefensible. . . . The governments of China, India, or Malaysia are doing much more at the moment to defend the interests of their populations, and therewith, actually, those of the entire world."

Beware 'Alan-in-Wonderland'

EIR's banking specialist John Hoefle keyed the seminar, followed by Rachel Douglas, *EIR*'s Russia desk officer, and by Dennis Small, *EIR*'s Ibero-American intelligence director.

Hoefle began, "What we are witnessing today, most dramatically in Asia but rapidly spreading through Russia, the East bloc, and Ibero-America, is not a sudden phenomenon, but the result of three decades of destructive economic policies, during which time the physical economy of the world has been systematically looted, while the largest financial bubble in history has been created."

The thematic image in the keynote was LaRouche's schematic "Triple Curve Collapse Function" of the world economy, in which financial aggregates and monetary valuations are rising hyperbolically, while the physical economy declines. As of the second quarter 1998, we are now at the blowout phase, in which shock waves are crashing through financial and economic structures.

Hoefle has documented this process extensively in *EIR*, especially the dimensions and dementia of derivatives speculation, as well as the spread of casinos, and other forms of

gambling fever. In September 1993, Hoefle was called as an expert witness before hearings of the House Banking Committee, then chaired by Henry Gonzalez (D-Tex.), to testify on derivatives, and the menace of out-of-control speculation.

At the seminar, Hoefle displayed graphics of the bursting financial bubbles. He also documented how the *physical economy* of the United States has declined over the past 30 years, to the present breakdown. This means an epic crisis, unless the right emergency intervention is made, he said.

As for the June 10 report to Congress by Federal Reserve Board Chairman Alan Greenspan, that the U.S. economy is in the best shape “in 50 years,” Hoefle dubbed him “Alan-in-Wonderland” Greenspan.

“The turmoil in Asia marks a rapid descent into Hell for populations around the world,” Hoefle said. “This descent has been deliberately orchestrated by the international financial oligarchy, as part of a strategy to put the genie of the nation-state back in the bottle, and return the world to the era of empires, in which 5% of the population would live like kings, and the other 95% — those who survive this descent into a new Dark Age — would be relegated to the short and brutal lives of peasants.

Greetings from LaRouche

The following text was sent by Lyndon LaRouche to the Washington, D.C. EIR seminar on June 18. It was read to the audience by moderator Nancy Spannaus.

I wish to extend my personal welcome to those participating in today’s special Washington, D.C. conference on the subject of the current world financial and monetary crisis. Unfortunately, for medical reasons, I shall not be able to participate with you, in person, earlier than about two months or slightly longer. Nonetheless, I assure you that, come this September, I expect my physical problems to be under control, and that, in the meantime, I am on top of the most urgent policy-issues with which the present world collapse confronts the U.S. and other governments. The great issue confronting us is not the lack of solutions for this crisis. Solutions exist, and have been placed on the table. The great issues are two. First, whether at least some of the present governments are willing to replace popular delusions with those readily available measures which can solve the crisis. Second, whether the U.S. government, in particular, is willing to adopt the readily available, alternative policies in time to rescue mankind as a whole from what would become, otherwise, the worst, and deepest economic depression in modern history.

“We are today faced with a stark choice: Either we reverse these 30 years of insanity, and quickly, or we watch civilization itself disintegrate.

“The theme of our panel today is not just economics, but also culture and morality. How has the United States — once the beacon of hope for all mankind, leading the way toward a new era of progress for all — become so small, that we tolerate those who claim that the suffering in Asia is to our benefit? That the suffering in Russia, in Africa, in Ibero-America, indeed, even in our own country, is somehow beneficial? What happened to us? How did we go from a people committed to conquering the frontiers of science, to a nation willing to let entire peoples die, to protect our own portion of a shrinking pie?”

Russia, Mexico, Brazil

Rachel Douglas then presented aspects of the devolution process in Russia; and Dennis Small presented it for Mexico, Brazil, and other nations. Their combined reports document that the world economy is so far below breakeven on physical functioning, to the point, that food supply crises are striking all around the globe. Meanwhile, debt and financial obligations are soaring to unpayable, utterly untenable heights. Audience members from East Asian nations were shocked at Small’s figures: As of mid-June, he said, Brazil, with 160 million people, has on hand only *one week’s supply* of rice and beans, its dietary staples. Two months’ supply is considered bare minimum for food security. Mexico, a grain-surplus food-exporter in the 1960s, must import an unprecedented volume of 13 million tons of grain this year; Mexican agriculture infrastructure and output potential are disappearing.

Douglas showed the drastic decline in volume of annual output since 1990 in Russia of wheat, meat, and other foods, to the point where the nation is barely subsisting on home-grown potatoes. Producer goods output is also in steep decline, especially tractors and machine tools. The total population in Russia has dropped from 149 million in 1992, down to 146.5 million today. Male life expectancy in Russia fell from 65 years in 1985, down to 57.6 years, in 1994.

Yet, as Small and Douglas documented, new debts and financial claims — private, public, and all kinds of obligations — are being piled up on top of expiring economies. Small showed how governments in Brazil and Russia are resorting to privatizations — another name for distress sales — of national assets, such as minerals, oil, communications infrastructure; but still the sell-off revenues are nothing, compared to soaring debt claims — maybe covering only a month’s worth of debt service.

The crisis in government bonds makes the point. The Russian Treasury securities are selling, if at all, at more than 50% yield rates. In Brazil, government Treasury bonds’ issuance and redemption cycles are now so tight, that between May and October this year, 75% of short-term outstanding Treasury securities come due — an estimated \$148 billion worth — and

new money cannot be raised fast enough. To attempt to service the debt, Russia is facing \$1.5 billion due each week; and Brazil \$1 billion due each week.

Small referred people to the point repeatedly raised by Malaysia's Prime Minister Dr. Mahathir bin Mohamad: Why should three months of speculation against a nation be allowed to bring down 30 years of economic progress? Small said, in one respect, Dr. Mahathir is understating the problem. What is at stake is 500 years of civilization — concepts, ideas, and the value of human life.

Nancy Spannaus then ended the formal presentations by reporting on the groundswell in the United States for the exoneration of LaRouche, who has been targeted by what she called the "enforcer network" of the international oligarchy, which is opposed to economic development. She reported that as of June 18, there are 167 co-sponsors of the "Citizens Protection Act of 1998" in the U.S. House of Representatives, which arose out of the disgust with the actions of the outlaw bureaucracy in the Department of Justice.

The seminar proceedings, with statistics and graphics, will be published in a future issue of *EIR*.

Commentaries

Depression is here, World Bank official admits

World Bank regional official Jean-Michel Severino, at a two-day international investment conference in Melbourne, Australia, sponsored by the UN Economic and Social Council, Asia Pacific, the Asian Development Bank, the World Bank, and the International Monetary Fund, June 16.

"We are probably at the end of the first cycle of the crisis and we are entering into a deep recession, or you could even use the term depression. This depression could be very long-lasting if it is not handled very, very carefully. The risk is there and probably we are counting in months rather than years."

Severino continued, "The first point is to say that this depression is unavoidable. Since the beginning of this crisis, about \$115 billion have fled out of the five major crisis countries: Korea, Thailand, Indonesia, Malaysia, Philippines. This is about 10% of the GDP of these countries. In addition to that, banking credits have also been reduced by about \$88 billion, which is approximately another 8% of GDP. It means that about 18% worth of the GDP of these countries has just vanished in terms of funding of the economies. This withdrawal of funds has had the tremendous impact that you are all aware of and have witnessed on the stock market and the

exchange rate."

Severino reviewed the interrelatedness of the Asian economies: that 40% of the capital of the above five countries has been extended by Japan; that 20% of Japan's own exports go to these countries; and that these five countries conduct 15-25% of their trade with Japan.

The result of all this? "It means that the depression is being communicated from one country to the other, from one neighbor to the other, and there is a kind of vicious circle of the transmission from one economy to the other." If certain key actions are not taken, including massive financial help from outside the region (and outside the IMF), and major domestic demand expansion programs, "We will have to accept to go very deep in terms of minuses, double, triple, quadruple minuses in terms of growth before the market starts creating the countermeasures that usually would develop in this circumstance."

On Japan, he said, "One has to have a dynamic Japanese economy. It's absolutely critical. The Japanese have their own resources, but I don't think intervention by the Japanese government alone at the moment would be effective. I am deeply worried and I hope the next G-7 or G-8 meeting they will address this problem."

Thailand's Deputy Prime Minister Supachai, Singapore *Business Times*, June 16.

The Asian crisis could trigger a worldwide depression, Supachai warned, in remarks to reporters after a conference presentation. Intervention by Japan alone "would not be effective. . . . If the yen would drop with no limit or no bottom, then the second Asian crisis would mean a First World economic depression." What is needed is "some sort of concerted action, some ways or means of recycling some funds from the rest of the world back into Asia. I am deeply worried and I hope that [at] the next G7-G8 meeting, they will address this problem seriously."

Anatole Kaletsky, *London Times*, June 16.

Calling Japanese Prime Minister Ryutaro Hashimoto the "Herbert Hoover of Japan," Kaletsky demands that Japan carry out an immediate hyperinflationary policy to force Japanese consumers to spend. "What makes the world so angry about Japan — and I can assure you that the adjectives used above are mild compared with those heard in private from policymakers and businessmen — is that the economic problems are so trivial and the solutions so obvious. Economically, there is nothing wrong with Japan that couldn't be solved by a massive programme of tax cuts. . . . The fact is that Ryutaro Hashimoto's Government in Tokyo now looks like the main cause of the whole Asian crisis — and Mr. Hashimoto's unusual combination of stubbornness, complacency, incompetence, and weakness is becoming the biggest single threat to the prosperity of Asia and the stability of the global economy as a whole."

U.S., Japan cooperate to support the yen

by Our Special Correspondent

In a dramatic last-minute move to prevent a collapse of the Japanese currency, U.S. Treasury Secretary Robert Rubin intervened into the currency markets and ordered the New York Federal Reserve to buy about \$4 billion worth of Japanese yen. Coordinating this move with Rubin was Japanese Vice Minister for International Monetary Affairs Eisuke Sakakibara, who in conjunction with the Bank of Japan, purchased \$2 billion worth of yen.

As a result of this intervention, the yen, which had fallen to a value of 147 to the dollar, shifted upward to 137 to the dollar.

The U.S.-Japanese coordination only temporarily stopped a dangerous slide that could have led to a global financial meltdown. Currency speculators who had taken out a short position against the yen lost billions as a consequence of the government-to-government intervention.

Just prior to Rubin's decision, President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto were on a "hot-line" phone conference discussing the yen/dollar exchange rate and the measures that the Japanese political and financial leadership would have to take to ensure that a further deterioration of the yen did not occur. According to well-placed U.S. sources, Hashimoto pledged that the problems of the highly indebted Japanese financial system would be addressed.

Another critical factor in forcing the United States and Japan to take action was the warning by the Chinese government that the renminbi would be devalued. China's entire political and financial leadership was mobilized during the ten days prior to Rubin's decision, and let it be known that the yen's rapid deterioration could not be allowed to continue. China and the Hong Kong Monetary Authority were quite worried about the decline of the Heng Sang Stock Market and

Swedes wonder: Will Soros deliver the dope himself?

When international speculator George Soros visited Stockholm on June 11-12, at the invitation of the Swedish International Peace Research Institute (SIPRI), he was met with sharp criticism, both for his support for the legalization of drugs, and for his assault on nations by financial speculation.

Soros was supposedly invited to offer a critique of the globalization process. "That's like asking the goat to be the gardener," wrote Ulf Sandmark and Oscar Porath, two associates of Lyndon LaRouche, in a letter to the editors of the daily *Dagens Industri*, which was published on June 11. "Soros's critique does not aim at decreasing globalization; he wants to unite it with a global society," they charged.

On the day that Soros arrived, organizers from the European Labor Party (EAP), LaRouche's Swedish associates, held a rally near the place where Soros would be speaking. "Dopey-Georgie Go Home" and "Speculators Are More Dangerous than Nuclear Weapons," their picket signs read. The evening TV news broadcast film footage of the demonstrators chanting, "No to drug legalization!"

Apparently, one crook in Stockholm that day was not enough: Harvard flea-market economist Jeffrey Sachs also visited the city, and the EAP team moved their rally to that

meeting, where Sachs was to be received by the King and the Swedish financial elite.

On June 12, Soros's troubles continued, as the first national TV channel reported protests against him from one of the main anti-drug organizations, the RNS, and from the Conservative opposition leader in the Stockholm City Council, Carl Cederschild, founder of the European Cities Against Drugs (ECAD) initiative. The representative from the RNS charged that, by inviting Soros to town, "somebody is trying to make his drug liberalism look presentable." Soros had just published a call for drug legalization in the *New York Times* on June 7, which the Swedish commentators noted. The Swedish Queen was criticized for her collaboration with Soros on the board of the Mentor Foundation, which is supposedly to prevent children from taking drugs. The RNS has called for the Queen to either resign from the board or make sure that Soros does—but so far, in vain.

The popular daily *Expressen* asked on June 12, "Who will deliver the drugs, Soros?" The author shows that Soros is promoting the legalization of heroin in the United States, and that he is known for his support for the decriminalization referenda in California and Arizona. "Has the Swedish government ever thought that George Soros might have an ulterior motive?" the paper queried. "If physicians are to prescribe marijuana for various illnesses, who will deliver the drug? If all the heroin addicts in the world are supposed to get their heroin for free, who will deliver it?" "It's just money behind it," said Sweden's former Justice Minister, Gun Hellsvik.—*Lotta-Stina Thronell*

the Hong Kong dollar, which is still pegged to the U.S. dollar. In fact, the People's Bank, the central bank of China, has depleted its hard currency reserves during the last eight months by \$40 billion. Any further outlay of funds to defend the Hong Kong dollar could open China up for a hedge fund attack.

Political paralysis

Japan's current crisis is directly related to three main factors. First, the April 1 deregulation of the financial markets led to unprecedented capital flight, and currency speculators were taking short position on the yen; second, the Tokyo Stock Exchange bank stocks were losing value rapidly; and third, the Economic Planning Agency admitted that Japan's real economy was shrinking. Japan became extremely vulnerable. In fact, some observers in China were beginning to think that the Japanese were deliberately allowing the yen to devalue, in order to make Japanese products more competitive.

Japan's problems are far from over, given the extent of the political paralysis that remains a constant feature of Japanese politics. Despite Prime Minister Hashimoto's desire to reform the financial system, there are many factors which might prevent him from carrying out his pledge. One of these is the role of the Bank Tokyo-Mitsubishi and its head, Satoru Kishi, who is also the executive director of the Federation of Japanese Bankers. Kishi issued a statement following Hashimoto's June 18 press conference, saying that private financial institutions should not disclose the full extent of the losses incurred. According to the rules of globalized finance, were Japan not to disclose the extent of such losses, then the hedge funds and currency speculators would start another round of shorting the yen and fostering more capital flight.

Hashimoto, whose popularity is down to 30%, is caught in a very difficult situation. He has to pull together a new consensus, not only within the ruling Liberal Democratic Party, but with the financial and corporate community, which is deeply divided. What the U.S. intervention accomplished was to buy some time for Hashimoto, giving him about a month to build such a new consensus, before the Upper House election occurs. After that timeframe, anything could occur.

U.S. 'crisis managers'

The weakness in the Clinton administration's approach remains its crisis-management mentality. Even though the administration's actions have temporarily stabilized the yen, they are not facing the fact that this is a global, systemic crisis. This crisis management mind-set is underscored by the fact that Deputy Treasury Secretary Lawrence Summers was dispatched to Tokyo to follow up the promises that Hashimoto made about "reforming" the system. Summers is meeting with every leading Japanese political and government official, jawboning them into pushing ahead with various financial and economic stimulus packages. Privately, the administration has unofficially backed the trip of former Federal Deposit Insurance Corp. head William Seidman, who was the overseer

of the savings and loan debacle during the 1980s and 1990s, in the hope that Seidman can "help" the Japanese dispose of their bad bank debt.

But none of these maneuvers will work, unless the Asian nations and the United States recognize that we need a new monetary system, or else we are heading for what World Bank official Jean-Michel Severino described as a "global depression."

Effects of 'Asian crisis' spread to America

by Richard Freeman

The "Asian phase" of the world financial disintegration became more pronounced the week of June 15. While the banking crisis in Japan worsened, the Japanese economy continued to contract: In May, compared to a year ago, machine-tool orders were down 16%, domestic machine-tool orders were down 30%, and car production was down 20%.

If Japan, the world's second-largest economy, and other Asian economies, continue to slide into depression, they will, among other things, slash their intake of imported goods, including those from the United States. This is a fundamental reality, but still, in America, various professional economists and elected officials continue to attempt to filter this reality out, emitting a steady stream of statements that the effect of the Asian crisis is remote. After all, they imply, it's half-way around the world.

That myth is being exploded. The "Asia crisis" is coming home to America.

The most evident manifestation is seen in the Asian airline industry, and the resultant effect this is having on Boeing Corp., America's largest aircraft manufacturer and top exporting company.

Regional airlines bankrupted

The financial crisis in Asia is bankrupting the regional airlines that connect these nations to each other, and to the rest of the world. Figures from the Association of Asia-Pacific Airlines, reported in the June 15 *Aviation Week*, indicate that air traffic dropped 8.3% in March from the previous year, and load factors (the percentage of seats filled on flights) declined throughout the region.

- In Korea, load factors dropped 27.8%. Korea Air posted a loss of \$267 million for 1997. The airline has arranged for "a relaxed payment schedule" for the planes it has already ordered from Boeing.

- In Indonesia, the regional carrier Sempati has been forced out of business, and the situation for the other carriers

is considered “critical.” The two state-owned airlines are expected to survive, but not the private ones.

- Vietnam Airlines has dropped service to Jakarta and Manila, and cut flights to Seoul by 50% and to Hongkong by 30%.

- Thai Airways International wrote off a \$578 million loss in the fourth quarter of 1997 alone.

- Malaysia Airlines has sold off and leased back 11 aircraft, let leases lapse on five more, and has put three planes up for sale. It has deferred delivery on nine Boeing planes.

But the most serious effect may come from Boeing’s largest market in Asia: China. China’s Civil Aviation Administration (CAAC) released a report during the second week of June indicating that in 1997, load factors for their airlines went down by 5 to 66.4% compared to 1996, and that first-quarter results this year “indicate that 1998 has started disastrously,” due to the collapse of the economies in the rest of Asia.

China’s top 11 air carriers had a first-quarter loss of \$212.5 million, and none of the 11 airlines made money. Boeing is scheduled to deliver 80 aircraft to China during 1998 and 1999, but analysts are skeptical that the orders will hold. In the past, the Chinese have used state visits to announce new deals, but the timing of the release of the CAAC report indicates that they are preparing the administration of President Bill Clinton, who will visit China to meet President Jiang Zemin in late June, and Boeing, for no new orders to be announced during the summit.

Boeing, America’s 11th largest company in sales, with \$45.8 billion in sales in 1997, is being hit hard by the crisis. Asian countries account for 40% of all of the orders for Boeing’s flagship 747 jumbo jets; the company has claimed that only 60 orders for its 747s by Asian nations have been deferred, but analysts predict that that number will rise substantially. The widebody 747 jets account for nearly half of the operating profit of Boeing’s commercial jet division, which in turn, accounts for much of Boeing’s overall profits. A recent Boeing press release admitted, that “the Asian situation may mean downward pressure on production rates—for the 747 in particular.”

There is a potential spillover impact in store for Boeing: many of the U.S. airlines fly to Asia; as their traffic falls, U.S. airlines may also cut orders for Boeing planes.

Other large U.S. companies are reeling from the “Asian crisis.” On June 5, Motorola, America’s 29th largest corporation in terms of revenues, with \$29.8 billion in sales last year, announced that it will lay off 15,000 people worldwide—10% of its workforce. Motorola makes one-quarter of its global sales in Asia, including mobile phones and other electronic equipment; these sales are falling.

Big blow to U.S. exports

The crisis that is hitting two of America’s Fortune 500 companies is also striking the U.S. economy more generally,

crushing U.S. exports. U.S. Commerce Department figures show that, for the three-month period between December 1997 and March of this year, U.S. exports collapsed by the following percentages to leading Asian nations: Hong Kong, 13.7%; Thailand, 13.8%; South Korea, 24%; Taiwan, 26.8%; and Indonesia, 64.9%. Taking the eight leading developing nation economies—South Korea, Hong Kong, Taiwan, Malaysia, Indonesia, the Philippines, Thailand, and Singapore—as a whole, U.S. exports to the region tumbled by 16.9%.

At the same time, for the three-month period, U.S. exports to China sank by 16%.

The importance of this fall is underscored by the fact that Asia accounts for 30% of all U.S. merchandise (physical goods) exports, and 40% of all agricultural exports. The dependency of U.S. states on exports to Asia is high: 12 U.S. states send 40% or more of their merchandise exports to Asia, and 33 U.S. states ship at least 20% of their exports to Asia.

In toto, U.S. exports are responsible for one in 10 jobs in the U.S. economy, and one in five goods-producing jobs, according to a Commerce Department study. The Commerce Department defines goods-production narrowly as those employed in manufacturing, mining, and construction. Today, there are 24.7 million goods-producing jobs, so defined, and 4.94 million jobs depend on exports.

Losses in agriculture

As the physical economies of Asia contract further, both because of the world financial disintegration and the imposition of draconian International Monetary Fund conditionalities, the countries of Asia have not only cut back on infrastructure projects and industrial production, which would have required American (and other nations’) industrial goods, but have cut back their food consumption.

Last year, for example, the United States and Brazil exported 10.5 million bushels of soybeans to Asia. While soy forms a part of the Asian diet, it is largely used there as a high-protein animal feedgrain for cattle, hogs, and poultry. But, many Asians are sharply cutting back or eliminating meat consumption. America and Brazil will likely export only 8 million bushels of soybeans to Asia this year, a fall of 24%. At the same time, the price of soybeans plummeted from a 14-year high in 1997, of \$9.04 per bushel, to \$6.30 per bushel, and could fall to \$5 per bushel.

Asia is also cutting back oil consumption. The “Oil Market Report” of the International Energy Agency for June 9, reports that Asian oil consumption has fallen by 750,000 barrels per day so far this year, one of the principal causes of the global fall in oil prices.

Meanwhile, the “Asian phase” of the worldwide crisis, which entered a second, more virulent phase in late February, holds in store potentially explosive consequences for the U.S. financial system. This aspect of the crisis could accelerate a physical contraction of the U.S. economy that would be even more pronounced.



The U.S. can play a leading role in China's development

Just prior to the June summit between U.S. President Bill Clinton and Chinese President Jiang Zemin, Chinese Embassy officials began to take their case to the American people. In an atmosphere characterized by hysterical outbursts on Capitol Hill over an alleged "China threat," Liu Xiaoming, the incoming Minister-Counselor at the Chinese Embassy in Washington, at a press conference on June 9, clarified some of the misconceptions rampant in the U.S. media about China, its intentions, and desires.

One issue which has become a stumbling block to collaboration between the U.S. satellite industry and China's launching capabilities, is the allegation that sensitive technology was transferred to China during an investigation by engineers of the U.S.-based Space Systems/Loral Corporation, of the 1996 failure of a Chinese missile carrying one of its satellites. Republicans are using the allegation to disrupt U.S.-China relations.

At his press conference, Minister Liu addressed this question head-on. "On the satellite issue, I think this is a routine procedure. There is no technology transfer involved," he said. "In fact, the satellite is separate from the rocket and is closely packed in a hoop. Once it is transferred to China, it is under 24-hour surveillance by American technicians. No Chinese technicians are permitted there. There is a security guard preventing any approach to the satellite."

Liu said that the investigation "was the result of a request by the insurance company, which told us that if we wanted to have more launches, we would have to have these types of investigations. And what's more, they said that we would have to set up an international panel from Western countries. So, there was a panel of six experts, from Great Britain, from the United States, and from Germany, and they asked to review our report on the accident."

Liu continued: "The Chinese had to tell everything that happened during the Chinese launching procedure, including a great deal of information that had been never known by outsiders. So really, there was a transfer of some technology from China, rather than from the United States. You know, China has to share its secrets regarding the launching technology with American technicians.

"Once the story broke that China had acquired some technology in the satellite launching, I was completely puzzled and tried to find out what kind of technology was transferred.

And, material has been submitted to Congress to show that no technology was transferred. So, I think this has been really politicized, and I think that when common sense comes back to people, they will realize that this kind of cooperation is really beneficial, not only to China but also to the United States."

Responding to another reporter's question as to whether a "strategic partnership" between China and Asia would replace the U.S. relationship with Japan, Liu said: "We like to be partners with all countries. Japan has an important role to play in economic areas in the Asia-Pacific region. I think it also has its proper place politically, that Japan is emerging as a major power in the world, that's for sure. But I do not foresee that China will replace Japan as the major economic power. China is still a developing country, although it has now emerged as a major power, a trading power. Still, I think there's a tremendous gap for China to narrow.

"If you look at differences in GNP in the two countries, you see that we are very much behind. It will take years for China to catch up with Japan. I think Japan can play an important role. Japan is called the engine of Asian economic growth, at least it's called that by Americans. Some people think that China can become that engine to replace Japan, but I do not foresee that China can play that role. I think, however, that China can play a role as a pillar of stability in the Asian economy. At least, that is the role we are playing now. I think that China's economy and Japan's economy are very complementary to each other. Both countries play a very important role in the region. We do not have a competitive relationship. China and Japan can be good partners. And China can also be a good partner to the United States."

At the press conference, Minister Liu referred to the enormous infrastructure program of China, centered on a program of housing construction, as a "New Deal with Chinese characteristics." Minister Liu elaborated more fully on this program and related issues in an interview with *EIR* Washington Bureau Chief William Jones, at his office in the Chinese Embassy on June 15.

EIR: President Clinton will be on his way to China for a nine-day visit, visiting five different cities. What do you expect will be the main results, and benefit, for the U.S.-China relationship?

Liu: As I have said in my press conference, I hope that the two Presidents can reach a consensus on more specifics this time, on how to use the constructive strategic partnership between our two countries. The last time, they reached a consensus on principles and framework. They issued a joint statement. And this time, we need to see more specific, more concrete steps with regard to how China and the United States can use this partnership.

I think it is a really a broad agenda. I think the number-one issue will be security. You know, China and the United States have a lot of common interests in maintaining peace and stability in this world, especially in the Asia-Pacific. . . .

On the transnational issues, both face enormous challenges in areas like anti-drug, illegal immigration, and international organized crime. I think the two countries can cooperate. In the last summit, the two heads of state agreed to enhance this cooperation, and both sides agreed to send drug law enforcement officers to each other's capital. I think we're going to see implementation of this consensus in Beijing. And, in fact, very soon, we are going to receive two officers from China, working in this field, at the embassy here, and [two U.S. officials will be received] in Beijing, as concrete measures. And, I believe they will have more discussions on this area. They are really important issues.

Not long ago, at the special session of the UN attended by heads of state, China also sent a very senior delegation to this conference, an anti-drug international conference. It's important that our countries attack this serious problem, so, they'll have a lot to talk about.

The third area is environmental protection. That is also a very serious challenge faced by all the countries. The United States is number one in terms of CO₂ emissions, and China is number two, so our countries have to carry a very heavy responsibility to make sure that we have much cleaner air, better climate, so that the next generation will have a better Earth and world to live in.

Fourth, I think the two countries can benefit a great deal in areas of economic cooperation. China is the fourth-largest trade partner of the United States. The United States is the third-largest trading partner to China. Our trade is developing very rapidly; the annual increase for China is 70%, and for the United States, in the last decade its exports to China tripled.

China and the United States can also benefit a great deal from science cooperation. I just read a report that scientists of the two countries had very good cooperation in medical research, the common efforts in research for the cure of a very dangerous disease like cancer, that is really a blessing for the whole of mankind.

Fifth, I think an important area that the two Presidents will have more discussions about is the exchange between our two peoples in the cultural, education, science, and technology areas — people-to-people contacts. They are going to

have a very busy schedule, a very broad agenda ahead of them.

I have mentioned economic cooperation. I should also mention, that we are in a time right now of financial crisis in Asia. We haven't seen the end of the tunnel yet. Japan is running into very serious problems, and people are concerned about how China will resist the pressure on its currency. I think China has played a very important role. China has been a pillar of stability. I think China will continue to play this role as a pillar of stability. I think China and the United States can cooperate in this area to make a joint effort to ensure that Asia will gradually get out of this crisis. I think President Jiang and Premier Zhu will have in-depth discussions with President Clinton in this area, of how China and the U.S. can cooperate to restore confidence in these economies.

EIR: In this respect, there's been much discussion of phase two of that crisis, about the way instabilities in some of the countries have opened the way for speculative moves against their currencies. We see the Malaysian ringgit, the Indonesian rupiah, seriously devalued because of speculation, but also the Hong Kong dollar has been subject to such attacks. As a result, there have been voices raised in Malaysia, Indonesia, and also some from the Finance Ministry in Japan calling for a new stability in exchange rates, without which it is very difficult to conduct trade and investment. There has also been discussion about establishing a new Bretton Woods-like arrangement between currencies to provide that stability, the way we had it between 1947 and the early 1970s. How would China view such a fixed exchange rate system?

Liu: I know this is very much a subject for the economists in China. I cannot claim to be an expert, so I cannot speak for China, but I do know the thinking of some economists in China. Basically, our position is that this issue has to be addressed by all countries. We think it might be appropriate for all members of the International Monetary Fund to have some discussions about the advantages and benefits of having some kind of substitute, or something in between a fixed rate and a floating rate system.

I would say that there are both advantages and disadvantages for floating rates and fixed exchange rates. The fixed rate had been effective between 1949 to 1973. But later, it could not meet the demand, and adjust to all the changes, or be adaptable to changes, so we have the floating rate system. With floating exchange rates, it has been more difficult, I would say, for speculators, than when you have fixed exchange rates, which might provide more opportunities for speculators. Floating, in my own view, might be more appropriate for the market, because it's more adjustable to the changes in the market.

We're open for discussions, but I do not think that we can return to the old days; we are in a more diverse world, and the changes have been enormous in international markets. But, maybe people can sit down to have some discussions, to see

whether we can have something in between, to have the best of both worlds: floating rates, and fixed exchange rates.

EIR: You mentioned the economic cooperation between the United States and China. There is, as you mentioned in your comments the other day, a tremendous development program being undertaken: \$750 billion, I believe, is earmarked for investment over five or so years. This gives a great deal of opportunity to the United States, to participate as a capital exporter. How do you see the U.S. role in those projects, and why do you think that the United States has not played as great a role as other countries in investing in this program?

Liu: I think that the United States is the only superpower, the leading industrial country, and can really play a very important role in China's modernization program. China is embarking on a grand program of nation-wide construction, which some people refer to as the "New Deal" of China. The government will spend U.S. \$700 billion in infrastructure—housing, highways, roads, bridges, power plants, many major facilities. And, the United States really has the cutting edge in these areas, in terms of the capital, in terms of the technology, in terms of management experience, also in terms of the high quality of technicians. So, in all of these, the United States can play a very important and a leading role.

But, unfortunately, in the past decade, and we can even trace back to normalization in 1975, the potentials for the United States to be involved in China's construction and development have *not* fully been tapped. There are many obstacles. Number one is that there is still some Cold War mentality that exists in the United States. I think that some of the people in the United States still regard China as a potential adversary, and some people still do not want to see China become a modernized country. They are afraid that China will become the next Japan, will become the next Soviet Union, so, they don't want to throw their whole weight into this kind of cooperation. Some people in Congress live in the old days, and refuse to call China by its full official title—P.R.C.—and call China, "Red China," "Communist China"; they do not even refer to China as the People's Republic of China. That is a very few people, but sometimes they stir up old thinking, and that might have an impact on the policy toward China. And, unfortunately, we have so many examples of U.S. foreign policy which still are a reflection of the Cold War mentality.

The United States is the only country that has an annual review of MFN [Most Favored Nation trade status] for China. And, this practice is based on the trade law of 1974. Basically, there is only one condition for the renewal, which is free immigration; it's the Jackson-Vanik amendment. And, China is very much a free country in terms of immigration. The problem now does not lie in China, but in the United States.

I still remember vividly in the early days of normalization, Jimmy Carter, when he talked about MFN with Deng Xiaoping, said, "It's the law in the United States, we have to abide

by it. If you do not have free immigration, we cannot give you MFN." And Deng said, "How many people do you want: 1 million, 2 million? That's no problem for our part." Now we are really in this kind of situation, where there is a long queue every day at the U.S. Embassy. It is the U.S. government which rejects immigrant applications. In China, as a citizen, you can apply for immigration if you have good reasons. It is up to the U.S. government whether you can travel to the United States. So, in fact, technically speaking, this condition is no longer there. China should be entitled to permanent MFN. But, some people in the Congress simply want to make MFN an issue. They use it as a convenient tool to attack China, to attach conditions, to impose U.S. ideas and U.S. values on China, and to impose some restrictions on the administration's foreign policy.

Basically, they think MFN is a favor. I do not want to spend a lot of time on how we regard MFN as a mutual benefit. More and more people have that consensus. It's also on the increase in the United States, to have this MFN. But, this added debate really hurt the growth of economic exchange between the two countries. The business communities in both countries will be more reluctant to make any long-term planning. Business leaders need to have a more stable situation, one in which you can make long-term plans, long-term investment. Many investments are for thirty years, or twenty years, but they do not know whether one day, one year, China can be sure that it will have MFN. That's just one area that is still a cause—the debate on MFN. That's why the business community has to work so hard. They're not working for China's issues. They are working for their own interests, for American interests. So, when I read in the newspapers that *Business Week* has become the number-one lobbyist for China, that's a misperception. In fact, they are the number-one lobbyists for themselves.

And second, the export control regime. That is a very old idea, to regard China as an adversary. In fact, many computers sold to China are also available on the international market. Of course, the United States has an after-sale service, the quality of their products are still high, so that's why the United States' products are still competitive in China. But, this competitiveness was undercut by a lot of restrictions, so they lost many opportunities. Opportunity in economic terms is really the money, the profit. But, if you lost the opportunity, other people will get it in other countries.

Take nuclear cooperation. The United States is number one. It was the first country to sign an agreement with China on peaceful uses of nuclear energy, as early as 1985. But, we cannot implement it, because some people voice concern about China's nuclear export policy. So, other countries can contribute—Russia, Britain, France, Canada. Now we have several nuclear power plants in China. They are all in place. I do not foresee that in the coming one or three years we're going to build more. Maybe, when we have some plans for

the next century, then the United States will realize that it's time to learn to get into the Chinese market, but the market has already been divided among the other four nuclear countries. So, a lot of opportunities are lost.

Unfortunately, the United States still maintains sanctions placed on China in 1989, by the TDA, the Trade Development Agency programs, and also OPIC, the Overseas Private Investment Corp., which provides loan guarantees for American businesses. Because of the lack of this financial support by the U.S. government, U.S. companies' competitiveness cannot be fully realized in the very intense competition in China. The other countries won over their political leaders to throw very strong backing to their enterprises. Their governments provide more favorable loans, and the governments lend a stronger voice to their business communities. That's just not the case with the United States. There are so many restrictions, so many man-made obstacles. I hope that President Clinton's visit will provide us a good opportunity to give a stronger stimulus to promote the nation's economic interest in trade between the two countries.

On the one hand, we heard a lot of complaints from members of Congress, from some of the people in this country, from some circles in this country, about the trade deficit that the United States has with China. On the other hand, we heard a lot of debate, that they do not want China to have access to American high-tech exports. They still want to strengthen, rather than relax, export controls. Basically, China does not have some fancy idea about importing state-of-the-art technology from the American military. We do not have that desire. We simply want to import some technology for civilian use, to modernize China's economy. Of course, we want to buy more things from the United States. We want to buy agricultural products. We heard a lot of complaints about market access for agricultural products. But first, you have to remember that China is also an agricultural producer, too. It's an agricultural country. But, still, we want to diversify the supply of agricultural products for our 1.3 billion population.

Second, agricultural products do not consist of very-high-value exports in dollar terms. One big ship of containers of agricultural products cannot be worth but one Boeing aircraft, or dozens of computers. So, we do not want China to be only a market for American agricultural products. We need more technology for our modernization.

I should also mention here areas like telecommunications, information technology. The United States is the leading country, and can play a leading role.

EIR: An important aspect that has been emphasized is the military-to-military cooperation. Ironically, although you find a lot of rumblings from Capitol Hill which sound like the old days of the Cold War, the attitude of U.S. military figures is much different. Most military men I have spoken to feel

that this cooperation is very important. They're more supportive of this relationship than some of the people who speak loudest in the halls of Congress. How do you view the military-to-military cooperation, in terms of creating an understanding on both sides, of the intentions of the defense posture of the opposite country? This seems to me to be very important.

Liu: We think the military-to-military relationship between our two countries is an important component for the overall relationship. It's a program that serves the purpose of enhancing mutual trust, and also can serve the purpose of removing this so-called "China threat" mentality. I think that, in the past few years, the military commitment to the relations has come gradually. I think the two militaries can benefit a great deal from this.

Number one, I think that the military-to-military relationship can increase trust between the two militaries. The more they talk to each other, the more contact they have, the less threat they will feel from the other. Many people talk about transparency. I think from the military-to-military relationship, the U.S. military will know much better China's military situation. Two days ago, the *Washington Post* carried a story about the [satellite] technology transfer I referred to at my press conference. It is really China which transfers technology to the United States. I think after reading that report, your intelligence people feel comforted that China constitutes no threat to the United States. I think that, through this benefit from the relationship, the United States can know that China's military posture, China's doctrine, is no threat to the United States. China's defense is purely for defensive purposes, constituting no threat to the United States.

I think that, for the Chinese side to know much better the American defense posture, has mutual benefit. That can remove misconception, misunderstanding. China is very concerned about this strengthening of the United States-Japan defense treaty arrangements. I think the United States can explain to us, to the military, why you do not think it is a threat [to China]. Of course, it will take a painstaking effort for the United States to explain. Sometimes we heard different explanations from Japan, so it is really up to the United States, how you define this treaty agreement. So, that's a very important thing. I think that's the top priority for this military-to-military attitude to increase mutual trust and understanding.

Second, I think the militaries can have some cooperation as well. During President Jiang's visit, the two heads of state released a joint statement calling for strengthening this relationship and the cooperation. We have reached a maritime security consultation arrangements agreement. That's also very important. That concerns the purpose of removing miscalculation, mishaps, and incidents on the high seas. That also increases trust.

I think we are also talking about joint exercises for ship-

to-ship, air-to-ship humanitarian relief. China's military can really play a very important role in disaster relief. China's earthquake fighting, flood fighting—the PLA [People's Liberation Army] has a lot of experience to share with the American military, and the American military also has done a very good job in this area. The two militaries can compare notes, exchange their experiences, and maybe, in the long term, down the road, can someday have some joint exercises.

I think in the Hebei earthquake, the United States military provided two aircraft loads for disaster relief—equipment, goods to China, [delivered] by American military aircraft—and it was the PLA, the Air Force, that received that. I think it's a beginning of a joint exercise of this kind, of disaster relief efforts. It was covered on the major network in China, major newspapers, so that really sent a very good feeling. The military always has, apart from defense programs, a very supportive role, so that's why, when the heads of state meet, the arrival ceremonies always have a guard of honor. The review becomes symbolic. I think the symbolism of the American military sending disaster relief goods for the Chinese people, for the needy people in Hebei province, was really appreciated by the Chinese people, not only the local people, but people throughout China.

President Jiang has had frequent correspondence with

President Clinton. I remember in one of these letters, he expressed appreciation to President Clinton, to his government, to the American people, for sending food and supplies to the Chinese people.

Also, the Chinese government is making efforts to search for the remains of American servicemen who sacrificed their lives in the Second World War. I myself was involved in the handling of these remains, two years ago, at the Beijing airport. That also was broadcast in China in a major way. We received a lot of letters from Chinese people, who gave us information about locations of new findings of remains in the wreckage of American airplanes that crashed in the mountains during the Second World War. That really recalls some memories of the old days, when China and the United States fought shoulder to shoulder against their common enemies, for the peace of China, and also the Asia-Pacific region.

So, I think the military-to-military relationship can also tighten the bonds between our two peoples. In the days to come, we hope that there will be more exchanges between the militaries, from the top level, to talk about strategic doctrine and theory, and also on the working level, too. And now, there are more and more military visiting the United States, and more and more military people from the United States visiting China. I think that's a good sign.

**“Long before Paula Jones,
long before Monica Lewinsky,
there was a conscious decision, made in
London, that there would be a full-scale
campaign to destroy Bill Clinton,
and to destroy, once and for all,
the credibility of the office of the
Presidency of the United States.”**

—Lyndon H. LaRouche, Jr.



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LAROCHE ON THE NEW BRETTON WOODS

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global financial and
monetary system must be
radically reorganized.
It can not be reformed, it
must be reorganized.
This must be done in the
manner of a reorganization
in bankruptcy, conducted
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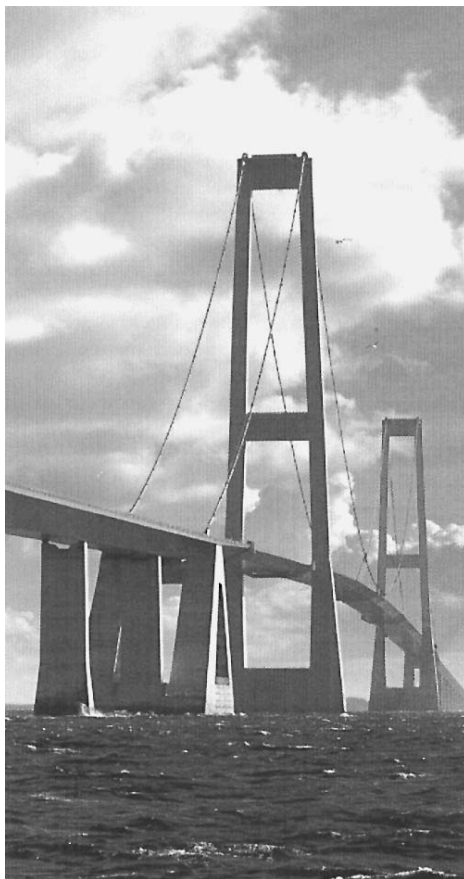
Denmark's Great Belt Bridge opens

Poul Rasmussen reports on the optimism generated by the inauguration of the first phase of Denmark's contribution to a Eurasian Land-Bridge.

Great infrastructure projects and new technology are normally the fruits of cultural optimism. But it also works the other way around: Perseverance in implementing great projects can spark cultural optimism. That was proven on June 14, when one of the most impressive European infrastructure projects of this century, came to a conclusion in Denmark. With the opening of the Eastern Bridge, which consists of 6,790 meters of a combined high bridge and suspension bridge, the entire 17.5 km length of the Great Belt Fixed Link, connecting mainland Denmark with the island of Zealand, was finally completed, after ten years of construction. Now, the eastern and western parts of Denmark are united.

One week before the Great Belt Fixed Link was officially opened to traffic, the Danish Red Cross was granted permission to arrange three days of public festivities on the bridge. There was music and food, a bicycle race, and a roller skating race; since no traffic had yet gone on the bridge, many people enjoyed simply walking across it.

More than 275,000 Danes participated, out of a total population of just 5.5 million. All of them wanted to be among the first to walk, run, skate, or bicycle across the new Great Belt Bridge, and to admire this breathtaking view. One man, from Hamburg, Germany—which hopefully will one day be similarly linked to Denmark across the Fehmarn Belt—had left home at 4 a.m. to attend this historic event. Visitors also came from Sweden, where a link to Denmark across the Øresund is under construction. The Copenhagen chapter of the Schiller Institute set up a booktable, promoting



The new bridge in the Great Belt project, connecting mainland Denmark with the island of Zealand, opened to traffic on June 14, 1998.

the LaRouche proposal for a Eurasian Land-Bridge, and displaying a large poster of the Eurasian Land-Bridge, extending from Denmark's Great Belt to the Pacific coast of China.

'Keep things as they are'

One would assume that, in a small country with the peculiar geography of Denmark—one peninsula and 405 small and large islands—the public sentiment naturally would be in favor of bridges, tunnels, and anything else to facilitate travel around the country.

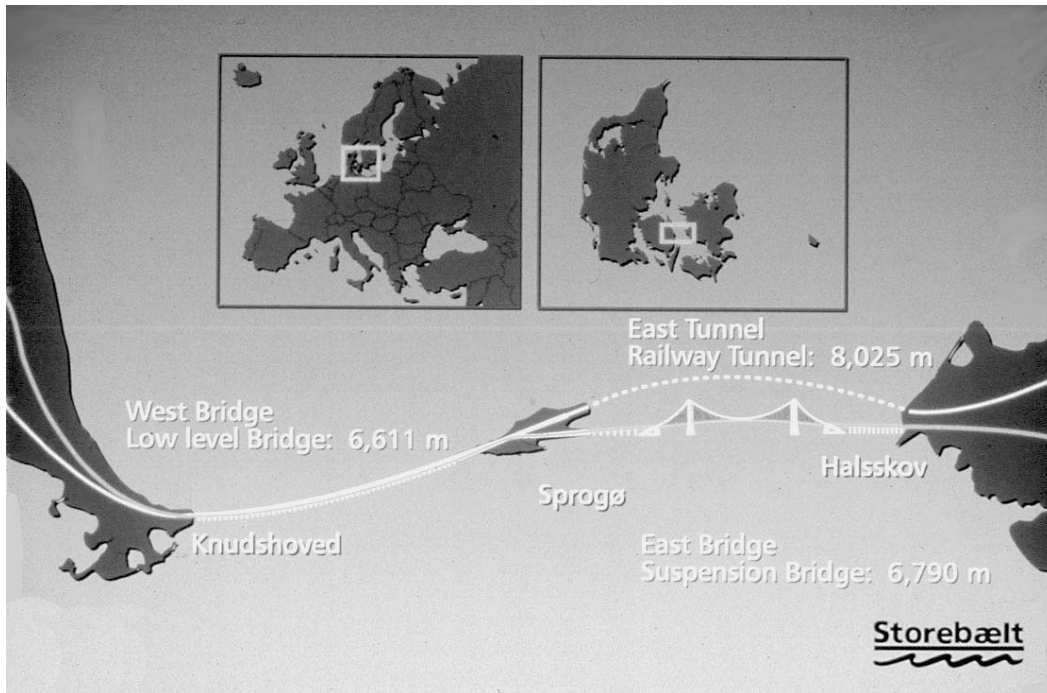
Not so, unfortunately: When the Danish Parliament passed the final appropriation for the Great Belt Fixed Link in June 1986, a majority of Danes were solidly against the whole idea. Despite decades of increasing complaints about the annoying bottleneck of using ferries to get from one place to another, Danes apparently preferred to keep things the way they'd always been. In August 1989, when the construction of the Fixed Link was well under way, an opinion poll published by the newspaper *Politiken*, showed that 57% of all Danes were stolidly against the project, 34% were for it, and the rest didn't care. Nine years later, an opinion poll taken a few

weeks before the bridge opened, showed that 76% of Danes were very much in favor of the bridge; only 9% were still against it.

What changed?

The power of beauty

One major factor in changing the public mood was watching the project come into being. People crossing the Great



The Great Belt project, the first phase of Denmark's ambitious infrastructure program to 1) connect peninsular Denmark with its islands; 2) connect Copenhagen to Malmö, Sweden; 3) bridge the Baltic crossing between Denmark and northern Germany.

Belt by ferry could see the two bridges materialize in front of their eyes. In the early years, they watched the Western Bridge being built—8 kilometers for rail and road traffic connecting the island of Funen with the tiny island of Sprogø in the middle of the Great Belt.

And, in the past five years, it has been the Eastern Bridge connecting the island of Sprogø, with the island of Zealand, where Copenhagen is located. The Eastern Bridge is a high bridge, 6.7 km long, with its central suspension spanning 1,624 meters. The two central pylons are 254 meters high, making them the highest points in the country.

The suspension section by itself is the second longest suspension bridge in the world. It is only surpassed by the newly constructed Akashi-Kaikyo Bridge in Japan, which has a center span of 1,990 meters. But the entire Akashi-Kaido Bridge is only 3,910 meters long, as compared to the 6,790 meters for the Eastern Bridge. Then came the rail tunnel. Seventy-five meters beneath the waters of the Great Belt, two tunnels were drilled. The rail tunnel and the road bridge meet at the island of Sprogø, and thence, from Sprogø to Funen, the Western Bridge carries both rail and road traffic. Because of soil conditions, the rail tunnel was built in the form of a large curve across the Belt, making it 8 km long, while the Eastern Bridge, which crosses over the same body of water, is only 6.7 kilometers in length.

In June 1997, the rail tunnel was opened for traffic, and for the first time since end of the Ice Age, 12,000 years ago, the Eastern and Western parts of Denmark were connected. In one stroke, travel time between the major cities of Denmark

was shortened by at least one hour. In the old days, crossing the Great Belt by the ferry-train would take up to one-and-a-half hours: Now, it takes seven minutes.

The Danish State Railroad had calculated that the opening of the rail tunnel would increase the number of passengers by 30%: The estimate was far off the mark. Within a few months, more than 1 million Danes had crossed the Great Belt by train. Today, one year later the daily passenger figures are 60-80% higher than before the tunnel was constructed.

The decisive factor in generating the massive public support for the Great Belt Project was the breathtaking beauty of the Eastern Bridge. The slim design of the two tall pylons makes the bridge appear to strive toward the heavens, rather than extend across the waters. The force-free isochronic catenary curve of the main cables, meets the upwardly bending road deck, which is shaped like an airplane wing, making the entire construction look weightless and graceful. That is quite an achievement, considering the fact that the bridge construction used 259,000 cubic meters of concrete, and 80,000 tons of steel. Shortly before opening the bridge, Danish television took one of its most outspoken adversaries, a zero-growth ideologue named Ebbe Reich Klovedal, to the top of one of the pylons. Here the reporter asked him, "So, Ebbe, how's your resistance to the bridge doing?" Klovedal (who had been a founder of Copenhagen's counterculture resort, Christiania) quietly replied: "To be honest, standing up here, it is not doing so well. This is so beautiful. I completely underestimated the skills of the Danish engineers."



The suspension bridge under construction.

The Øresund Fixed Link and the Fehmarn Belt Tunnel

With the opening of the Great Belt Fixed Link, the first phase of Denmark's giant, three-phase infrastructure program has been completed. The second phase, a fixed link across Øresund, the sound that separates Denmark and Sweden, is well under way. Its construction is every bit as impressive as the Great Belt project. Connecting the Danish capital of Copenhagen to the southern Swedish city of Malmö, the Øresund Fixed Link will be 16.2 kilometers in length, consisting of a 7.5 km elevated bridge, a 2.2 km low bridge, a 4.5 km man-made island, and a 2 km tunnel. It is planned for completion in the year 2000. While the Øresund Fixed Link does not break as many records as the Great Belt, the accompanying land works will make the entire project much more comprehensive. In both Copenhagen and Malmö, major road and rail construction is well under way, including a whole new subway system for Copenhagen.

Prospects are not so bright for the third phase of the Danish infrastructure program: a rail and road link across the Fehmarn Belt, in the western part of the Baltic Sea, separating the island of Zealand in Denmark and mainland Germany. It was originally included in the list of central projects in the European Union Commission's work on Trans-European Networks, a part of the Delors White Paper, which was presented at the Essen Summit in December 1994. But, as with most of the projects of the White Paper, written by then-EC President Jacques Delors, and reflecting some of the same thinking as LaRouche's 1989 European Triangle proposal, nothing is moving forward.

The Fehmarn Belt Link proposal consists of a 23 km tunnel for combined rail and road traffic. The cost is estimated to be around \$4 billion. It is very important that the Fehmarn Belt Link be set into motion very soon. The three phases of the great infrastructure program were planned such that the same manpower and skilled expertise could be maintained and utilized, as needed, shifting from one project to the other. Exactly this manpower was deployed very successfully from the completion of the Great Belt to the beginning of the Øresund project. As the various working teams and construction experts completed their work on the Great Belt project, they began to set work into motion on the Øresund Fixed Link. Thus, the skilled labor force and the engineering expertise from the first project are being fully utilized in the second. On June 14, the chairman of the Danish Contractors Association, Erik Ross Pedersen, told the leading Danish newspaper *Jyllands-Posten*, that the construction of the Fehmarn Belt Link must be begun within the next four years, lest the highly skilled labor force and the expertise assembled for the other two phases in Denmark, be dissipated in other projects around the world.

Sad to say, there is no great enthusiasm for the Fehmarn project in Germany, but Pedersen suggested that Copenhagen and Stockholm could make a common plea to the German government. A delay of the Fehmarn Belt Fixed Link would make it considerably more expensive. Initiating its construction, together with the completed Great Belt Fixed Link, and the ongoing construction of the Øresund Fixed Link, would constitute a proper northern route of a Eurasian Land-Bridge.

Hanson stuns political establishment

The electoral success of Pauline Hanson's One Nation party is part of the economic nationalism sweeping Asia.

LIndependent federal Member of Parliament Pauline Hanson's One Nation party made political history in Australia on June 13, when it won 25% of the vote in the Queensland state election. One Nation outpolled both the National and Liberal parties, which had formed the coalition government of Premier Rob Borbidge. In the best result since World War II by a new political party contesting its first election, One Nation won 10 of the 89 seats in the Queensland state parliament.

On election night, Hanson adviser David Oldfield exclaimed that One Nation has now emerged as "a true nationalist force." Unusual for a state election, One Nation campaigned mostly on national issues, including tariff protection for agriculture and industry, and for a national bank—which struck a chord in the rural and working class populations whose livelihoods have been decimated by the free trade policies of both major parties. Hanson also ruthlessly attacked Aboriginal "land rights," an "indigenist" scam invented by Prince Philip's World Wide Fund for Nature (and largely financed by mining giant Rio Tinto), to splinter the Australian nation-state.

Bob Dollin, one defeated state Labor MP, pointed to the background to the vote: "Unemployment is killing us," he told the June 14 *Sun Herald*. "It's 37% among young people here and 18% all up. You can't keep living with that." And, Premier Borbidge stated that Hanson's remarkable support indicated how "cheesed off the electorate is with the economic rationalists [the proponents of Mont Pelerin Society policies of deregulation, pri-

vativization, and free trade] in Sydney and Melbourne."

Hanson's victory has caused seismic rumblings in the free trade-pushing National Party. Queensland National MPs Bob Katter and De-Anne Kelly have begun a revolt against their party's policies, with Katter declaring after the election: "This result spells the end of competition reform [breaking up of state industries] . . . the end of economic rationalism." Hanson has said she will personally campaign to defeat Deputy Prime Minister and National Party leader Tim Fischer, in the next federal election.

Liberal Prime Minister John Howard is also worried. Howard saw the Queensland vote as a litmus test of his own impending electoral chances; notwithstanding that his National Party coalition partner got crushed, he has no choice but to go for an early federal election, before the global financial collapse further devastates Australia. The Australian dollar has fallen more than 20% in just two months, and the latest quarterly Gross Domestic Product figures, which put annual growth at more than 5%, were more bad news than good: The "growth" was based on stockpiling goods made unsalable by the collapse in Asia, which has accounted for 63% of Australian exports.

Another indication of the shock wave unleashed by One Nation's victory was the reaction of the banks. On June 14, Commonwealth Bank managing director David Murray warned that "it would be a mistake to establish a special bank based on a One-Nation policy to provide loans to farmers at 2 or 3%." Ironically, Commonwealth itself began as a national bank,

founded in 1911 by American immigrant and Labor Party leader King O'Malley.

And, the *Age* of June 13 reported that Citibank is circulating a document calling Hanson's economic platform "worrying." Citibank's chief economist in Australia, Stephen Koukoulas, said that "the rise in support for One Nation meant serious consideration must be given by financial markets to the influence the party could have after the next federal election," and that he was getting calls from investors worldwide asking about One Nation. Koukoulas threatened, "Offshore investors are saying, 'Do we want to be putting our money into an economy influenced like that?' The nervousness of the past week shows how fickle the market can be. We have no firm view on either of the major parties, but if One Nation were to have an influence . . . it will warrant bearishness for the Australian dollar, bonds, and stocks."

The success of One Nation's agenda is part of the resurgence of economic nationalism across Asia in the face of globalization, as seen in the recent speeches of Malaysian Prime Minister Dr. Mahathir bin Mohamad, and the anti-International Monetary Fund "Free Thai" movement in Thailand. Despite Hanson's calls to limit Asian immigration to Australia, she ironically has a convergence of interests with her Asian neighbors, which she has at other times acknowledged, as in her July 1997 emergency call for Australia to donate grain to starving North Korea, and to "take the lead among the nations of the world community to ensure the entire food deficit is filled as soon as possible." Given the deepening global depression, the only way Hanson and Australia can survive, is to ally with Australia's Asian neighbors for the New Bretton Woods monetary system proposed by Lyndon LaRouche.

Business Briefs

Russia

Strikes resume, as more sectors threaten action

Hundreds of coal miners from the Russian north began picketing in Moscow in mid-June. The government, which spent April crisis-managing the nationwide miners' protest, is giving the protesters much attention, as labor actions are threatened from other key sectors for the weeks ahead.

Independent Union of Russian Miners Chairman Aleksandr Sergeev told a press conference that the action was against "empty promises," and was meant "to hold the authorities to account for failing to honor their responsibilities." He said that coal miners, unpaid since September, were owed 3 billion rubles (\$500 million), but the government has only come up with 500 million rubles, and that is not being disbursed until autumn. Individual miners were quoted demanding payment of back wages, and the resignation of President Boris Yeltsin. Sergeev also said that the miners want an early Presidential election.

At a press conference on June 8, Kemerovo Gov. Aman Tuleyev forecast a surge of unrest in the autumn, when payments are due to teachers, agricultural workers for harvesting, and utilities sector workers for winter preparations. "We won't hold out past autumn," he said.

Only a few reports on the April protests emphasized that many teachers and other public sector professionals went out to block railways with the coal miners. Jim Catterson of the International Chemical and Energy Workers union, who edits "Pay Us Our Wages" on the Internet, was quoted in an early June issue of the Moscow English-language weekly *The Exile*, on his surprise at the scant notice given to the participation of these white-collar state workers in the Kemerovo actions.

There is already labor unrest in various sectors besides coal. Interfax reported in mid-June a statement by Lev Mironov, leader of the energy and construction workers' union, that some of his members are so angry about wage arrears that they have begun to stage spontaneous work actions, including turning off oil wells. On June 10,

Mironov's union held an extraordinary conference, which passed a resolution calling for "mass protests including a national strike," if the government failed to meet its demands within two weeks. The demands include a reduction in electricity, rail, and oil pipeline fees; freezing the oil sector's debts to the government; and a six-month moratorium on tax payments, which is absolutely counter to the International Monetary Fund's and the government's all-out tax-collection mobilization. The resolution said that the collapse of the international oil prices made it impossible for companies to pay taxes.

Middle East

Iran, Saudi Arabia sign cooperation agreement

Iran and Saudi Arabia have agreed to upgrade bilateral relations. In late May, Iranian Foreign Minister Kamal Kharrazi and Saudi Arabian Foreign Minister Saud al-Faisal signed an agreement for joint investment and cooperation in economic, commercial, technical, scientific, cultural, and sports fields. Provisions include industrial and mining cooperation, transportation, commercial transactions, and expanded trade and tourism.

Iranian President Seyyed Mohammad Khatami, upon receiving a message from Saudi King Fahd through Prince Saud, said, "The region belongs to us and is in need of talk and security. The larger the scope of progress and development in regional countries, the better is guaranteed regional security." He added that improved relations would benefit the whole Muslim world, a reference to the fact that Saudi-Iranian friendship could help overcome the centuries-long split between Sunni and Shia currents in Islam.

It was also announced, that a Saudi-Iranian joint economic committee would be established, and would hold its first meeting in Riyadh in November. The first concrete economic agreement, is a deal signed by the Saudi Industrial Exports Co. with a group of banks, to guarantee payments for Saudi exports to Iran. The banks involved would con-

firm letters of credit for the exports. This will enhance trade, because bankers had previously considered Iran a high-risk country, according to one of the company's managers.

Indonesia

Physical economic collapse is catastrophic

On June 10, leading opposition economist Rizal Ramli, of the Econit consultancy, reported that 80% of Indonesian firms are de facto bankrupt, and have been effectively so, since the rupiah passed the 7,000-to-the-dollar mark back in January. The rupiah was hovering at 11,750 as of his statement. On top of that, the chairman of the Indonesian Importers Association reported on June 10, that imports have collapsed 80% since the monetary crisis hit. The only things being imported are medicine, chemical raw materials, and vehicle spare parts, while the import of fruits and other food products has been effectively suspended.

On the same day, the Coordinating Minister for the People's Welfare reported that an estimated 30 million people, out of the country's 202 million, will fall below the poverty line this year. When the crisis started, the poverty figure was 22 million, and had decreased to 17 million, thanks to special poverty eradication programs, such as a 2% levy on profits of those firms and individuals earning more than 100 million rupiahs. That program was cancelled with the ouster of President Suharto.

The Education Ministry reports that 30% of students have dropped out of school, leading the government to take emergency measures to suspend some tuition fees, and to provide scholarships and school allowances for the country's 29 million elementary schoolchildren and 9.6 million junior high students. Annual school allowances of 2 million rupiahs (\$170) will go to 40% of the 173,000 elementary schools; and allowances worth double that will go to 40% of the 30,000 junior high schools. In addition, monthly scholarships of 120,000 rupiahs will go to 1.1 million elementary students,

and monthly scholarships of 240,000 rupi-ahs will go to 1.5 million junior high students. Similar steps for high school and university students have yet to be drawn up.

Transcaucasus

Bridge to Azerbaijan to boost Georgia's role

A bridge being built to connect Georgia and Azerbaijan will reinforce the importance of Georgia as a transit corridor between Europe and Central Asia, said European Union officials who visited the bridge site recently, according to a London *Financial Times* report on June 9. The bridge is funded by the EU Technical Assistance to the Commonwealth of Independent States (TACIS), a program intended to develop transportation infrastructure in the Transcaucasus to facilitate European-Central Asian trade.

"The bridge is a means to restore an important connection between Georgia and Azerbaijan, and implies greater connection for the whole region," stated EU commissioner for external relations Hans van den Broek. "We expect a dramatic increase in trade when the bridge is completed."

The bridge will run parallel to the old Red Bridge which spans the river forming the Georgian-Azeri border. When finished in August, it will connect roads from Baku to Batumi and Poti, Georgia's Black Sea ports.

Health

AIDS cases soar among drug users in Russia

Russian First Deputy Health Minister Genadi Onishchenko told a parliamentary hearing on June 8, that, within a few years, Russia will be forced to spend its entire health budget on persons infected with the human immuno-deficiency (HIV) virus, which causes AIDS, unless steps are taken now to stop the disease from spreading, Radio Free Europe reported on June 9.

A three-year federal program to educate Russians about the risk of contracting AIDS expired in 1996, just when the number of AIDS cases began to increase, Onishchenko explained. The number of people registered as having the HIV virus is still relatively low, at 8,313, he said.

Onishchenko said the number of AIDS cases has quadrupled since 1996, mainly because of the rapid spread in intravenous drug-taking among young people.

Labor

Nabisco cutbacks lead growing layoffs

Nabisco Holding Corp., America's largest cookie and cracker manufacturer, announced plans on June 8 for a massive restructuring program that includes laying off 3,100 of its 52,400 employees and closing a number of facilities around the world. These layoffs come on top of 15,000 announced a week earlier by Motorola Inc., which were directly attributed to the Asian crisis.

During the past six months, 273,822 workers have been laid off by major U.S. companies, a 32% increase over the same period of last year, according to Challenger, Gray & Christmas, a job placement firm. The reason, a Challenger spokesman told the June 9 *Washington Post*, is that "companies cannot keep underperforming operations without getting killed in the marketplace. If earnings are below expectations, you have to show Wall Street that you're doing something about it immediately." He said that "there's a real potential for continual heavy cuts throughout the summer."

The insane shift away from long-term investment in capital and labor resources has caused the collapse of physical production. The policy was epitomized in the U.S. economy in recent years by "Chainsaw Al" Dunlop, who earned his nickname by downsizing tens of thousands of workers at Sunbeam and other American corporations. Dunlop was finally himself downsized on June 15. It seems that his approach hadn't achieved what he had hoped, as Sunbeam experienced huge losses in the first quarter of 1998 and expects the same in the second quarter.

AN IRANIAN delegation of businessmen and investors arrived in Egypt on June 10, the first delegation to visit Egypt in almost 20 years. A similar delegation from Egypt visited Iran in March. Ali Naqi Khamoushi, the president of Iran's Chamber of Commerce and head of the delegation, told reporters that the visit was aimed at setting the basis for cooperation between the two countries.

THAILAND'S CP Group has announced it will sell off non-core assets, including a motorcycle production plant and Heineken brewery in China, to shore up its investments in agribusiness and telecommunications. CP Group had \$1 billion in investments in China, but has suffered severe losses during the current crisis.

UKRAINIAN coal miners from Dnepropetrovsk province walked 600 kilometers to Kiev, to protest non-payment of wages. Arriving on June 11, they began picketing the Parliament, the Cabinet of Ministers, and the Presidential Administration offices. Ukrainian TV reported that the Kiev population is providing the miners food and medicine. Up to 100,000 miners have been on strike.

THE ARGENTINE and the Spanish central banks on June 9 agreed to allow both nations to "jointly examine those financial groups which operate in both countries," including firms linked to these groups, "to evaluate the stability and solvency of the whole, as well as the risks and responsibilities assumed." This, after having handed over national banks to such London-controlled Spanish entities as Banco Santander and Banco Bilbao-Vizcaya, both of which are now in trouble.

SOUTH AFRICA is heading for a major financial crisis, as the rand recently collapsed to 5.25 to the dollar despite interest rates of more than 20%. The rand has depreciated 60% since 1994, the year the African National Conference came to power, despite following the diktats of the International Monetary Fund.

The substance of morality¹

by Lyndon H. LaRouche, Jr.

May 28, 1998

Evidence from as early as hundreds of thousands of years ago, shows the continuing existence of hominids capable of those kinds of discovery of physical principle, the which place mankind apart from, and absolutely above the higher apes.² All competent scientific inquiry respecting the nature of the human species, and of qualities specific to human behavior, rests upon a showing of crucial evidence of our species' distinguishing, manifest type of generation of an original or replicated discovery of a physical principle. No substitute for such knowledge of principles exists among outgrowths of such qualitatively inferior levels of mental activity as deduction or mere animal "learning from repeatable experience."

On this point, the combined archeological and historical record shows, that the totality of human existence,³ as a developing, functional fraction of the totality of our growing biosphere,⁴ is dominated by an accumulation of progress in increase of mankind's power over nature, a measurement conveniently reflected upon our

1. See, the references to the relationship between an "m-fold" and "n-fold" manifold, in Lyndon H. LaRouche, Jr., "Russia Is Eurasia's Keystone Economy," prologue to report by Dr. Sergei Glazyev, *Executive Intelligence Review*, March 27, 1998, pp. 45-51.

2. Recent archaeological work in Germany has revealed well-crafted throwing spears, solidly dated to about 400,000 years ago. The use of such technology predating 40,000 years ago was previously unknown. The wooden spears were shaped and balanced to be used as javelins, rather than simple thrusting implements, and reflect a technological skill by their makers, that has generally not been credited to humans of this Pleistocene, so-called Lower Paleolithic, period. See Hartmut Thieme, "Lower Paleolithic Hunting Spears from Germany," *Nature*, Feb. 27, 1997, pp. 807-810; Robin Dennell, "The World's Oldest Spears," Feb. 27, 1997, pp. 767-768.

3. i.e., as a component of the existence and development of the biosphere as a whole.

4. Man is part of the total biosphere. Man's portion of the biosphere increases, but the biosphere also grows, per capita. Compare this with Vernadsky's conception of a noosphere.



Schiller Institute musicians rehearse for a performance of Bach's St. John's Passion on April 4, 1998, at the St. Margaretha Roman Catholic Church in Ampfing, Germany. "Our task here," LaRouche writes, "is to lead the reader into a breakthrough in recognizing, from the example of music, the nature of the ontological principle involved in Classical culture, as a whole."

perceptual apparatus in the form of increase of demographic values, per capita and per square kilometer, of the Earth's surface. The human species is unique in its capacity for willful changes of this sort in its relationship, both to the biosphere and the universe in general.

Yet, in these facts lies a relevant, crucial paradox. The human species' long-term progress, when measured, as a whole, over the span of hundreds of generations, shows progress to be a crucial, characteristic, and implicitly inevitable feature of our species, as a species. However, it is not simply pre-assured that every step of progress during a shorter term, such as several or more generations of a global or local culture, will lead to its appropriate supercessor. Scientific and technological progress, as such, are indispensable for the continued progress of the entirety of our species. However, when and whether progress, or even retrogression occurs, is never automatic; the actual outcome is a result of what we term "cultural factors," as much as impulses attributable to progress in discovery of higher physical principles as such.

In fact, for reasons to be considered here, it is "cultural factors" which govern even scientific and technological progress as such, and which also govern the manner in which discovered physical principles are fostered and realized in ways bearing upon improvements in both man's physical power over nature, and the realization of that physical power in the form of net improvements in demographic characteristics of cultures.

Presently, the ongoing, global financial and monetary col-

lapse, has been plunging the once-proud civilization of the 1946-1963 post-war reconstruction period, into the threatened onset of a world-wide "new dark age." We are faced, thus, once again, with the fact, that the most powerful technological cultures can be doomed by the kind of moral and cultural "paradigm shift" which has dominated the world, increasingly, since the 1964-1972 youth-counterculture revolt against both technological progress and rationality generally.

Therefore, sane national and related policies depend upon discovering and adopting those principles of culture to which we must turn, if we are to avert the seemingly inevitable demographic and per-capita collapse now gripping this planetary civilization. The author proposes, that the nature and importance of such cultural issues, ought to have been made clear by those studies of the principles of Classical art-forms and education which had occupied the best minds of the scientists, artists, and statesmen of European civilization's early Nineteenth Century, such as, for Germany, Friedrich Schiller and his friends, the brothers von Humboldt,⁵ and, for the U.S.A., Benjamin Franklin's great-grandson, the Humboldt-linked Alexander Dallas Bache.⁶

5. Marianna Wertz, "The Classical Curriculum of Wilhelm von Humboldt," *Fidelio*, Summer 1996, pp. 29-39.

6. Alexander Dallas Bache (1806-1867) graduated U.S. Military Academy (1825); was sent to Europe in 1836 to work with scientists and educational leaders including Carl F. Gauss, Wilhelm Weber, and Alexander von Hum-

On this account, generally speaking, when compared to the superior levels of culture represented by early to middle Nineteenth-Century European Classical culture in general, even the leading sections of those of today's populations dominated by our recent generations of global, European-dominated trends in global cultures, are ignorant, appallingly backward, even relatively bestial. [See box on this page.] This recent, moral and cultural degeneration of successive post-World War II generations, is typified by the recent rise in homicidal outbreaks of existentialism among present-day adolescents.⁷ This deplorable trend is typical of the majority of both the top-most ranks, and the lower levels of today's society.

The challenge of reversing the present cultural and physical-economic collapse of global civilization, is the context for the following report. The solution to the difficulties of comprehending these presently most urgent matters, was first discovered, and, later, developed in the following way.

1. Three crucial discoveries

It was during the interval 1948-1952, that I first made three original, interdependent discoveries of physical principle, a set of principles whose continued and interconnected development has since dominated my life, my professional and related accomplishments, and also the controversies in which

boldt. Bache formed an elite American grouping of scientists, cooperating with German and French co-thinkers. He and his aides designed and organized the U.S. Naval Academy. As chief of the U.S. Coast and Geodetic Survey, Bache was chief strategist for the emergence of an advanced U.S. military-industrial capability, and the creation of the electrical industry; he was a leading intelligence adviser to President Abraham Lincoln.

7. Six serious incidents of school killings have taken place in rural areas of America since February 1996, involving children between the ages of 11 and 16. In two cases, the children killed their parents, before proceeding to the schools, where they also killed classmates and teachers. In all cases, the children were immersed in video games, such as "Mortal Kombat," mind-numbing rock music, and violent films. Note, that in five of the cases, the children are being tried as adults.

The phenomenon of juvenile violence in Germany was addressed by Countess Marion Dönhoff, in an editorial in the weekly *Die Zeit* on April 8, 1998. Titled "These Are Our Children," she points to such sources of juvenile violence as "the lack of sense of injustice, intolerance, extreme ego-centrism"—the results of a permissive society in which "everything revolves around material and commercial success."

Such cultural degeneration is an example of what Nazi existentialist philosopher Martin Heidegger called "thrownness." Helga Zepp-LaRouche, in a Sept. 3, 1994 speech ("Ghost of Martin Heidegger Haunts Cairo Conference," *Executive Intelligence Review*, Sept. 12, 1994), described Heidegger's existentialism as follows: "'Man, in the course of the history of Occidental culture,' says Heidegger, 'has forgotten the essentials of human life. People live life in an unactual way, and they look for entertainment in their flight from death agony. The actuality of true life, lies in the banal, basic experience of the being-thrownness'—*Geworfenheit*, that is, you are thrown into history, and plop, there you are.'" Heidegger was a major influence on Jean-Paul Sartre.

I have become an increasing central figure of recent decades.

The first among these principles, is one whose adoption dates from work during the 1948-1951 interval: man's increase of power over nature, per capita and per square kilometer of the Earth's surface, may be described, in rough approximation, as follows.⁸

It is to be said, that that ordered increase of man's power over nature, per capita and per square kilometer of the Earth's surface, is always expressed in the form of the outcome of successive, revolutionary, realized discoveries of physical principle. It is shown, on physical grounds, that experimentally validatable, revolutionary discoveries of physical principle, form orderable, if not linear, or otherwise simple sequences.⁹ It is the realization of those sequences, whose

8. Lyndon H. LaRouche, Jr., *So, You Wish to Learn All About Economics?*, second edition, (Washington, D.C.: EIR News Service, 1995).

9. Consider the intersecting, but distinct contributions to the founding of a science of electrodynamics by Ampère, Fresnel, Wilhelm Weber, Gauss,

The Humboldt curriculum

Wilhelm von Humboldt (1767-1835) was director of ecclesiastical affairs and education in Prussia from 1809 to 1810, giving him—for the brief span of about a year—responsibility for all public cultural and scientific institutions. During this time, he transformed Prussian education, with far-reaching effects for generations to come. This description of his program is taken from an article by Helga Zepp-LaRouche, "The Modernity of the Humboldtian Education Ideal."

In the two documents he wrote on the educational system of Königsberg and Lithuania, Humboldt lays out what he thinks to be the "aim of education": the formal shaping (*Bildung*) of the entire man into a harmonious totality.

"Each individual, even the poorest, receives a complete education as man, each one absolutely completely, only where he might continue to make further progress; those who may have certain limitations also find their right and their place, and no one should have to set a goal sooner than in his own gradual development; after all, most of them will still have to, even after leaving school, make a transition from merely being taught, to further development in specialist institutions."

Humboldt was very much opposed to any form of merely career-oriented drill, which he saw practiced in the cadet institutions and the vocational schools; indeed, he even warned that a "merely drilled man should always be

accumulation correlates with an increase of mankind's potential (physical) power over nature. During 1948-1951, as today, the argument remains, that this connection is typified by the treatment of an experimentally validated physical principle as the subsuming source of those applicable machine-tool designs, and analogous principles, which are to be recognized as "technologies."¹⁰

Riemann, et al. See Laurence Hecht, "The Significance of the 1845 Gauss-Weber Correspondence," *21st Century Science & Technology*, Fall 1996, and Laurence Hecht, "Optical Theory in the 19th Century, and the Truth about Michelson-Morley-Miller," *21st Century Science & Technology*, Spring 1998. To be emphasized, on this account, are Ampère-Weber on the "longitudinal force," and Fresnel-Riemann on refraction and retarded propagation.

10. Formally, the introduction of "machine-tool design" into modern economy, originates with the work of Lazare Carnot, especially his role in the economic-military mobilization of 1792-1794. However, the "machine-tool-design era" is dated to a later time, the 1861-1876 mobilization of the U.S. economy. The "industrial revolution" proper was thus launched from the United States, from whence direct U.S. influence spread it into Bismarck's Germany (1877), Meiji Restoration Japan, and the Russia of Alexander II.

The second of the three principles, whose discovery also dates from the 1948-1951 interval, was the apprehension of the fact, that those same processes of creative mentation, by means of which experimentally validated, original (i.e., "revolutionary") discoveries of physical principle are generated, in response to deductively insoluble paradoxes of experimental physics, are processes identical in their nature to the validatable solution for the type of paradox rightly identified as *metaphor*, as such metaphors are unique to *strictly Classical* modes of musical, poetic, dramatic, and plastic composition in art. This second principle, which is contrary to the currently popular, erroneous notion of a division of art (e.g., *Geisteswissenschaft*) from physical science (e.g., *Naturwissenschaft*),¹¹

11. i.e., the doctrine of G.W.F. Hegel's politically reactionary ally, the neo-Kantian Romantic Karl Friedrich Savigny: i.e., the absolute separation of *Geisteswissenschaft* from *Naturwissenschaft*. In a cruder version, this is also the doctrine of "art for art's sake:" that there is no rational principle underlying the determination of value in art, that art is the arbitrary taste of artists and their audiences.

useless and dangerous."

Formally, Humboldt's concept has the three phases of schooling — elementary, *Gymnasium* (secondary school), and university — building upon one another, each complementing the other. Humboldt emphasized that the teaching of philology, mathematics, and history are of equal importance. A plan of studies designed according to his proposals envisaged for the *Sexta* [about the first year of secondary school — the student would be about 13 years old] had the following ordering: 12 hours language instruction (Latin and German), 13 hours scientific subjects (mathematics 6, science 2, geography 3, religion 2), 3 hours of drawing, 4 hours of calligraphy, and additionally, singing and gymnastics.

For the *Prima* [the last year of high school before entering university], the following hours were envisaged: 8 Latin, 7 Greek, 4 German, 6 mathematics, 2 science, 3 history and geology, 2 religion. For the first time, Greek (Plato, Homer, Sophocles) was to be read from the *Quarta* [equivalent to about 8th or 9th grade] until the *Prima*.

In designing this curriculum for the *Gymnasium*, Humboldt defined two centers of gravity: the teaching of the ideal concept of man embodied in the Greek Classics, and the teaching of philology, which two were, for Humboldt, the nucleus of philosophy, history, and mathematics.

At the university, there should be only researchers: those who are autonomous, and those guided by others, through which the unity of teaching and research should also be preserved — Humboldt wished that it might bring forth the "deepest and purest aspect of knowledge/science (*Wissenschaft*)."¹¹ Knowledge, from whose organic unity

he proceeded as a basic principle, must be built upon a principle, it must not consist of an accidental collection of facts. . . .

Because of the fortunate circumstance that Humboldt became responsible for the Prussian education system at its most decisive moment, the ideal of man, oriented toward the Greek Classics, was of decisive influence for more than a century for the intellectual elite who received their education at a humanistic *Gymnasium*.

Humboldt in America

The Humboldt Classical humanist curriculum was used as a model for U.S. high schools, thanks to the efforts of Benjamin Franklin's great-grandson Alexander Dallas Bache, as Anton Chaitkin reports:

Alexander Dallas Bache travelled in Europe (1836-38), examining 280 schools in the British Isles, Germany, Austria, France, Italy, and other countries. His detailed report on his educational findings is a milestone in the history of American schools.

Bache was the first president of Philadelphia's Central High, the first U.S. public high school outside New England, and the model for successful American urban schools. Bache was said to have organized Central High School, in particular, on the principles of the *Gymnasium* and *Real* schools of the Leipzig system. He created a pioneering laboratory for measurement of the Earth's magnetism, employing his students as the observers, and he equipped Central High with one of the world's finest astronomical observatories, with the students under the supervision of the leading astronomers of the era.

is the key point of reference for the present report.

The third of these principles, dating from 1952, was my recognition of a relevant implication of that generalized notion of a Keplerian, multiply-connected manifold, first defined as an amendment to the work of Carl Gauss, in Bernhard Riemann's 1854, revolutionary habilitation dissertation.¹² From a reexamination of Riemann's habilitation dissertation at that time, I recognized, that his discovery provides the indispensable, meta-mathematical basis for comprehending, and integrating, the function of validated creative discoveries of principle, not only in physical science, but also Classical art-forms.¹³ Furthermore, my appreciation of Riemann's discovery was novel, in the degree that it is associated with an explicitly Platonic notion of the relevant principles of ontology in general. I contended, that this metaphysical connection to the ontology of Platonic ideas, is strongly implied in Riemann's work by a comparison of several among his writings from that period;¹⁴ in my own statement of the case then, as restated here for the case of music, the notion is explicit.

If one is to adhere to the principles of a Classical humanist education, one must account for the origin, and deeper, present-day implication of these three, interrelated discoveries. One must take into account that consuming occupation with modern philosophy which had dominated my adolescent years.¹⁵ All of these discoveries of the 1948-1952 interval, were rooted in an adolescent choice of the world-view of Gottfried Leibniz. During adolescence, my adherence to Leibniz's standpoint,¹⁶ included a specific, explicit opposition to the educational dogmas of John Dewey,¹⁷ and coincided

with my continuing rejection, to the present day, of the Seventeenth and Eighteenth Centuries' English and French reductionists generally.¹⁸ It was during the later phase of that adolescent study, that I first defined my opposition to that paradigmatic, neo-Aristotelean attack on Leibniz which is central to Immanuel Kant's famous *Critiques*.¹⁹

On account of those same principles of Classical humanist education, one must emphasize, that there was nothing accidental in the fact, that the combined, 1948-1952 discoveries themselves, were prompted chiefly by my impassioned concern to expose the essential, neo-Kantian fraud underlying certain radical-positivist innovations introduced by two prominent devotees of Bertrand Russell. Those latter, targeted frauds, were, the radically reductionist "information theory" (e.g., radically positivist "linguistics") of Professor Norbert Wiener,²⁰ and the closely related hoax, the "systems analysis" of Professor John von Neumann.²¹

Similarly, the tactic which I chose for development of my 1948-1952 refutations of, initially, Wiener and, later, von Neumann, was a conviction which I had adopted during the war-time 1940s, that the problems of a theory of knowledge posed by Kant's *Critiques*, must be attacked from the vantage-point of a general science of physical (as distinct from monetary-financial) economy—i.e., man's self-perpetuating increase of his species' practical power over nature. This must be a science whose elementary focus is the adducing of those principles which govern mankind's manifest, unique potential for willfully increasing our species' *potential relative*

12. Bernhard Riemann, *Über die Hypothesen, welcher der Geometrie zu Grunde liegen*, *Bernhard Riemanns Gesammelte Mathematische Werke*, H. Weber, ed. (New York: Dover Publications reprint, 1953). This Kepler-Gauss-Riemann standpoint, is identical with Leibniz's insistence that the "infinitesimals" of his calculus are not linear, but are intervals of non-constant curvature.

13. Bernhard Riemann, *Zur Psychologie und Metaphysik, Werke*, op. cit., pp. 509-520.

14. e.g., *Geistesmasse*, in Riemann's posthumously published manuscripts on the subject of metaphysics, *Werke*, op. cit.

15. In Classical culture, no principle is ever merely learned. A principle must be known, rather than merely learned. To know a principle, is both to experience in oneself the process which generates the discovery, and to experience the equivalent of a crucial-experimental proof of that principle. By "principle," one signifies a law of nature which can not be derived by deduction, but only by discovering an experimentally validatable idea which solves an otherwise insoluble contradiction in previously established knowledge.

16. Especially, at that time, the *Theodicy*, *Monadology*, and *Clarke-Leibniz Correspondence*.

17. A reading of works by and on the subject of Dewey's educational programs, during my fourteenth year, in the Ninth Grade, left me with a sense of being degraded by, and hostile to submission to the philosophy of education integral to the courses of instruction offered in secondary education at that time. It was this issue which led me to the subsequent years impassioned occupation with the issue of Kant's *Critique of Pure Reason*.

18. E.g., the reductionism of such followers of Paolo Sarpi as Francis Bacon, Galileo Galilei, Thomas Hobbes, René Decartes, John Locke, Bernard Mandeville, David Hume, and such followers of Antonio Conti as Voltaire and the French "Encyclopaedists."

19. At that time, Kant's *Critique of Pure Reason* and *Prolegomena*. See also, on Leonhard Euler's resort to the fraud of *petitio principii* in his own effort to supply an argument against Leibniz's *Monadology*: Lyndon H. LaRouche, Jr., "Pope's Havana Homily Defends Nation-State," *Executive Intelligence Review*, February 6, 1998, p. 51.

20. e.g., Norbert Wiener, *Cybernetics* (New York: John Wiley & Sons, 1948). The root of Wiener's "information theory," is to be found in the founding of Russell's school of linguistics in the relevant collaboration of Russell, Karl Korsch, Carnap, Hutchins, Harris, et al. Russell's 1938 "unification of science" project, is the setting for the MIT school of linguistics and "artificial intelligence" of Noam Chomsky and Marvin Minsky.

21. After John von Neumann's work had received a devastating blow at the hands of Kurt Gödel's 1930-1931 works "On Formally Undecidable Propositions of *Principia Mathematica* and Related Systems" and *Discussion on Providing a Foundation for Mathematics, Collected Works*, Vol. I, (New York: Oxford University Press, 1986), von Neumann shifted into the field of a mathematical theory of games. By 1938, von Neumann fell into the absurdity of claiming that he could reduce economics to a matter of solutions for simultaneous linear inequalities. In this connection, von Neumann fell into collaboration with Oskar Morgenstern, producing the radically absurd doctrine of their *Theory of Games & Economic Behavior*, third edition (Princeton: Princeton University Press, 1953). In a similar vein, von Neumann, like Wiener, proposed the possibility of defining "artificial intelligence" as an offspring of a linear digital computer-system.

population-density. This ordering must be associated with the impact and correlatives of the generation of scientific, technological, and cultural progress.²²

In service of the same, Classical humanist principles of accounting for one's own knowledge, today's continuing, central, practical issue of world culture and politics, which I shall bring into sharper focus here, is the fact, of the increasing political hegemony, within modern European world-culture, of an anti-Renaissance, reductionist, and specifically Venetian world-outlook. That perverted outlook, is, most notably, the legacy of Pietro Pomponazzi,²³ Paolo Sarpi,²⁴ Antonio Conti,²⁵ et al. This Venetian influence has established, as its legacy, a specific pathological trait, a trait which has been imposed upon the most widely accepted beliefs and practice of modern European academic and related culture. The latter, sundry — variously Aristotelean, “neo-Aristotelean,” “empiricist,” “Cartesian,” materialist, and “positivist” — trends in leading opinion, have established the hegemony of their com-

22. The initial attack on this problem occurred, during the early 1940s, as a critique of Karl Marx's *Capital*. The writer's critical focus was on the devastating effects of Marx's refusal to consider the implications of “the technological compositions of capitals,” a refusal, stated in Volume I, which supplies the crucial error in Marx's attempt, in his Volumes II and III, to construct an account of “simple” and “extended reproduction of capital.” The technological issues which Marx evades, are the foundation for any scientific approach both to the understanding of the processes of physical economy generally, and to the origins of so-called “business cycles.” On account of Marx's axiomatic error on this point, the four-volume edition of his *Capital* manuscripts, and related writings, absolutely does not meet the requirements of a science of extended social reproduction. Over the recent four decades, and longer, this has often been a persisting, crucial issue of attacks on the present writer by those esteeming themselves defenders of Marxist economics orthodoxy.

23. Pietro Pomponazzi (1462-1525). Padua's Pomponazzi emerged as a leading apologist for the opponents to the mid-Fifteenth-Century ecumenical Council of Florence. In his capacity, together with his student Cardinal Gasparo Contarini, as the leading opponent of the Fifteenth-Century Renaissance throughout Europe, he introduced the gnostic, Aristotelean dogma of Averroes et al. into the Venice-dominated, post-League of Cambrai, Sixteenth Century.

24. Paolo Sarpi (1552-1623). Sarpi, who was, from 1582 onward, the leader of the dominant faction of Venice, is notorious for his adoption of a radical version of Aristotelean formalism, a formalism derived from the model of William of Ockham. Sarpi was, in his time, the controller of the English monarchy of King James I, and the sponsor of such related notables as Francis Bacon, Galileo Galilei, and Thomas Hobbes. He is the founder of the British empiricist and Cartesian method.

25. Antonio Conti (1677-1749), famous as the creator of Voltaire and of the myth of Isaac Newton's calculus. He was the leading successor to the role of Paolo Sarpi in spreading the hegemony of the Eighteenth-Century versions of the British and French (anti-Renaissance) “Enlightenment” throughout Europe. Conti's influence, as expressed by Leonhard Euler, Lagrange, Laplace, and Augustin Cauchy, established the political hegemony of the radically reductionist faction in scientific teaching throughout European civilization, to the present day. The notion of “linearity” in the infinitesimally small, and the related radical empiricism of the positivists Bertrand Russell, Norbert Wiener, John von Neumann, et al., are included among the products of this influence of Conti.

mon pathological dogma, the which implicitly demands a dichotomy between the idea of knowledge in general, such as the so-called “liberal arts,” and the notion of rational behavior to be associated with physical science. This conflict is usefully compared with what British author C.P. Snow identified, more simplistically, as the “Two Cultures” dichotomy of modern European empiricist dogma.²⁶

Despite presently hegemonic kinds of philosophically reductionist influences: since the influence of Classical Greek culture, especially the heritage of Plato and his Academy,²⁷ the best currents of European civilization had acquired a relatively clear, if not simple conception of an implicitly ordered relationship underlying the ordering of human social progress, the latter respecting both individual physical practice and demographic characteristics of cultures at those technological levels of practice. This is an ordering correlated, measurably, with notions of *relative potential population-density*. The notion of a correlation between an improvement in the demographic and related individual characteristics of populations, and the related role of applied scientific and technological progress in fostering advances in per-capita and per-square-kilometer power over nature, has supplied a clear practical standard for measuring what, until recently, had been recognized as “the idea of progress.”²⁸

However, although the idea of progress involved clear notions of ordering, and of related measurements, the inevitability of progress was not a matter of clearly established principle. It appeared, for example, that there exists no conceivable mathematical function of the ordinary type, the which would ensure that any valid advance in discovery of applicable physical principle should lead to the lawful generation of a next higher order of discovered principle of general practice. Indeed, even in the case of a valid discovery of principle, there was no clear assurance that society would accept an experimentally proven such principle as a rule for improved social practice. Taking as much as we know of the whole span of the human species' existence to date, human progress has been the likely, but uncertain outcome of history considered in the large.

To repeat the crucial point: It was clear to modern European civilization, that progress were always possible,²⁹ but that progress did not necessarily occur in the manner a simple notion of physical science suggested. Stagnation, or worse,

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

27. “Plato and his Academy” embraces the work of Plato's followers, through the work of Archimedes' contemporary Eratosthenes.

28. The improvement of transportation, water management, and usable energy per capita and per square kilometer, are typical of those changes in basic economic infrastructure which have the same general effect as technological progress in general.

29. Admittedly, influential radical empiricists, such as Bertrand Russell and his followers, did not share that optimistic view.

demographic and physical retrogression, often occurred. In the long, combined history and pre-history of mankind, only a few strains of cultural development have not been cast aside, rightly, as failed cultures. In known history, the catastrophic persistence of oligarchical forms of society, such as those of the ancient Mesopotamians, the Romans, Byzantium, and the Aztecs, illustrate the frequent case, of cultures which, although more or less long-dominant, are best characterized as cultures ultimately self-doomed by their inherent lack of sufficient “moral fitness to survive.”

We pivot our argument here upon the issues of that pathological, cultural-historical paradigm referenced by Friedrich Schiller.³⁰ We reference, so, the awful history of France’s moral degeneration, during most of the periods following the outbreak of the French Revolution of 1789.³¹ Excepting such great, exemplary achievements of 1792-1814, as were led by the circles of Lazare Carnot and Gaspard Monge’s *Ecole Polytechnique*, the reconstructed France of Louis XI, which had continued until 1789 as the world’s most developed nation-state, had, by 1789, turned sharply downward, away from the course implied by the Marquis de Lafayette’s role in the American Revolution, into those “Enlightenment” orgies of moral degeneracy typified by followers of Robespierre, Barras, Napoleon Bonaparte, and the French positivists in general.

Schiller’s intent in addressing this ominous, crucial failure of French culture, is elaborated in locations such as his *Über die Aesthetische Erziehung des Menschen*.³² Nonetheless, although Schiller’s intent ought to be clear from his own writings, the deeper, most crucial, *ontological* implications of his argument, as in the Fifth Letter of that series, appear to be grasped by most among his putative admirers only in a relatively superficial way, not grasped in the sense of a relevant, cognitively rigorous notion of ontology. It is those ontological implications which I am specially qualified to address, as I do here. Those ontological issues, and their practical

30. Friedrich Schiller references the failure of the French people to seize the opportunity of the French Revolution in two locations. In the Fifth Letter on the Aesthetical Education of Man, he writes that “a *physical* possibility seems given, to place the law upon the throne, to honor man finally as an end in himself and to make true freedom the basis of political union. Vain hope! The *moral* possibility is wanting; and the generous moment finds an unresponsive people.” *Friedrich Schiller, Poet of Freedom*, Vol. I (New York: Schiller Institute, 1985) p. 230. He also wrote the following epigram entitled “The Moment”:

“A momentous epoch hath the cent’ry engender’d,
Yet the moment so great findeth a people so small.”
Ibid., p. 325.

31. Not only under the Jacobins and the Napoleonic regimes, but also the post-1898 Third Republic, the Fourth Republic, and the Mitterrand regimes.

32. F. Schiller, *Über die Ästhetische Erziehung des Menschen in einer Reihe von Briefen*, in *Friedrich Schiller Sämtliche Werke: Fünfter Band*, Gerhard Fricke and Herbert G. Goepfert, eds. (München: Carl Hanser Verlag, 1993). An English translation is in *Friedrich Schiller: Poet of Freedom*, Vol. I, op. cit.

implications for world politics today, are the essential subject of this report.

In a report to be published in a forthcoming issue, we focus upon the case of music, to illustrate the ontological basis for Schiller’s insight into the role of cultural development. There, we focus upon the exemplary case of Classical musical, *motivic thorough-composition*, as located by W.A. Mozart in the foundations supplied by such works of J.S. Bach as *A Musical Offering*.³³ That development, from Bach, through Haydn,³⁴ Mozart, Beethoven, and Brahms, is employed here as a model of the ontological function at the core of Schiller’s principle of aesthetical education. We include, as crucial, reference to Goethe’s poor judgment on Mozart’s and Beethoven’s song settings for Goethe’s poems, and the related case of Franz Schubert’s sharing Schiller’s opposition to Goethe on this matter of practice.³⁵

What we offer, thus, is not a complete treatment of the role of Classical culture. Our task here, is to lead the reader into a breakthrough in recognizing, from the example of music, the nature of the *ontological* principle involved in Classical culture, as a whole.

2. Art as science

In the history of ideas of principle as represented by the work of Plato, the relatively brief *Parmenides* dialogue occupies a special place of relevance. From the standpoint of that *Parmenides* and related writings, Plato’s notion of what he defines as *ideas* is presented by him as a defense of the seminal contributions of the school of Pythagoras, against the anti-

33. Briefly, J.S. Bach’s development of a form of polyphony situated with respect to the Florentine *bel canto* voice-training standard, led into a determination of both pitch and of counterpoint derived from a rigorous application of the principles of a multiply-connected manifold. The related treatment of the principle of polyphonic (e.g., “cross voice”) inversions led into such crucial Bach works as his *A Musical Offering* and *The Art of the Fugue*. The rigorous study of this aspect of J.S. Bach’s methods of composition, from the standpoint of *A Musical Offering*, steered Wolfgang Mozart directly (e.g., the K. 475 *Fantasy*) into that method of *motivic thorough-composition* which is the characteristic of the post-1783 work of Mozart, Haydn, Beethoven, et al. It is this process of development, from J.S. Bach through Brahms, which defines the Classical, as opposed to Romantic, et al. notions of musical composition.

34. The evidence is, that Professor Norbert Brainin is probably unique among contemporaries in his recognition of Haydn’s initial demonstration of principles of thorough-composition, although the discovery of the more general such principle is dated to the work of Wolfgang Mozart, beginning 1782-1783. Nonetheless, without Haydn’s work in carrying the development of composition beyond the standard established by C.P.E. Bach, Mozart would have lacked the foundation upon which to grasp the fuller implications of J.S. Bach’s *A Musical Offering*, implications upon which a general principle of motivic thorough-composition depended.

35. Chapter 11, “Artistic Beauty: Schiller versus Goethe,” *A Manual on the Rudiments of Tuning and Registration*, Book I, (Washington, D.C.: Schiller Institute, 1992).

Pythagoras, Eleatic faction of reductionism. These Eleatics are epitomized by the dialogue's Parmenides. Constantly, the echoes of Heraclitus' ontological standpoint, "nothing is constant but change," reverberate in the crucial passages of Plato's dialogue.

The central issue attacked in that dialogue, is the same ontological blunder which underlies all of the reductionist tradition, from the Eleatics, through the sophists and Aristotle, through to the modern empiricists, materialists, and positivists. Given a sequence of developments which corresponds to some ordered change of principle, how might we conceptualize a higher principle which underlies and generates the ordered sequence of relevant, successful changes in apparent principle?

In art generally, as in Plato's dialogues, the dominant role performed by the composition, is the quality of *ontological surprise*, a point in the development at which a paradoxical transformation occurs in the import of that composition, a point at which the composer leads the audience away from a narrow focus upon the apparent, relatively literal, merely formal expression of the ongoing subject-matter, into what proves to be an ordered series of successive, more or less kaleidoscopic transformations in meaning, in principle. That principle which subsumes such an ordering of successive, mutually contradictory principles, appears, thus, ontologically, as the true, subsuming subject-matter of the artistic composition.

That true subject is the location of the *ontological* quality of the composition, the location of the *ontological* quality of all Classical art.

For example, in Shakespeare's *Hamlet*, especially the notable Third Act soliloquy, Hamlet is confronted by the choice of either clinging to his "macho's" habitual, petty, paranoid, swashbuckling world-outlook, which assures his self-imposed doom, or venturing into a new quality of world-outlook, the latter which he rejects as a "bourn from which no traveller" has returned. There is virtually no difference between that Hamlet and those tragic statesmen, today, faced with the inevitable collapse and disintegration of the world's present financial and monetary system, who prefer to work within the bounds of adapting, as "practical politicians," to the doomed system, rather than risk the escape to safety from the doomed system, by adopting what they presently abhor as a radically new form: a bourn from which no traveller has returned. For them, it is more comfortable to return to the old, familiar, diseased slut, than to couple with a healthy immigrant.

On this account, no great playwright ever composed fiction. Just as Aeschylus' *Prometheus Bound* is nothing but a truthful presentation of the paradoxical principle then governing the real universe of ancient Greek culture, so neither Shakespeare nor Schiller ever composed mere fiction, mere existentialists' entertainment. The essence of Classical tragedy and poetry is the equivalence of truth and beauty. No

great tragedian ever composed a drama in which the principle of history exhibited on stage was not a truthful representation of a relevant principle of real-life history, a principle expressed in a real-life-based apprehension of historical specificity.

Contrast Classical tragedy with the degeneracy which has taken over the modern staging of even Classical opera and dramas. The Classical stage has been replaced by the theater of cheap tricks performed by aid of irrelevant sensual effects and paranoid symbolisms. Take, for example, the late Orson Welles' famous 1937-1938 Mercury Theater, "relevant" staging of Shakespeare, as a notable example of this presently continuing degeneracy of practice.³⁶

In the Classical theater, from Aeschylus through Shakespeare and Schiller, the medium deployed on stage is what appears, at first, to be nothing but a literal representation of what the dramatist intended to portray: without symbolism, without cheap sensual, or other "special effects." The substance of the drama emerges as an eerie something which is occurring behind the scene, within what the author and

36. Welles's *Caesar*, adapted from Shakespeare, opened on Nov. 11, 1937 at the Mercury Theater in New York. The staging and costumes were done to suggest the fascist regimes of Hitler and Mussolini, with what was described as "Nuremberg lighting." See Orson Welles and Peter Bogdanovich, *This is Orson Welles* (New York: HarperCollins, 1992).

Coming soon: the art of musical composition

In order to rush Mr. LaRouche's article into print, for the benefit and enjoyment of our readers, the editors publish it here without the accompanying report requested by the author, on "The Case of Classical Motivic Thorough-Composition." That report is currently under preparation by an *EIR* task force headed by Anno Hellenbroich, and will be published as soon as possible. Among the topics to be included are:

- a) Florentine *bel canto*;
- b) J.S. Bach: well-tempered polyphony, rooted in work of Plato and Kepler (multiply-connected manifolds);
- c) J.S. Bach: inversions generally;
- d) J.S. Bach: *A Musical Offering*; Mozart: Lydian modes;
- e) J.S. Bach, *The Art of the Fugue*: generalized inversion;
- f) W.A. Mozart: K. 475, etc.: motivic composition.
- g) Beethoven, et al. (e.g., late quartets).

audience apprehend as the minds of the characters. This is a different, higher dimension than the literal actions on stage, a dimension of paradox and metaphor. In a valid performance, the mind of the audience is shifted from the literal drama as such, to the eerie sense of some principle of the mind which intervenes to change the character of the literal events on stage. The drama is thus shifted from the literal drama on stage, to the drama within the mind of the audience.

Thus, it was Schiller's principle, that the audience must emerge from the theater better people than they had entered that theater. In great Classical tragedy, the audience is horrified at the discovery that it entered the theater with a disposition for condoning the kinds of errors which led the tragic figures on stage to the latter's doom. It is in that eerie sense of irony, that the true drama lies; there, thus, within the audience itself, lies the true *ontological* dimension of the Classical drama.

Consider the case of Schiller's *Don Carlos*. Apart from the sole hero(ine) of the tragedy, Elizabeth, Don Carlos, Posa, and King Philip II, are each gripped, like Shakespeare's Hamlet, by a compelling devotion to some fatal degree of relative spiritual littleness in themselves. World-historical roles are more or less evaded, out of small-minded attachment to small-minded family and kindred personal considerations. Among the three principal male characters, the otherwise flawed Posa, alone, rises to the relatively highest level; he recognizes, if without the necessary consistency, that the alternative to the doom of Spain's monstrous follies in the Netherlands, is to rise to the level of world-historical statesmen: Not what might seem to offer personal success, but to make one's living a meaningful role in shaping history for the betterment of future mankind.³⁷

There is no fiction, no petty moralizing, in the writing

37. See F. Schiller on the role of Elizabeth, as contrasted with that of Posa, in *Don Carlos*. Posa, finding the King in a state of mind that disposed him, in his loneliness, to seek an adviser other than his usual court lackeys, seizes the moment of opportunity to passionately reveal, to the most powerful ruler in the world, Posa's own innermost thoughts, along with his perspective for securing happiness for the people of Flanders. That he does so, is understandable; but the fact that he allows himself to believe for longer than an instant, that in Philip he had found his instrument for effecting the "greatest possible realization of individual freedom, alongside the greatest flourishing of the state," borders on delusion.

Worse still, is the fact that for this and other reasons, he breaks his alliance with Don Carlos, without informing the latter of the changed situation ("Why show a sleeping person the storm cloud that is hanging over his head?"), and that he even resorts to court intrigues, ostensibly in order to save Carlos. And finally, when his plan fails, he sacrifices himself out of egotistical motives: ". . . and thus, on the contrary, it is entirely in keeping with the character of this heroic enthusiast, that in order to shorten this route [out of a condition of despondency], he seeks to place himself once again in high esteem by means of some extraordinary act, by means of a momentary heightening of his being," Schiller writes in his "Letters on Don Carlos." Cf. F. Schiller, *Briefe über Don Carlos, Friedrich Schiller: Sämtliche Werke* (München: Carl Hauser Verlag, 1981), Vol. II, *Dramen II*, Letters Six through Twelve, pp. 244-267.

of Schiller's *Don Carlos*; it is a *truthful* account of those principles underlying the historical specificity of that senseless butchery in which the contending forces of the Netherlands' warfare went down to mutual bestiality, the folly by which Spain doomed itself to degenerating from a world power into a morbid relic of its earlier pretenses to grandeur. The audience, gripped by such great tragic compositions, is induced to sense the paradox, the irony, the metaphor lodged in the discrepancy between the character's personal motivations and that same character's world-historical accountability for the outcome of current events. In Schiller's composition of the drama, the truth lies not in the selection of literal events on stage; the truth lies in the artful juxtaposition of those conflicts of principle—those metaphors—which account for the tragic, actual history of referenced, real-life events.

Indeed, it should be noted that, for reasons we shall identify below, all great tragedy is grounded in historical specificity.³⁸ If Rome of the doomed Julius Caesar is the subject chosen, then it is the historically specific crisis of the process of continued degeneration of the Republic of Rome which is the matter addressed by Shakespeare. Similarly, the real, self-imposed doom of Spain is the historically specific location of the subject of Schiller's *Don Carlos*, just as Aeschylus' *Prometheus Bound* is historically specific to the self-induced doom of the ancient oligarchical Greece dominated by the pervasive influence of the satanic cult of Apollo.

In drama, as in Classical poetry, the essential difference between mere fiction and true art, is that the artistic content of great tragic compositions lies not within the literal events arranged on stage; the content lies in the successively emerging conflicts of principle, that succession of surprising ideas which prompts the audience to leave the theater better people than they entered it, shortly before.

In music, the same principle of Classical artistic composition appears in a different form of expression. Nonetheless, the same ontological principle, as implicit in the paradoxes of Plato's *Parmenides*, is the governing principle underlying those transformations in physical science which are the outgrowth of successive, validated discoveries of physical principle. In fact, it is this same principle, as expressed in the form of Classical artistic composition, which is the governing moral principle of realized scientific progress.

To this purpose, shift our focus from the Classical tragedy of Aeschylus, Shakespeare, or Schiller, to the manner in which the same principle of artistic composition is developed, with relative perfection, in the progress of post-Renaissance musical composition from J.S. Bach through Haydn, Mozart, Beethoven, Schubert, Chopin, Schumann, and Brahms.³⁹ To

38. For a more fulsome treatment of this principle of historical specificity, see the treatment of the case of world-historical individual, below.

39. Contrast the success of the first movement of Frederic Chopin's echoes of Beethoven's Opus 111, with the pathetic folly of Franz Liszt's notoriously

that end, let us now define the historical setting in which the importance of modern Classical musical composition is situated. We emphasize the development of modern European culture which was built upon the foundations of the Fifteenth-Century “Golden Renaissance,” contrasting this to the presently dominant role of the anti-Renaissance, Aristotelean and Ockhamite “Enlightenment,” which gained increasing hegemony in post-League of Cambrai, Sixteenth-Century Europe.

To restate the nature of the connections: the essence of the matter, is the precise agreement between the principles of physical-scientific discovery, as these principles might be adduced from the accomplishments of Bernhard Riemann, with the principles of such Classical art as Eighteenth- and Nineteenth-Century Classical, musical motivic thorough-composition. For the purpose of locating those developments of Renaissance science leading into the emergence of Classical motivic thorough-composition, Cardinal Nicolaus of Cusa⁴⁰ is the founder of modern experimental physical science, a role which emerged from his *De Docta Ignorantia*⁴¹ and those other, later writings,⁴² which educated, and otherwise inspired such founders of modern science as Luca Pacioli, Leonardo da Vinci, William Gilbert, and Johannes Kepler.⁴³

In method, Cusa, is, in turn, a follower of the great Plato; his work is in the same Platonic tradition so clearly adopted for theology by the Apostles Paul and John.⁴⁴ The special

failed effort to replicate the same Mozart-Beethoven legacy of the K. 475 *Fantasy*.

40. Nicolaus of Cusa (1401-1464). See Helga Zepp-LaRouche, “Nicolaus of Cusa and the Council of Florence” *Fidelio*, Spring 1992, pp. 17-22.

41. *De Docta Ignorantia (On Learned Ignorance)*, trans. by Jasper Hopkins as *Nicholas of Cusa on Learned Ignorance* (Minneapolis: Arthur M. Banning Press, 1985).

42. The principal writings on the subject of scientific topics by Cardinal Nicolaus of Cusa, composed after *De Docta Ignorantia*, include: “On Conjectures,” “On Beryllus,” “On the Game of Spheres,” “The Vision of God,” “On Mathematical Complements,” “On Geometrical Transformation,” “Quadrature of the Circle,” “The Golden Proposition in Mathematics,” and “The Layman on Experiments Done with Weight-Scales.”

43. For the case of Luca Pacioli and his collaborator, Leonardo da Vinci, see Pacioli, *De Divina Proportione* (1497) (Vienna: 1896; Milano: Silvana Editoriale, 1982, facsimile of 1497), Chapter 1.

For Kepler on the “divine” Cusa, see Johannes Kepler, *Mysterium Cosmographicum (The Secret of the Universe)*, trans. by A.M. Duncan (New York: Abaris Books, 1981), p. 93: “For in one respect Nicholas of Cusa and others seem to me divine, that they attached so much importance to the relationship between a straight line and a curved line and dared to liken a curve to God, a straight line to his creatures. . . .”

Kepler frequently acknowledged his debt to William Gilbert, for the application of the primacy of the field (structure of space) to magnetic and, by analogy, solar gravitational phenomena, over the materialism of Paolo Sarpi and Sarpi’s agents Francis Bacon and Galileo. Gilbert was attacked by Bacon in multiple printed locations: Bacon’s “New Organon,” “On Principles and Origins,” “On the Ebb and Flow of the Sea,” for his experimental method rooted in hypothesis.

44. For example, the treatment of *agapē* in Paul’s *I Corinthians* 13.

emphasis to be supplied here, is, that although the glimmerings of the notion of Classical *ideas* do antedate Plato’s dialogues, it is with Plato that the nature and role of the *idea* first appears in a rigorous and clearly replicatable form. This principle of the *idea*, which underlies the work of such Fifteenth-Century *Golden Renaissance* figures as Cusa, is key to grasping the ontological implications of Friedrich Schiller’s arguments in his *Aesthetische Erziehung* and related writings.⁴⁵ Here, by way of that Platonic *Golden Renaissance*, art found its essential unity with science.

In narrowest focus, the *idea* which distinguishes the essence of Classical musical composition, from Romantic and other alternatives, exemplifies the kind of Platonic *idea* we must associate with Schiller’s attention to . . . *Der Gegenstand des sinnlichen Triebes*⁴⁶ (the object of the sensual impulse). It is for that reason, that we have selected the case of Classical music to illustrate the principle of culture in general. For this reason, it may be said, that the general principle of all Classical art, is most simply illustrated by the case for the principles of Classical motivic thorough-composition in music.

The ontological issues are sharply defined. It is not the notes—the tones, chords, overtones, etc., as such—which form the self-evident, sensuous elements of Classical musical composition. The substance of Classical music, in its defining, subsuming process of development, from Bach through Brahms, lies within the same creative-mental process of development which governs the ordering of metaphor expressed as the coherent unfolding of a work of Classical motivic thorough-composition.⁴⁷ It is in that ordering, not any collection, or interpretation of the individual tones as such, that the ontological actuality of Classical musical composition and performance lies.

Agreed: in Classical composition, the composer’s intent must be followed scrupulously. Echoes of the decadent, symbolism-ridden, anti-Renaissance mannerism of reactionary, mid-Sixteenth-Century European art, are not to be tolerated kindly. However, the function of that rigorous respect for the composer’s intent, is not rightly intended to represent a strict school-book interpretation of the score, as if according to the vanity of some poor pedant’s conceits. The strict observance

45. “Letters on the Aesthetical Education of Man,” *Friedrich Schiller, Poet of Freedom*, Vol. I, op. cit., pp. 223-98; “On Grace and Dignity,” “Kallias or, On the Beautiful,” *Friedrich Schiller, Poet of Freedom*, Vol. II (Schiller Institute: Washington, D.C., 1988), pp. 337-395, 482-526; “Philosophical Letters,” “On the Pathetic” and “On the Sublime,” *Friedrich Schiller, Poet of Freedom*, Vol. III (Schiller Institute: Washington, D.C., 1990), pp. 197-225, 227-271.

46. Friedrich Schiller, *Über die Ästhetische Erziehung des Menschen in Einer Reihe von Briefen*, op. cit., *Fünftehnter Brief*, p. 614.

47. For an example of this, see Mindy Pechenuk on the function of the Lydian principle in Mozart’s thorough composition of his *Ave Verum Corpus* motet. Mindy Pechenuk, “Mozart’s Ave Verum Corpus,” *Fidelio*, Winter 1996, pp. 34-45.

of the composer's intent, is to ensure that the paradoxes (e.g., metaphors) generated within the composition, are clearly defined ambiguities, paradoxes (metaphors) whose resolution must be the idea corresponding to the artistic intent of that choice of motivic through-composition taken in its wholeness.

Contrary to today's widely taught musicological dogmas, the "substance" of Classical music is located outside any linear measure, outside any domain of constant curvature; what we hear, and what should be performed, thus, must be heard "between the notes," not within them. It is not the notes we must hear; it is not merely a matter of the "right tuning" of the well-tempered scale. So, for J.S. Bach, as for Mozart et al. after him, we must never hear intervals merely within voice-parts, or even merely across voices, except that we *also* hear the totality of the implied, complementary inversions within and across the voices, as these unfold in the course of that motivic development which is the unity of the composition as an indivisible whole.⁴⁸

As we shall show in the forthcoming report, it is the ordering of that "in-betweenness," which is the rudimentary location of that musical developmental process, the which is heard primarily with the mind, and only in a lesser degree the ear as such. Monkeys with perfect pitch do not make music. From J.S. Bach on, well-tempered tuning, whether within the individual composition, or subsuming the succession of development of musical ideas by great Classical composers, is a reflection of a coherent process of thoroughly composed motivic development; it is in the process of composition, that the required coherence of the performance must lie.⁴⁹ No mere computer could ever compose, or perform—or hear—such music.

On account of such underlying principles, Cusa's role as the initiator of modern experimental science, situates him, historically, within the "Golden Renaissance," as the most relevant, Platonic point of reference, for uncovering the essential unity of modern science and the accompanying development of Classical culture, Classical musical culture included.

48. Among the very best demonstrations of that principle of performance is a Wilhelm Furtwängler recording of Franz Schubert's great C-Major Symphony (available on Music & Arts label, MUA 826). Other leading conductors' performances have a tendency toward a "pasted together" quality, by contrast with the gripping unity of motivic through-composition which Furtwängler achieves, and sustains, from the initial attack, onward.

49. Start with Wolfgang Mozart's work of the 1782-1783 period. Locate a significant number of those compositions which Mozart derived from the same solution for Bach's *A Musical Offering* which is typified by the K. 475 *Fantasy*. Next, arrange a set of compositions by Mozart, Beethoven, Schubert, Brahms, et al., which are derived from this same root. The K. 475 "Lydian" modality, represents not only a principle of motivic through-composition for individual works; the development of successive works, by various such composers, expresses a higher principle of motivic through-composition than any single work of that species.

A matter of passion

Using the case for Classical musical composition as paradigmatic, three propositions are to be addressed.

—First, how do we demonstrate a common ordering for both Classical artistic ideas—in Plato's sense of *idea*—and the ideas associated with experimentally validated, revolutionary discoveries of physical principle?

—Second, how do such ideas regulate both the impetus for such scientific progress, and the adoption of a corresponding, revolutionary practice?

—Third, how do Classical artistic ideas govern the moral motivation of a population, to the effect that the lack of such motivation usually results, erosively, or catastrophically, in a great cultural calamity such as that ongoing today?

The answer to those three questions is embedded, pervasively, in Plato's notion of *agapē*, as a motivation—a *passion*—which compels one to subordinate everything to concern for realizing justice and truth. This is the same passion, *agapē*, so prominently emphasized in the Apostle Paul's *I Corinthians* 13. The related issue, is the central feature of Plato's dialogues, that truth lies, ultimately, not in any fixed belief, but only in those valid, progressive changes in belief and behavior, the which supersede the paradoxes inhering in a previously established learning, with a validated discovery of higher principle.

Thus, the central feature of the thesis which we present here, is summarily the following.

Justice, truthfulness, and those creative powers by means of which we may discover valid, revolutionary principles of our universe, form a seamless whole, in which Classical culture, morality, and physical science, are united by a common passion for universal justice and truth.

These issues of truth and justice are associated empirically with tests of humanity's increased power over the physical universe, per capita, and per square kilometer of the Earth's surface. The increased development of the average newborn individual, the increase of per-capita power, the maintenance of the increase of those improvements in demographic and productive characteristics, and so forth, are typical of the evidence by means of which we may know that changes in knowledge for practice are in accord with the Creator's intent for the laws of the universe. This accords with justice, as *justice means a more adequate participation of each individual life as a world-historical being, a life so dwelling in the simultaneity of eternity, a mental life thus situated in the further development of the condition of all mankind.*

That passion for truth and justice, is rightly, and most conveniently identified as the *agapē* of both Plato and the Christian *New Testament*; it was, indeed, this Christian, Apostolic standpoint, based in *agapē*, which is the key to what

emerged, during the period of the Fifteenth-Century *Golden Renaissance*, as modern European Classical culture. This passion, expressed as the powers of concentration through which valid discoveries of principle are prompted by metaphors, is the purest expression of reason, its *active* expression.

For example: contrast *reason* and mere *logic*, as opponents of one another. Where is the *passion* in a formal, deductive logic? The question itself is a contradiction in terms! Without the passion of relentlessly extended concentration, how might we discover the principle which overcomes a defiant paradox? Without the passion for truth, how would we be impelled to refuse to accept less than the recognition, or new discovery of such a principle?

The notion of a “dispassionate” search for truth, is a contradiction in terms. Logic as such, is morally dead, or, better said, outrightly immoral because it is amoral. It is the creative impulses governed by an overriding passion for truth, that same passion, *agapē*, which separates the Christian from the moralizing hypocrite in *I Corinthians* 13, which are the only efficient source of truthfulness and justice. This is the passion which produces truth in the progress of physical science. This is the passion for truthfulness, the which is the essential distinction between Classical and allegedly “alternative” forms of art such as “the popular,” Romantic, Modernist, Existentialist, Post-Modernist, etc.

This, as we shall see, leads us directly to the issue: If reason must be controlled by passions, rather than the dead hand of mere logic, what shall govern these passions? How shall we define the injunction of *I Corinthians* 13 on this account? By what means are such passions uniquely efficient in guiding us to practices of truth and justice? How do we, then, distinguish, those passions and forms of passion which are irrational, from those contrary forms which are the seat and substance of reason? This is the issue of culture. This is the issue which places Classical culture morally and otherwise apart from and above all currently popular misconceptions of culture.

The role of passion in the composition and performance of Classical music, is to be located so. As we shall indicate by aid of the forthcoming report, summarizing Classical musical tuning, the medium of Classical motivic thorough-composition, as we have located that here, is the sensuous domain within which musical ideas are expressed as musical ideas.

To that effect, turn now to those aspects of Plato’s dialectical method which bear more emphatically on the matters of physical science.

3. The principle of hypothesis

The formalist, such as that pathetic creature, the mere logician, is a reductionist duped into believing that definitions, axioms, and postulates are given implicitly beforehand (as if *a priori*). The formalist presupposes, that one might

discover such definitions, axioms, and postulates by means of deduction, a method of deduction which presumes to recognize these terms as if they had been given *a priori*. On the basis of such presumptions, such as those presumed by an Aristotle or Immanuel Kant, it is decreed that all acceptable theorems are derived by deduction from those initial presumptions.

The Socratic method of Plato proceeds in a directly opposite direction.

With Plato, one begins with propositions being entertained as prospective theorems, and then follows the approach taken in his dialogues, as a way of searching out discoverable fallacies in those underlying presumptions (definitions, axioms, and postulates) which are the adducible motives for those propositions which our prejudices have imposed upon us. The challenging of such prejudices, provides the user of Plato’s method with what appears to be, for the moment, a refined array of mutually non-contradictory definitions, axioms, and postulates; this refined array, taken as a whole, is an *hypothesis*. For example, what was traditionally taught to modern students as Euclidean geometry was such an hypothesis.

The method of Plato starts with the recognition that all propositions, and, therefore, all hypotheses, including what were previously the most refined ones, must include some significant, axiomatic fallacy of some kind. In the method of Plato, we show that a sufficiently rigorous such exploration of previously accepted sets of definitions, axioms, and postulates, leads us to what are empirically contrary, mutually contradictory results. If that discovered contradiction is itself empirically truthful up to that point, then there must exist some previously overlooked, or unknown principle—some new definition, axiom, or postulate—which, as correction, resolves that contradiction. The result of a validated such correction represents a radically new set of definitions, axioms, and postulates: in other words, a new hypothesis.

Truth, then, does not lie in any one choice of hypothesis. Such deductively consistent hypotheses are merely conditional upon such tests; there is no certainty of settled truth in any method of deduction. Truth lies in the always radically revolutionary process, by means of which valid new principles are generated, new principles which take into account the contradictions inhering in the previously proposed hypothesis. The method by which such new principles are ordered, in overcoming successively ordered contradictions, thus represents a notion of *higher hypothesis*, the latter a verifiable ordering principle which is demonstrated, repeatedly, to generate successively improved hypotheses. That notion of higher hypothesis coincides with the domain of *reason*, a domain above and beyond any mere logic, the domain within which truth and true knowledge lie.

Riemann’s 1854 habilitation dissertation supplies us the exemplary case.

Given any physical hypothesis, eliminate all *a priori* no-

tions of space, time, and other dimensionalities. In place of dimensions, employ principles which are each based on a crucial-experimental validation. These n principles, then constitute an n -fold manifold of physical principles: principles of physical space-time.

Next, given the case, in which experimental evidence shows a persistent error of magnitude in what had been earlier assumed to be a valid n -fold manifold.⁵⁰ Take the case, that there be no experimental error internal to the n -fold manifold as defined previously. In the case that the self-contradictory evidence is crucially valid, there must be some previously overlooked, hidden physical principle, which accounts for the fact that an otherwise empirically validated n -fold manifold is contradicted by some adducibly persistent, crucial margin of error. The task posed is twofold: first, to discover a principle which resolves this contradiction, and, second, to provide a crucial-experimental demonstration of both the validity of the new principle and the factor which must be measured as the margin of difference between the characteristic of the n -fold and its replacement, the $(n+1)$ -fold manifold which supercedes it.

The lesson of Plato's *Parmenides* haunts us once more. In such a physical geometry, neither space by itself, nor time by itself, have an *a priori*, self-evident existence. Space exists only as an empirically defined physical principle; the same is the case for time. All other notions of dimensionality are subject to the same condition.

Such is Plato's dialectical method. Instead of fashioning an hypothesis from sheer prejudice, or other presumptions, use the Socratic method of dialectical negation, to locate errors of presumption, and to adduce principles which not only account for the falsity of earlier presumptions, but which are demonstrably a guide to the needed corrections.

The exemplary case is Cusa's discovery of a rigorous, superbly elementary proof, that, by the standard of Eratosthenes' "sieve," π is what mathematician Georg Cantor later defined as a transcendental magnitude, rather than merely a Classical-Greek, irrational magnitude, as Eratosthenes' contemporary and correspondent, Archimedes, had imagined it to be.⁵¹

50. Treat Wilhelm Weber's correction and proof of Ampère's notion of a *longitudinal*, or *angular* force as an example of this. See Laurence Hecht, "The Significance of the 1845 Gauss-Weber Correspondence," *21st Century Science & Technology*, Fall 1996.

51. See Lyndon H. LaRouche, Jr., "On The Subject of Metaphor," *Fidelio* Fall 1992. See also *Nicolaus of Cusa on Learned Ignorance*, trans. by Jasper Hopkins, pp. 52-53, and "On the Quadrature of the Circle," trans. by William F. Wertz, Jr. *Toward a New Council of Florence* (Washington, D.C.: Schiller Institute, 1995), pp. 595-610. Compare Archimedes, "Measurement of a Circle," and "Quadrature of the Parabola," in *The Works of Archimedes*, T.L. Heath, ed. (New York: Dover Publications), pp. 91-98 and 233-252. See also Lyndon H. LaRouche, Jr., "The Ontological Superiority of Nicolaus of Cusa's Solution Over Archimedes' Notion of Quadrature," *Fidelio*, Summer 1994, pp. 31-34.

Contrast the popularized, academic delusion, which, like Professor Felix

To indicate the connection between Plato's dialectical method and Riemannian manifolds, compare the earliest known, reasonably valid forms of ancient sidereal-solar astronomical calendars.⁵² From this, derive a relatively simple type of multiply-connected manifold.

The simplest quality of change defined in respect to solar-sidereal observation, from a position on the surface of the Earth, is the solar day: apparently a circular orbit. The next choice, for example, could be the solar year. The next choice, might be the complexity of the apparent movement of Moon and Sun. A next one, the equinoctial cycle. A next one, is the evolutionary change of the solar orbit, a phenomenon associated with the periodicity of ice ages. And, so on. Kepler's adducing of the elliptical orbits from observation of Mars, is an example of this same approach.⁵³

The universe, as far as we know it, is a wonderful, vastly, perhaps endlessly complex process. This complexity begins to be transparent as we attempt to define a relatively universal

Klein, insists that the proof of the transcendental quality of π was first established by the successive work of Hermite and Lindemann. Note, that Klein himself traces the hereditary origins of Hermite's and Lindemann's argument to what was in fact an outright, *petitio principii* hoax by Berlin-based avowed enemy of Gottfried Leibniz, Venetian asset Leonhard Euler. Euler's argument against Leibniz's monadology rests upon Euler's arbitrary adoption of an axiom which presumes perfect continuity of linear extension, down to the smallest infinitesimal. Euler's proof, and the derived arguments of Hermite, Lindemann, and Klein, is thus a product of Euler's assertion, as an axiom of his argument, of the very conclusion, against Leibniz, which he professes to have proven.

52. As a result of the ideological fanaticism of the British Israelite movement, the growth of political influence of Venice's clone, the Anglo-Dutch financier-maritime oligarchy, wild-eyed hoaxsters such as the London-based Victorian archeologists degraded archeology in general virtually to a search for the exact street address of Abraham in ancient Ur. As a result of this British cult's influence, the most generally accepted doctrines respecting history, physical science, and culture generally were pivoted upon the notorious Bishop Usher's dating of Creation to an event located in Mesopotamia circa 4004 B.C. One consequence of this British Israelite hoax, is the popular delusion which dates astronomy from the lunar obsessions of early Mesopotamia. Similarly, although it is readily demonstrated that the earlier civilization in Mesopotamia was the Dravidian colony known as Sumer, the British Israelites insist that Sumer was founded by Semites. The latter dogma continues to be asserted by both fanatics and their dupes, a teaching deployed in the interest of dating Creation from the place where God's foot stood in 4004 B.C. In fact, known solar-sidereal calendars are dated to no later than Vedic calendars from between 6000 and 4000 B.C.; evidence of still more ancient solar-sidereal calendars is known. The related fact is, as the Greek Herotodus reported, that the ancient cultures of Sumer, Sheba (modern Yemen), Ethiopia, and Canaan, were colonies of an ancient Dravidian culture which dominated the maritime regions of South and Southeast Asia, probably long before the close of the last Ice Age. The modern cultural heritage of India and Southeast Asia, as in the case of Thailand, for example, is predominantly a result of interactions among Dravidian, Vedic, and Chinese cultural interactions over millennia.

53. For Kepler's proof of the elliptical character of the Mars orbit, see Johannes Kepler, *New Astronomy*, trans. by W.H. Donahue (Cambridge, U.K.: Cambridge University Press, 1992). The proof is discussed in Jonathan Tenenbaum and Bruce Director, "How Gauss Determined the Orbit of Ceres," *Fidelio*, Summer 1998 (in press).

frame of reference, a reference with which to compare the depicting of some motion observed from a fixed point on Earth to the same motion represented by a more universal standpoint. As we increase the number of interacting orbits considered, and include sundry other kinds of regular, semi-regular, and other pulsations, we recognize that there could be no point in the universe so smally infinitesimal, that any interval of action could be linear. The universe is, thus, Leibniz's domain of a calculus of non-constant curvature.

That considered, we shift our focus from orbits and analogous periodicities and quasi-periodicities, to physical principles. We view the universe as a multiply-connected manifold of such physical principles. This is Bernhard Riemann's domain, in which we are supplied no estimate of foreseeable limits to the number of such colligating principles. We abandon the notions of "dimensions" in their naive sense, in favor of an orderable accumulation of successive physical principles.

Looking at this matter from Riemann's standpoint, we have a useful way of defining a transfinite architecture for scientific progress. For this purpose, scientific progress, as envisaged by Nicolaus of Cusa,⁵⁴ is expressed in chiefly two ways.

In the first approximation, the experimental physical science of Cusa obliges us to recognize and prove outright fallacies, such as the fallacy of Archimedes' argument on the squaring of the circle, in previously enshrined scientific opinion.⁵⁵ In the next approximation, we are presented with more interesting challenges. In the leading features of the internal history of modern scientific progress since Cusa, we have to consider something other than pure and simple fallacies. In the best scientific work of discovery, we have to consider the cases, in which a particular colligating set of principles is in error only because it lacks some additional principle. On this account, at some point in the history of scientific progress, physics, for example, exhibits to us some newly discovered, persistent margin of empirical error, which we must suspect to correspond to existence of some previously unrecognized, additional physical principle. Thus, physical science assumes the form of a process of transformation from a valid n -fold manifold of physical principle, to a higher one of $(n+1)$ -fold manifold.

In the latter type of case, we are presented with the case in which some physics, for example, was truthfully constructed, yet is shown, now, to be also untrue. This is a paradox of the type appropriately recognized as a metaphor. The discovery of the relevant new principle, together with the crucial experimental proof of that principle, is the reality which corresponds to that metaphor. So, in physical science, we give the name of the discoverers of the paradoxes and their solutions to the

paradox and its solution, just as we give the name of a composer and of the relevant metaphor to a Classical-artistic composition.

In physical science, it is such experimental solutions to well-defined such paradoxes, which define *knowledge*, as distinct from mere learning. One knows a principle only if one has replicated the relevant paradox and its corresponding, discovered principle of solution. Knowledge is the accumulation of such replications of validated discoveries of principle. That is to emphasize, that knowledge lies in the succession of valid discoveries which have been mastered by the student, for example; what one may have "learned" in other ways, does not constitute knowledge. Merely passing written and oral examinations, does not measure knowledge, but, usually, measures only the inferior mental condition of mere learning.

This is precisely parallel to the case we identified for Classical artistic composition. The composition does not lie in the details produced, but rather in the process of development which lies "outside" and above anything so produced. Just so, the paradoxes which force the audience to recognize the need for a higher principle of change, shift the location of the drama (for example) from the literal features of the composition, to the principle of ordering which underlies the succession of changes in state, those transformations of hypothesis, which is the unity of the entire composition.

To restate the crucial issue once again: Reality does not lie in a deductive form of representation of experiences as those phenomena are situated in terms of a fixed hypothesis. Reality lies in that higher authority which exists above any one hypothesis, which exists in the ordering of a valid succession of hypotheses. The reality experienced in that succession, is the "substance" of the experience of this succession. That is the crucial ontological issue of physical science; there lies the efficient interconnection between the ordering of realized scientific progress and the development of the principles of Classical culture.

At this point, on this account, a deeper problem confronts us.

The more thoroughly we attempt to exhaust the lessons of physical scientific progress as such, such as a Riemannian representation of such progress, the more stubbornly a certain perplexity confronts the scientific thinker. There are two leading issues. First, what is the nature of that creative process, by means of which the mind generates valid solutions of principle for crucial experimental-scientific paradoxes? Second, what is the active ordering-principle associated with such valid discoveries of principle? If we reflect carefully on what these considerations imply, we must recognize that there is no adequate formal-scientific answer for these two questions. This leads us to discover a second manifold, an m -fold manifold of principles of Classical-artistic composition. This m -fold manifold expresses the passion, the driving and directing force which underlies and otherwise governs both scientific and artistic progress.

54. Cusa, loc. cit.

55. The proof of the transcendental character of π is a perfect model of this kind of proof of existence of a necessary, new physical principle.

4. Order in physical science

Since Plato's dialogues, the leading intellectual currents of European civilization have focussed upon the implications of a certain central paradox, a central metaphor, as the central issue of scientific principle respecting our universe taken as a whole. From the root supplied by Plato's emphasis upon a parallel between the characteristic of living processes and principles of musical composition, Plato, Luca Pacioli, Leonardo da Vinci, and Johannes Kepler, among others, have emphasized two qualitatively distinct kinds of ordering within the physical universe: those orderings cohering with the Golden Section, and those which do not. Living processes, in particular, cohere with the former, but, as Kepler emphasized, also ostensibly non-living systems, such as the Solar System as a whole. For our purposes, we associate non-living systems generally with entropic processes, and living ones as the most exactly paradigmatic expression of not-entropic processes in general.⁵⁶

Perhaps the most efficient approach to conceptualizing those distinctions, is the case of the not-entropic physical-economic process. There is nothing to be properly viewed as accidental in this view of physical economy. The central practical question of all knowledge, is the question: Is man's knowledge of the physical universe, merely his conceit, or is there some objective proof, by means of which one kind of thinking corresponds, demonstrably, to the lawful ordering of our universe, and a contrary kind of thinking does not? In this matter, there ought to be no objection to the proposition, that the test of human knowledge is posed by the question: Does a certain method of transformation of human knowledge result, unquestionably, in a process of increase of mankind's mastery of the universe?

The general form of the answer to this question, appears at the moment, we shift the issue of mastery, from focus on the practice of the particular, isolated individual, to measuring the increase of the human species' power to increase its per-capita power over nature. This increase must be defined with the attached condition, that the potential relative population-density is also increased by this change. To express this connection in a rigorous way, we must introduce the notion of the progressive ordering of higher hypothesis and increase of mankind's potential relative population-density.

We are confronted, then, with two distinct, but interdependent aspects of the human species' increase of its potential relative population-density. One, is the relationship of the human species to the given biosphere within which it is presently, or recently located; the other, is the actions of mankind affecting the increase of potential of the biosphere to serve as a foundation for increase of mankind's potential relative population-density. The simplest way to force attention to

these combined considerations, is to look at such challenges of the coming century as colonizing another planet, or even terra-forming it.

Ask ourselves: Given, the total set of preconditions, including the biosphere's current state of development, upon which we must depend for the per-capita and per-square-kilometer perpetuation of the total current output of our species. What must we produce, to maintain at least a continuous supply of that quality and quantity of consumption?

Situate the notion of potential relative population-density, per capita and per square kilometer, in respect to investment in maintaining and improving the output of our species, per capita and per square kilometer.

To this purpose, we must place emphasis upon the demographic characteristics of the population. Rate of growth of the population, is a consideration. Consider life-expectancy, examined for the cost of developing a new individual, as against the loss to society from high rates of infant mortality and lowered life-expectancy in general. For example, consider the quality of development of the physical-economic investment by the society in scientific and technological potential of the new individual as a desired improvement in the physical-economic demographic characteristics of the population.

Consider some elements of basic economic infrastructure: transport, water, and energy. To the extent we can slow down the rate at which water, originating as rainfall, is emptied into the seas and oceans: in how many ways can the useful turnover of that water-flow be increased? Can we increase, thus, the effective amount of water available per capita and per square kilometer? How can we better manage forests, fields, and so forth, to increase and effectively maintain water-tables, streams, and create weather-systems which moderate weather and increase the amount of rainfall regenerated from evaporation? How can we better develop water as a means of relatively low-cost transport, while also using the same water for other purposes? Similarly, how can we increase not only the raw energy supplies per capita and per square kilometer, but how might we also increase the effective energy-flux density deployed per capita and per square kilometer, for the benefits expressed in the environment generally, and in per-capita productivity?

As we increase the range of applied scientific principles and derived technologies, we increase the complexity of the division of labor. We also increase the level of education required to produce a population which has assimilated a relatively higher level of scientific and artistic principles. This requires an increase in the number of years, prior to biological maturity, devoted to education and related matters; that expenditure for education and Classical culture, is a part of the necessary cost of increasing and maintaining the potential productivity of the population, per capita.

For the simplest representation of the result, we divide the physical-economic output of society into three categories:

56. e.g., consider Vernadsky's notion of the noosphere.

Total useful output, cost of maintaining that magnitude and rate of total output, and the ratio of total output to total required inputs, the latter including the necessary maintenance and further development of basic economic infrastructure. To maintain a culture, is therefore expressed in the following general constraints. The technological level must be raised; total output per capita and per square kilometer, must increase; yet, the ratio of total output to total required inputs, must increase; meanwhile, the total required inputs, per capita and per square kilometer, must also increase. *This set of constraints typifies a not-entropic process.* This physical-economic “model” must be used to supply a competent, rigorous definition of the very terms “not entropic,” or “anti-entropic.”

The physical-economic condition under which that not-entropic requirement is satisfied, expresses the result of applying the creative-mental potential of the species to man’s increasing power over nature. The creative process so realized as applied advances in knowledge, expresses the lawful composition of our universe. That is, the condition under which mankind’s willful actions, to proceed from a previous to a higher quality of hypothesis, satisfy that not-entropic requirement, expresses the power of our species to command such obedience from the universe in general. *In other words, the universe as a whole is lawfully non-entropic.* In competent science, no “law of universal entropy” is tolerated.

Consider two additional implications of this physical-economic expression of “anti-entropy:” first, the form in which anti-entropy is expressed in terms of a Riemannian n -fold manifold of physical principles; second, a similar expression in Classical art-forms. The simpler case is the straight realization of an n - to $(n+1)$ -fold progress in discovery of scientific principles as realized technological progress in the productive powers of labor. The second case, is that of increasing density of discovered and realized Classical-artistic principles. In both implications, anti-entropic action is of the form and content of $F[(n+1)/n]$, or $F'[(m+1)/m]$. It is through this action upon the universe by the creative powers of the individual human mind, that human activity realizes anti-entropic growth, and related progress, in mankind’s relationship to the universe at large.

Clearly, in addressing the notion of anti-entropy in a more general way than is required by the subject of culture as such, we could not overlook two other cases. First, obviously, we must take into account those characteristics of life as such, which lie entirely outside entropy, as these are expressed, for example, in the development of the biosphere even before the existence of the human species. Second, we must go further, as Plato, Pacioli, Leonardo, and Kepler did, to recognize that the same principle of anti-entropy underlies the deeper principles of ordering in the universe at large.

Pending that attention to these latter two, other expressions of anti-entropy, the crucial fact on which to focus here, is that human creativity occurs solely within the bounds of the individual mental-creative processes, and does not occur

as a product of interaction among those individuals. That is to stress, that all evidence of that creative mentation which generates either a validated new physical principle, or comparable principle of Classical artistic development, occurs only within the individual mind. Such discoveries of principle can be spread in society, but only through replicating the original act of discovery, one mind at a time.

The special fact to be stressed here, is that Classical artistic creativity, as typified by Plato’s notion of the *idea*, is the only case in which the creative powers of the individual mind are applied directly to those creative mental processes themselves. It is the study of the progressive development of those social processes associated with progress, in terms of Classical-humanist art-forms which, alone, provides the human mind access to comprehension of the potential of the individual’s human creative processes themselves. Therein lies the manifestly superior position of Classical art-forms over all other forms of knowledge. The treatment of education from the standpoint of Schiller and of his friend Wilhelm von Humboldt, represents, thus, the highest expression of statecraft, the development of those young minds which must supply future progress in statecraft.

5. Education and The Tragic Principle

The essential issue of an individual’s personal morality, is posed by the question, whether personal self-interest is located as the fascists such as Nazi existentialist philosopher Martin Heidegger did, in the pettiness of day-to-day and similarly small-minded personal and family responsibilities and gratifications, or, rather, in terms of the outcome one seeks for one’s life, from birth to death, taken in the totality of that life’s outcome for the past and future existence of the human species in general. This requirement must be read as a life conducted to supply an enhanced role for one’s participation in one’s culture, one’s nation, a life lived as the instrument through which the universal outcomes of one’s life are realized.

Restate and amplify that crucial issue of morality as follows. The essence of the individual’s life, is the simple fact, that each among us is born and will die. On this account, the fundamental self-interest of each individual is located in the continuing outcome of that mortal life, an outcome which reverberates far beyond the time prior to one’s birth, and after one’s demise.

The corresponding peculiarity of that individual’s self-interest, in absolute distinction from the nature of the beasts, is that our effect upon the importance of the individual for the human species as a whole, is located in the value for all mankind of those Platonic *ideas* which represent the accumulation of valid, discovered principles of the universe which

we have assimilated from our forebears, and will thus, and otherwise transmit to our posterity. These ideas include not only the n-fold manifold of physical science, but also the m-fold manifold of cultural principles.

That view of ideas, is the basis upon which the thoughtful persons asks, "What is the outcome of my having lived? Is it, perhaps, the deeds I do, or the pain or pleasure which I experienced? Or, is it something less mortal, less perishable than mere deeds, mere acquisitions, mere pleasures?" What endured when Classical Greece died?

Plato endured.

What was enduring was the efficiency of those *ideas* corresponding to validatable discovery of principle. When we relive the valid discoveries of those who have gone before us, we perpetuate the good they have bequeathed to us, and we relive in ourselves that which is enduring, which they have given to us in this way. Thus, we, the bearers of the gifts of knowledge of *ideas* from past generations, may not only perpetuate the precious ideas passed down to us from earlier generations, even after the death of those ancients, but we may add something valid and new to that stock of principles to be transmitted to the benefit of the future. In such ways, we may impart living immortality to the gifts of the past, and become also a necessary part of that which follows the end of our mortal existence.

Persons who meet that standard, become *world-historical beings*. They never die, because that which is essential in their having lived, lives on as the benefit which ideas from the past have bequeathed to the future.

Consider the pupil from the elementary and secondary grades of education. Consider the pupil's education from the standpoint just summarized.

Is it important that the student learn in school? Or, is it *relatively* unimportant? Know, that learning is almost nothing; know that knowing is almost everything. The essence of morality in all education of the young, is the replication of the act of discovery of valid ideas. When the student has generated, or replicated the act of a validatable discovery of principle, he or she *knows* that principle, and is able to transmit it to others, not as mere learning, but, rather, as knowledge for practice. A moral educational institution, is one in which the pupils relive the experience of knowing valid principles, both those principles relived, as discovery, from the past, or added to the stock of such principles. That connection to *ideas*, rather than mere learning, locates all of us who follow the path of such ideas, both as students and adults, as a continuation of the history of ideas, as a person embodying the past in acting to create the future.

The order in which notions of principle are generated, is the procession of history. Only persons who locate their personal self-interest and identity in that kind of relationship to ideas, are world-historical individuals.

Consider again the difference between the definition of "morality" in the mouth of a bestialized existentialist, such

as a follower of Nazi philosopher Martin Heidegger, or his depraved clone, Jean-Paul Sartre. The existentialist has merely learned; he, or she lacks that notion of morality natural to a world-historical individual. That existentialist, that follower of Thomas Hobbes, John Locke, or Immanuel Kant, has no true morality. It is the continuing outcome of my having once lived, which is the essence of the known self-interest of the world-historical individual. My pleasures, my pains, my losses, my gains, are as nothing compared to what I gain, or lose, in securing, or failing to serve the immortal meaning of my world-historical existence.

Situate Platonic ideas as existing, ontologically, within the domain of *higher hypothesis*. Reality is, thus, that process by means of which man's mind is transformed from relatively lower, to higher states, as from the state of a relatively valid n-fold manifold of physical science, to a higher one, (n+1)-fold. Or, in respect of moral principles, from m-fold, to (m+1)-fold. The process of change, in Heraclitus' and Plato's sense of *change*, is the location of the continuing substance of change, from relatively lower to higher states.

In this view, every person who meets the moral requirement of being, effectively, a world-historical individual, dwells in the eternity of change. In other words, in the brief time we live and act as world-historical individuals, we exist forever, in *the simultaneity of eternity*. So, each of us must be judged. So, each of us must judge himself or herself. So, our conscience is to be ruled in all matters of moment-to-moment behavior; so, our conscience must situate our notion of our primary self-interest, our interest as efficiently located within the simultaneity of eternity.

That view, which locates the fundamental self-interest of both the individual person, culture, and nation, as its world-historical self-interest, is the standpoint from which Classical tragedy is to be composed, performed, and assimilated; this is the standpoint of Aeschylus' *Prometheus Bound*, and the tragedies of Shakespeare and Schiller. What is the world-historical interest of a Prometheus, enduring immortal torment, that he might keep the secret, and thus ensure the self-induced doom of those common enemies of the Creator and mankind, the ruling oligarchy of satanic Zeus' Olympus? What is the world-historical duty which Hamlet, as Prince of endangered Denmark, must adopt, overriding all merely personal issues to the end of serving that duty? What were the world-historical duties variously shirked by Posa, Don Carlos, and King Philip? It is that world-historical view which must excite our passions to do good, to act as, and to be a world-historical person rooted in the simultaneity of eternity.

Consider a more general expression of the world-historical issues so defined.

Until the revolutionary changes introduced by the Fifteenth-Century Council of Florence, and by the ensuing reconstruction of France under King Louis XI, approximately ninety-five percent of mankind, in all cultures, lived in a condition of degradation to the status of virtual human cattle. The

society within which these “human cattle” were herded, was a society ruled by an oligarchy. This oligarchy was composed of a blending of several types: a landed aristocracy, such as that of feudal Europe; a financier aristocracy, such as that of Venice or today’s London; or an administrative oligarchy of the bureaucratic type. The definition of law under such oligarchies, was, predominantly, a privilege of the ruling oligarchy, an oligarchy which possessed the society and its people, as a feudal landlord of Dr. François Quesnay’s evil type owned land, cattle, and serfs.

All forms of oligarchical society, including the principle of western feudal Europe, as of Byzantium, were, and are essentially evil. The essential evil in all forms of oligarchical society, is the denial of the individual’s right to participate in the rule of society by the process of development of valid ideas. In other words, the essence of evil, is the crime of the very mere existence of satanic Zeus’ Olympian oligarchy, or, Olympus’ surrogate, the cult of Apollo (Apollo-Gaea-Python-Dionysus). The essence of evil is the denial of the right to be developed, and to become a world-historical individual, a participant in the simultaneity of eternity.

At this juncture, a crucial point must be interpolated. U.S. President Polk was an evil man, and his war against Mexico was a crime against the vital interests of the United States. On these matters, U.S. Representative (and later President) Abraham Lincoln was consistently right; but, on the larger issues of culture, Henry David Thoreau was a wicked man. There was no more evil doctrine ever concocted, than the myth of “the noble savage,” or the related notion of the nobility of “the simple life.”

Indeed, the role of the British agents, and agents of influence, Philippe Egalité, and the Jacobins Danton, Marat, Robespierre, Saint-Just, et al.,⁵⁷ exemplifies the evil which shocked such German apostles of liberty as Friedrich Schiller. The instrument which these sundry British agents and assets mustered to destroy France from within, was the rabble called into Paris for such enterprises as the storming of the Bastille, for Philippe Egalité’s raid on Versailles, and the Jacobin Reign of Terror.

Although the philosophical basis for the overcoming of oligarchical society was supplied by Plato et al., the actual transformation was the cumulative result of Christianity, the ministries of Jesus Christ and the Apostles John and Paul most notably. The obvious root of the modern notion of freedom and equality, is the principle first established by Christianity, that all persons are equally made in the image of the Creator,

57. Danton and Marat were both directly agents trained and deployed, from London, by the head of the British foreign service, Jeremy Bentham. Philippe Egalité was an agent of the pro-London faction, and was the organizer of that farce, known as the storming of the Bastille, which Philippe organized, armed, and led as an election-campaign stunt on behalf of the Swiss banker (and father of the the evil Madame de Staël), Jacques Necker, who had just earlier bankrupted France on behalf of London’s strategic interest.

with no preference to one or another national, cultural, or ethnic discrimination allowed. Notable, is the fact that this work of Christianity was undertaken within the scope of a Hellenistic Mediterranean culture which was derived from the Classical Greek of Plato and his influential Academy. The Apostles John and Paul made that cultural heritage of Plato the medium in which the Christian mission was continued. It was these Christian Platonic conceptions, typified by the role of the Augustinian tradition, which became the leading edge of the centuries-long struggle out of which the Fifteenth-Century Golden Renaissance emerged.

That struggle, typified by the work of Abelard of Paris, of Frederick II, of Dante Alighieri, of Petrarch, of teaching orders such as the Brothers of the Common Life, and so on, was a struggle to establish a form of society based upon the nation-state, rather than some oligarchical classes which placed themselves above accountability to the idea of a nation as belonging to its people, rather than some intrinsically oligarchical institution placed above the people. This idea of the nation-state republic had nothing to do with the perverted notions of “democracy” associated with John Locke, but rather, the accountability of the ruling institutions of society to the principle of universal truth and justice, the principle that all persons must have the right to develop and live as world-historical personalities.

There are two great evils predominating in the known existence of our species. One, is the evil of oligarchism, as typified by the administrative oligarchies of ancient Mesopotamia and Rome, the feudal aristocracy of Europe, and the financier oligarchy of such institutions as the Delphi cult of Apollo, Venice, and London today. The other great evil, is the moral degeneracy deeply imbued in those subject populations whose moral condition and impulses have been degraded, by oligarchical rule, into the relative bestiality of human cattle. The practical ordinary person may have the nobler impulses of the human individual, but, under oligarchical traditions, the circumstances of practical life cause that person to be self-dominated by relatively brutish, “practical” considerations. Therein lies that evil among the “ordinary people,” by means of which, usually, oligarchy preserves its control over the popular will.

The great issue of culture, is the task of freeing the majority of the population from that moral and intellectual self-degradation which tradition imbues within prevailing popular opinion.

The issue of individual human freedom, is not the issue of “democracy,” not democracy as the moral degenerates of today’s National Endowment for Democracy misuse the term, not like degenerates such as John Dewey, nor as Nazi-like existentialists such as Schopenhauer, Nietzsche, Heidegger, and Jean-Paul Sartre generally define democracy. The issue is the right of every newborn child to be developed in a way which represents access to, and imposition of the rule of truth and justice, to ensure that quality of progress in the human

condition which meets the need of the individual to be a world-historical personality, to be a resident of the simultaneity of eternity. This means the obligation of society to direct the shaping of the policies of practice of the society to bring about progress in such upward directions of individual world-historical participation in ideas.

The essential feature of persons who lack freedom, is their emulation of the condition of human cattle. They are conditioned to respond to what human cattle would consider the matters of personal self-interest, the motives of the “Seven Deadly Sins,” the motive of my narrowly defined personal and family self-interests, and of society as a whole, either a poor second, or, like the typical existentialist, virtually not at all. It is their attachment to those baser motivations which constitutes the shackles upon the self-enslaved individual degraded to a moral condition like that of virtual human cattle. These are the motivations of the Ku Klux Klanner and similar Jacobin rabble. For such human cattle, the definition of “freedom to choose” is nothing other than those depravities by which they are self-enslaved into the moral condition of virtual human cattle. It is by such libertarian’s moral self-debasement, pursued “in my personal interest,” or, “my freedom to choose,” that the popular masses usually choose the pathway to their own self-debasement and oligarchical enslavement.

It is these world-historical concerns which define morality and true Classical culture. It is those principles of culture, of social and political life, which correspond to advancement of the condition of the individual and society to higher states, to relatively more not-entropic states, which represent the m-fold manifold of culture. The relationship between the m-fold and n-fold manifolds, is that the social requirements of progress in the former respect must direct the practical requirements of the latter respect.

The essence of freedom, is the right to define oneself as a world-historical individual, rather than some self-debased libertarian fool.

The essential difference between the raw, half-educated human being, and what Schiller identifies as “the beautiful soul,” is located in the kind of change in the adolescent personality (for example) accomplished by aid of the kind of Classical-humanist education upon which stress is placed here. The point at which the individual passes over from a raw, morally semi-literate brute, into a “beautiful soul,” is the point at which the student (for example) makes a qualitative transition, from selfishness to the moral impulses of an efficiently conscious world-historical personality. It is at the point, that the moral imperative of judgment, of personal commitment, is located entirely in a sense of devotion to one’s world-historical soul. That transformation in the individual’s sense of personal, world-historical identity, is the proper object of education; that transformation represents the threshold at which the immature adolescent (of all ages) is superseded by spiritual metagenesis into emerging as a true, world-historical citizen of a republic.

6. Classical composition

The general moral requirement which sets Classical forms of artistic culture apart from, and above all alternatives, is the urgency of freeing human beings from the degraded state describable as “symbol-mindedness.”

In plastic art, for example, Leonardo da Vinci exemplifies the duality of all Classical art. This duality is expressed, on the one side, as the obligation to subordinate the composition of plastic art to scientific truthfulness. On the other side, truth demands that we recognize the ironies, the metaphors, to which we must be led by any truthful scrutiny of principles of composition. Leonardo’s revolutionary view of the vanishing-point, is an example of this ironical principle.⁵⁸ The role of two sources of light in Leonardo’s *Virgin of the Rocks*, is a model of such metaphor.⁵⁹ The fact that Raphael Sanzio’s *The School of Athens*⁶⁰ and *Transfiguration* must be conceptualized as the integration of the ambiguity of two (lower versus higher) viewpoints, is another.⁶¹

These ambiguities oblige the mind to abandon the literalness of sense-certainty, to subsume contradictory impressions by a resolving metaphor resident within the domain of ideas. In other words, to abandon deceitful sense-certainty, and also the intellectual and moral degradation expressed by the symbolic, or, related, “mannerist” views of art, in favor of truth.

Take the exemplary case of the Acropolis. Studies show that the Acropolis is the result of the unfolding of a single, coherent plan, always subsumed by the Classical Greek notion of Golden-Section-pivoted beauty in plastic art.⁶² In effect, the resulting construction has the quality of a single, if “polyphonic” act of composition.⁶³

Now, shift the focus: to, first, the principle of Classical tragedy, next, science in its aspect as a moral principle of art, and, finally, the substance which subsumes the process of development of Classical motivic thorough-composition, from J.S. Bach’s development of polyphony, through the elaboration which Haydn, Mozart, Beethoven, Schubert, Brahms, et al. developed on the basis of the always-polyphonic foundation supplied by the later composers’ study of

58. See D. Stephen Pepper, “Leonardo da Vinci, Founder of Modern Technology,” *New Solidarity*, May 2, 1983, and Karel Vereycken, “The Invention of Perspective,” *Fidelio*, Winter 1996.

59. Leonardo da Vinci, *The Virgin of the Rocks*, the Louvre Museum, Paris.

60. Raphael Sanzio, *The School of Athens*, Vatican Museum.

61. Raphael Sanzio, *The Transfiguration*, Vatican Museum.

62. On the Golden Section, see *Timaeus*, in *Plato: Vol. IX*, Loeb Classical Library (Cambridge, Mass.: Harvard University Press, 1975). The Loeb Classical Library translations have the advantage of including the Greek text on the facing page. See also, the translation commissioned by Lyndon LaRouche, “Plato’s *Timaeus*: The Basis of Modern Science,” *The Campaigner*, February 1980.

63. Pierre Beaudry, “The Acropolis of Athens: The Classical Idea of Beauty,” *New Federalist*, June 24, 1988.



Wolfgang Amadeus Mozart at the keyboard. "The entirety of the development of well-tempered, polyphonic forms of motivic thorough-composition, from Bach through Brahms, is a sequentially ordered process of successive developments of musical ideas."

Bach's work.

In their entirety, the dialogues of Plato, are exemplary works of Classical art. When the Homeric epics and the related Classical Greek tragedies are taken as the standpoint of reference for the entire body of Plato's collection of dialogues, we are able to trace the modern tragedies of Shakespeare and Schiller from this route, and also situate, similarly, the role of Plato's and other Classical-Greek models in the late-Eighteenth- and early-Nineteenth-Century efforts to revive the Classical tradition in poetry and drama. The most fruitful standpoint from which to view this entire Classical tradition, from ancient Greece into the Nineteenth Century, is the standpoint of historian-poet-tragedian Schiller's intended audience, the audience transformed into better people leaving the theater than had entered it a few hours earlier.

The essential feature of the Classical tragedy, and poem, is to induce the members of the audience to situate themselves as world-historical figures, as persons provoked into viewing the Classical performance as the prompting of the viewing of the subject-matter from a world-historical standpoint. In other words, the member of the audience must adopt a sense of world-historical responsibility for the real-life issues addressed by the drama or poem: "Could such characters not see the nature and consequences of their folly, for their society in their time? Must we, in our time, not learn the lesson of this, that we, in our time, must address the issues specific to our historical setting as those should have done in the historic specificity of the time shown on stage?"

To this end, it is essential that a Classical tragedy never be dressed up in modern costume, or otherwise presented as a timeless fable equally appropriate to past or present times.

The essence of history is the history of ideas. History is a record of variously forward, backward, and sideways movements in the course of mankind's obligation to progress to the level of higher manifolds of both physical-scientific and moral practice. The sundry diverging and intertwining branches of the sundry, forward, sideways, and degenerative developments, are the skein of history, the skein of reality. The essential problem of historiography, as Classical tragedy exemplifies this, is to develop and maintain a sense of historic specificity in respect to the evolving mental, moral, and physical condition of mankind.

This sense of historic specificity, is best conveyed by Schiller's work in his functioning as both historian and tragedian. Significant ideas, if they are true, are never mere fiction; they are matters of historically specific kinds of ideas as they are situated, as a matter of principle, with respect to specific historical problems. It is a keen sense of the actual history in which these ideas are situated, which enables an audience to adduce a truthful sense of the solution to the paradox presented by the Classical tragedy.

The same rule of historic specificity applies to the history, and prehistory of modern music. Without the influence of the Fifteenth-Century Florentine *bel canto* voice-training, the development of Classical well-tempered polyphony, by J.S. Bach, would not have been possible. Without the indirect

influence of J.S. Bach, as through C.P.E. Bach, Haydn's pre-1782 contributions to musical development would not been possible. All of this is intermingled with the influences of the Italian schools, such as Alessandro Scarlatti, et al., on the musical development of pre-Nineteenth-Century northern-Germany and southern-Germany music. Without the direct influence of J.S. Bach upon Mozart, Beethoven, et al., from the early 1780s onward, the post-1781 works of Mozart, Haydn, Beethoven, et al. had not been possible.⁶⁴ The entirety of the development of well-tempered, polyphonic forms of motivic thorough-composition, from Bach through Brahms, is a sequentially ordered process of successive developments of musical ideas.

This process of development, in music, in Classical tragedy, in Classical plastic arts, has a metrical quality. There are sequences, if not always simple, linear ones, and there is also a sense of density. Both notions, of sequence and density, are to be compared with the notion of Riemannian and quasi-Riemannian notions of interacting m-fold and n-fold manifolds.

The case of music

In our focussing upon the case of music, here, we emphasize the importance of situating the particular development and performance of Classical musical composition in some medium whose primary content is nothing but sequence and density. This signifies that we must define a specific quality of impassioned idea which parallels and underlies the development of the composition and performance of Classical polyphony. This medium of passion is not hearing as such, but rather an idea of composition, addressed to the medium of hearing, but an idea superimposed upon hearing.

In music, certain things come naturally. Primarily, the human speaking-singing voice is naturally predisposed to what are termed "register shifts." Although there are additional means which may be developed for the purposes of Classical-poetical coloration and dynamical expression of the human singing voice, natural registration is the dominant feature underlying both polyphony in general and the well-tempered polyphony clearly defined, in exemplary fashion, by Bach's polyphonic works for both singing and instrumental voices combined.⁶⁵

The Florentine *bel canto* demonstrates the register-shifts most effectively. The effect of *bel canto* development, respecting the ratio of effort to what is heard, demonstrates the

unique agreement of the *bel canto* voice-training with the natural potentialities of the voice. Similarly, voices which perform at a *bel canto*-determined $C=256$ survive longer, and better, than those burned out prematurely by overwork at artificially elevated pitches at, or above $A=440$, for example.

Then, once the ranges of the register shifts of the respective species of singing voices are determined, the mere task of employing a relevant counterpoint for such polyphony defines a primary approximation of a *bel canto*-determined well-tempered scale. At that point, a further refinement is required. The mind hears the inversion of any interval (e.g., C-E-G heard as G-E-C), to such effect that a simple Lydian scale is derived as an inversion of a C-minor, F# pivotted scale. The effort to bring the intervals represented by the scale indicated by the inversion, with the scale which has been inverted, introduces a further degree of refinement of the well-tempering. Add, then, inversions heard across the polyphonic parts to the inversions generated within each part, and a further refinement is introduced. Never is a precise, algebraic frequency determined; the infinitesimal approximation is always a non-linear one.

In other words, if we continue polyphonic and related developmental considerations, there is no simply algebraic determination of a well-tempered scale, but rather a counterpoint-determined interval of *non-constant curvature*, just as Johannes Kepler's approach, and Plato's earlier, point in that direction.

Once we pass from the level of considerations posed by J.S. Bach's *A Musical Offering* and *The Art of the Fugue*, into the generalized use of Lydian intervals by Mozart in the manner epitomized by his K. 475 (and, later, Beethoven's Opus 111), the span of Classical musical development, from Mozart of 1782-1783 through Brahms's *Vier Ernste Gesänge*, is opened up for us as a process of motivic thorough-compositional development, a process of increasing density, in the sense of Riemannian series of the n-fold type. When we combine the apparent, formal considerations with the implications of a new mode of song composition, by Mozart, Beethoven, Schubert, Schumann, Brahms, with all of the resulting interpretive considerations bearing upon the training and use of the singing voice, all Classical musical composition opens up for us through this "Rosetta Stone"-like medium of Classical song.⁶⁶

On this account, the musician must hear with two sets of ears. One is the ear of simple hearing; the other, the mind's ear, which locates the driving passion of a composition in its developmental processes of change, the latter the ear which, like Wilhelm Furtwängler's, sings "between the notes." In music, for Pablo Casals, as for Heraclitus and Plato, nothing

64. Baron Gottfried van Swieten's music seminars in Vienna, in which Mozart participated, met every Sunday afternoon to play and study the manuscripts of Bach and Handel. See Bernhard Paumgartner, *Mozart* (Zürich: Atlantis Verlag, 1945), pp. 300-308; Hermann Abert, *W.A. Mozart* (Wiesbaden: Breitkopf & Härtel, 1983), pp. 75-79 and 117-165; and David Shavin, "The Battle Mozart Won in America's War with Britain," *Executive Intelligence Review*, Sept. 6, 1991.

65. See *A Manual on the Rudiments of Tuning and Registration*, op. cit., Chapter 2.

66. The exemplary case is the conflict between Goethe and Reichardt, on the one side, and Mozart, Beethoven, Schiller, and Schubert, on the opposing side. See *A Manual on the Rudiments of Tuning and Registration*, op. cit., pp. 202-203.

is constant but change. It is that principle of change which is the ontological foundation of all Classical art. In music, that foundation is located in the developmental process of constant change, which is the mind's ear.

Thus, when we sing with Bach, Haydn, Mozart, Beethoven, Schubert, Schumann, Brahms, and so on, we are expressing the essence of that playful domain in which the ontological essence of all art, and all morality, are supplied the ontological medium best suited to their expression. On this account, all great Classical music is, in its own way, sacred music, the soul's yearning toward its rightful, beautiful place in the simultaneity of eternity, as Bach's great student, Ludwig van Beethoven, best understood this.

Truth in statecraft

At this moment, the world—including the United States itself—is securely embarked on a journey to Hell, and, although the helmsman, including the current President of the United States, might deplore the ruin reaching to engulf us all, that President, thus far, has shown no inclination to reject the course of action, in economic policy, which ensures the impending destruction of both the United States and civilization as a whole. Although the President deplores the injustice and other sufferings into which the current direction of policy is carrying us all, so far he is unwilling to reject any of those of his own current policies which contribute to ensuring the worst result.

Take the case of the modern-day Henry Morgan, British privateer George Soros. Soros is outstanding among those whose predatory role has ruined such nations as Russia, and all among the nations of Southeast Asia, and much of East and South Asia otherwise. Yet, as in the case of looted Croatia, or Russia, the U.S. government repeatedly defends the role of Soros and his kind in destroying these nations—such as Malaysia, Thailand, Indonesia, the Philippines, etc., and in fostering those lunatic policies of the IMF and others which ensure the homicidal ruin of most of those economies—including our own—which the U.S. government professes itself dedicated to defend.

How is such folly possible? How is it possible that a President manifestly inclined to deeds of good will, could act so stubbornly contrary to the vital interests of his own administration, his nation, and civilization as a whole?

Two interacting factors are among those prominently to be considered. One is the political pragmatism of a heavily besieged President. The second, leading, interacting factor, is the President's own laundry-list of chosen agenda items: globalization, democracy, "information economy," "achievements of the Golden Generation," etc. On this account, the prevailing, implicitly suicidal policy-shaping trend is, that the choice of certain policies as "our policies," becomes not merely a substitute for truth, but, in practice, its direct opposite.

For example, for the better part of thirty years, the U.S. physical economy has been contracting consistently at rates averaging in excess of two percent per year. Over most of that period, a formerly (1946-1966) prosperous agro-industrial economy, has been looted by financial parasites, transforming a prosperous economy into what is now threatening to explode, momentarily, as the greatest financial bubble-collapse in world history. During the recent quarter-century, the physical-economic income and output of the U.S. population, per capita, has been contracting. The number of jobs taken, per household, in a futile effort to maintain a falling income-rate, does not keep up with the rate at which average household income is contracting. Yet, the current administration speaks of the successes of this economy, praising the futility of increasing the number of jobs by methods which reduce the per-capita family income for all but the super-rich parasites of Wall Street and like precincts! What happened to the truth?

To make short of a long list of kindred clinical evidence, we have come into a time when "democracy" has become a synonym for a fanatical sort of lying. Whatever is perceived to be popular opinion, whether it is actually popular opinion, or not, becomes the adopted policy which governs practice, that in defiance of all truthful evidence, and contrary to all sane reason.

Down among the *hoi polloi*, this folly is expressed as: "I don't care what you say, I have a right to my personal opinion," even when the evidence is entirely contrary to that misguided opinion. Truth is no longer a standard for policy-shaping practice. Such is the condition of a society which has lost the moral fitness to survive, the condition of a democracy which no longer either deserves to survive, or will survive. Such democracy is the sure road to a hellish tyranny under a regime whose subjects will, for better or worse, do precisely as they are told.

The root of this loss of moral fitness to survive, is readily and accurately traced back to such plainly immoral creatures as Paolo Sarpi's Francis Bacon and Thomas Hobbes, to John Locke, Bernard Mandeville, David Hume, Adam Smith, Jeremy Bentham, Immanuel Kant, Karl Savigny, and John Stuart Mill. On the one side, public and private morality is divorced from science; on the other side, science is divorced from morality. In the meantime, popular morality itself is degraded to the level of Mandeville's followers among the Eighteenth-Century British Hell Fire Clubs, the level depicted by Hogarth, the level of Hell as depicted in the most famous triptych of Hieronymous Bosch. The essence of our self-destruction during the recent thirty-five years of our downhill slide, has been the growth of what passes today for "popular opinion" and "popular culture."

Where are the men and women fit to lead us out of this peril? Where are those who will lead in the pathway toward safety, the pathway toward rule by the principles of truth and justice, not "popular opinion"?

Al Fayed assails British elite on Diana's death

by Jeffrey Steinberg

Mohamed Al Fayed penned an article, published in the London *Sunday Times* on June 14, in which he aggressively defended his widely criticized statements that he was "99.9% certain" that Princess Diana and his son Dodi Fayed were the victims of a murder plot. Princess Diana and Dodi Fayed, along with Ritz Hotel acting security director Henri Paul, were killed in a collision in the Place de l'Alma tunnel in Paris, shortly after midnight on Aug. 31, 1997. Nearly ten months after the crash, French Investigating Magistrate Judge Hervé Stephan is still months away from completing his investigation into whether the crash was a tragic accident, or murder—a fact that Al Fayed highlighted.

"The fact is, Judge Hervé Stephan still has too many unanswered questions and too many conflicting accounts to have been able to construct a definitive account of what really happened. His approach has impressed me deeply. . . . I place great faith in his investigation but sometimes wonder whether he really has all the powers needed to establish the truth. He has no way, for example, of investigating the possible involvement of any foreign intelligence agency. . . . I have made no secret of my fears that there was indeed a plot to get rid of Princess Diana and my dear son."

After stating that there is no doubt in his mind that Diana and Dodi would have soon announced their engagement, he wrote, "The strength and cruelty of Establishment voices denying that theirs was true love strengthens my conviction that there were people in this country determined that the woman who had been ejected from the royal family and stripped of the title of Royal Highness should not be allowed to marry the son of the man whose disclosures about the improper conduct of some Tory MPs had helped to bring about that party's biggest defeat this century."

Al Fayed was referring to his role in bringing down the Thatcher government, when he revealed payoffs to several

Tory ministers and Members of Parliament.

"Oh, say the harsh voices," he wrote later in the article, "it was just a drunken driver going too fast. Perhaps, but say that's not so? Do we not owe it to them, to ourselves and to future generations to find out the full facts while the matter is still fresh in people's minds? That is all I am trying to do. For that I am attacked ferociously on a daily basis. Why are certain people so frightened of the truth?"

He continued, "Why? Because the Establishment does not want to hear anything other than 'Speed and Booze,' with the blame, if possible, being put on me. British newspapers are dedicated to the status quo and their proprietors are nearly all pillars of the Establishment."

Unanswered questions

Al Fayed then posed some of the most compelling unanswered questions: "Why did it take one hour and 40 minutes to get the princess to hospital? Why did the doctor who initially attended her for 15 minutes say he did not know it was the princess until he heard it on CNN eight hours later? Why did he not go with her in the ambulance to the hospital? . . . Why have some of the paparazzi lied about their role in the chase? . . . Why have all the closed-circuit television cameras in that part of Paris produced not one frame of videotape? . . . Where is the white Fiat Uno and who was inside it? What were they doing and how have they managed to vanish, virtually impossible without skilled help? . . . Who was the person in the press group outside the hotel who was equipped like a news photographer? Nobody recognized him, and, when asked, he said he was working for *The Mirror*. Who were the two unidentified men mingling in the crowd who later sat in the hotel bar? They ordered in English, watching and listening in a marked manner. How did Henri Paul get 20% carbon monoxide in his blood when my son had none?"

Al Fayed then added, "I am not a conspiracy nut and I am confident Judge Hervé Stephan will provide definitive answers to these and other questions. It is because I do not want the conspiracy theorists making sport of this tragedy that I am insisting every point is answered."

Al Fayed went into a detailed account of Princess Diana's battle with the royal family and the Establishment. "The Princess knew the forces ranged against her. . . . She said: 'One day I shall go up in a helicopter and I won't come down. . . .' Some people might believe the security services are just overgrown Boy Scouts in pinstriped suits. The Princess knew better."

Al Fayed repeated his challenge to Prime Minister Tony Blair: "All I want is for the Prime Minister to stand at the dispatch box to confirm that British intelligence was not involved during that weekend in Paris. I know intelligence matters are not generally discussed in the Commons, but in such an exceptional case, an exception must be made. Were Dodi and Diana being observed by any of the British embassy staff who have an intelligence function? Were their phone calls being monitored?"

Al Fayed next took on the British Establishment. "The Establishment," he wrote, "has run this country for more than 300 years and it is not about to stop now. Its members run the country, not Tony Blair. If something needs to be done in what they consider the best interest of themselves and the country, it is done without needless reference to anyone. It is so much simpler if everything is deniable. What is not deniable is that the death of Diana was very convenient for some people. . . . The ship of state sails on in majesty having dropped its unwanted passengers. I am not paranoid. I just see things as they are. . . . Despite the massive press campaign against me, 95% of people in a newspaper poll said they did not believe the deaths of Diana and Dodi were an accident, and outside this country virtually nobody believes it. That is why the Establishment is so scared of me. I am used to being disliked because I tell the truth."

Al Fayed ended with a personal commentary on Tiny Rowland, the monarchy's and British intelligence's hatchetman and chief Africa genocidalist. Rowland has been the Crown's preferred hooligan, running a guerrilla war against Al Fayed, particularly since the deaths of Diana and Dodi. "All the problems I have had are directly attributable to my acquaintance with Tiny Rowland and his methods of doing business." Referencing his successful takeover of the House of Fraser and its flagship store, Harrods, Al Fayed noted, "The shareholders were paid a premium price and went on their way rejoicing. Only one man complained and he had sold me the shares which guaranteed my acquisition of the company. R.W. 'Tiny' Rowland was a bad loser. Because I had what he wanted, he unleashed an unprecedented vendetta against me."

The unsolved mystery of Aug. 31, 1997 has not disappeared from the U.S. media, either, including the role of *EIR* in probing the truth about those events. Jeffrey Steinberg, Counterintelligence Director of *EIR*, was quoted in the June

23 issue of the *Star*, the U.S. supermarket tabloid weekly. In a cover story headlined "Was Diana Murdered?" the *Star* detailed the two recent British TV documentaries on the Diana-Dodi deaths, highlighting what it called "bombshell new evidence" pointing to a murder conspiracy. The evidence included details of the blood tests on Henri Paul, showing near-fatal levels of carbon monoxide in his blood; and the testimony of senior French police official David Laurent, who saw the mystery Fiat Uno lying in wait at the entrance to the Place de l'Alma tunnel just before the fatal collision.

The *Star* quoted Steinberg on the role of the still-missing Fiat: "I find it almost impossible to come up with some sort of benign explanation of how and why this car, the driver, and whatever other passengers were in the car, could have disappeared from the face of the earth for an eight-month period without there being some kind of sinister aspect to it."

Further on, the *Star* quoted Steinberg on the specter of involvement by the British royal family, and particularly, Prince Philip, in ordering the murders of Diana and Dodi. The *Star* wrote, "Security expert Steinberg admits it's conceivable the royal family—especially Princess Diana's one-time father-in-law, Prince Philip—'called the shot.'" They quoted Steinberg, explaining, "Looking at his background, looking at the fact that he was livid over the idea of this relationship—and was livid that Diana had become a very significant thorn in the side of the House of Windsor—certainly creates a circumstance where I can't rule [that] out."



WAS DIANA MURDERED?

AN EIR VIDEO

"The controversy around the murder of Princess Diana is now about to go into a new phase, with the escalating investigation in Paris and the first anniversary of her death on Aug. 31. The British population, by an overwhelming majority, is convinced that she was murdered. And this has major implications for the survival of the House of Windsor."

**—Jeffrey Steinberg,
EIR Counterintelligence Editor**

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Nigeria after Abacha faces new challenges

by Lawrence K. Freeman

Gen. Sani Abacha's death on June 8, only months away from the scheduled transition to a civilian government on Oct. 1, has, at least for the moment, changed the dynamic of Nigerian politics. His unexpected demise has also created a potential for new, dangerous attacks on the very sovereignty of the nation of Nigeria.

The British lost no time in seizing the opportunity to threaten the new head of state, Maj. Gen. A.A. Abubakar, a member of the Provisional Ruling Council and Chief of Defense Staff, in a stinging commentary in the June 10 London *Financial Times*. Barely three days after General Abacha's death, the *Financial Times* warned General Abubakar, that unless he reverses Abacha's policies, Nigeria could break up "along ethnic and religious lines." In order to "reestablish a semblance of political legitimacy," the *Financial Times* said, the new leader of Nigeria must strike "a deal with the International Monetary Fund." And, "if there is no deal with the



The late Gen. Sani Abacha. After his death, the British publicly threatened Nigeria, that it must bow to International Monetary Fund demands.

Fund, Nigeria's future is bleak."

Lest anyone be fooled that the British financial elite means business, the concluding paragraph could not be more gangster-like: "General Abacha died in his bed. If General Abubakar is unable to resolve his country's dilemmas, he may not be so fortunate."

Since Nigeria's independence in 1960, the British-centered Club of the Isles has coveted control of Nigeria's rich oil fields. Prior to Abacha's leadership of the country, Nigeria had been put through the wringer by the International Monetary Fund's structural adjustment program, which Abacha abruptly reversed when he became head of state in November 1993. Although the financial-oil private sector parasites never left Nigeria, and still swarm like locusts around the capital of Abuja sucking up Nigeria's oil wealth, it was Abacha's strong-willed resistance to allowing Nigeria to be dismantled on behalf of the IMF financial system, that made him a target.

What happens to the elections?

In his maiden address to the nation on June 9, General Abubakar said he would follow Abacha's timetable for the transition to a new civilian government, with elections for the President and the 36 governors scheduled on Aug. 1. The problems with keeping to that timetable are that all five parties had picked Abacha as their Presidential candidate, and he died before deciding if he would accept; and, the original date set for the parties to pick their candidates was June 18.

Reports from Abuja indicate that presently there are discussions going on between the five parties and General Abubakar and his advisers. It is unclear how the original timetable can be kept. Some observers think that the new government might set up an entirely new schedule for primaries and elections, which would re-open the whole election procedure. Other possibilities include preserving some of the election results of the last two years, and annulling others. As of this writing, it is not known exactly what the next steps in the transition process will be, but decisions will have to be made very soon.

In a surprise move on June 15, General Abubakar announced the release of nine detainees as part of a "process of national reconciliation." The two most notable of those released are Olusegun Obasanjo, former head of state who will be confined to his farm, and Allah Ibrahim Dasuki, the deposed Sultan of Sokoto, who will be forced to reside in Kaduna. Many are calling for the release of M.K. Abiola, who is reported to be in poor health, and does not have the same political prominence he once had.

In a period in which the IMF and the British view Nigeria as vulnerable, they have gone on the offensive, publicly threatening the new government. General Abubakar's leadership is immediately being tested. He not only has to steer the country through a revised election process, but he also has to stand firm against the oil and banking clique, which would like to control Nigeria's oil wealth and dismember the most populous nation in Africa.

Washington is careening toward a debacle in Africa policy

by Linda de Hoyos

It is becoming increasingly recognized among those who make policy for the United States toward Africa, that the attempt to hitch the Clinton administration's "partnership" with that great continent to the "new breed" of African leaders in East Africa, is a failed policy. On the most basic level, the members of the "new breed"—Ugandan President Yoweri Museveni, Ethiopian President Meles Zenawi, Eritrean President Isaias Afwerki, Rwandan Vice President Paul Kagame, and Democratic Republic of Congo President Laurent Kabila—by their very character as military dictators, violate the stated principles of U.S. foreign policy. The bloc is already falling to pieces, with a new war between Eritrea and Ethiopia, and a highly publicized falling out between Uganda's Museveni and his erstwhile puppet Laurent Kabila. Efforts on the part of U.S. Assistant Secretary of State Susan Rice and Rwanda's Kagame to patch together the Eritrean-Ethiopian alliance against Sudan have so far failed, and are not expected to succeed. But the more serious problem for U.S. foreign policy in Africa lies to the south, in the environs of the eastern provinces of the Democratic Republic of the Congo (D.R.C.), in the northern provinces of Rwanda, and the rural districts of Burundi. For it is here, *where genocide continues to the present moment*, that American foreign policy toward Africa is being discredited for many years to come.

To those policymakers in Washington who recognize the debacle but do not want to change the axiomatics of the policy, the failure centers around the embarrassing antics of Congo President Kabila. For those who had honestly hoped that Kabila would usher in democracy, after the long dictatorship of President Mobutu Sese Seku, the Kabila regime has proved a bitter disappointment. For others, it is Kabila's failure to offer even a modicum of cooperation to bring foreign investment into the country, and his outlandish demands for extortion to those who seek to come into the D.R.C., as in the case of American Mineral Fields, that has made him a liability.

Thus, it is likely that with the expected June 22 release by UN Secretary General Kofi Annan of some version of the UN investigation team's results, the blame for the mass murder during the Zaire war will be pinned on Kabila. The drumbeat is building in the Western press for a more suitable substitute, and even Roger Winter of the U.S. Committee of Refugees, who was with Kabila on the ground when Kabila's troops, along with the Rwandan and Ugandan armies, massacred the refugees at the Mugungu camp in November 1996,

are castigating the man.

A new face in Kinshasa, however, will not alleviate the debacle toward which U.S. policy toward Africa is now speeding. For all the while, the Rwandan and Ugandan grip on the regime in Kinshasa is tightening, as their troops become further embroiled in unwinnable wars against insurgencies of resistance in Rwanda and the eastern provinces of the D.R.C., where the Ugandan-Rwandan regimes of Kagame and Museveni have carried out a brutal military occupation of the region, against the population's will.

The annexation of eastern Zaire by the combined forces of Rwandan and Ugandan troops, in violation of international law, is going "unnoticed" by the international community.

In 1996-97, American statesman Lyndon LaRouche warned the Clinton administration that unless it broke with the policy of the British Commonwealth for genocide by British-backed warlords in East Africa, it would be enmeshed in an "African quagmire" worse than that of Vietnam. This advice was not heeded.

Hence, although American investors—presumably for whose sake the U.S. policy was instituted—are shut out of Kabila's D.R.C., the eastern section of the country, where the Congo's mineral and agricultural wealth is located, is being annexed by Rwanda and Uganda, *as per the British Privy Council's decades-long policy for the splitting of the Congo along precisely those lines*. According to reliable sources, the gold from eastern Zaire's Kilimoto, mined by Barrick Gold, now goes to Museveni's Uganda—with no taxes or any other monies being paid to Kinshasa.

However, because the United States has officially and unequivocally pinned its policy toward Africa on the "new breed," beginning with Museveni and Kagame, while the British take the loot, at the end of the day—and that day is coming sooner rather than later—it is the United States that will take the blame for the genocide and war that continue to take place in these regions.

It is to be noted that the international press and the non-governmental organizations, as well as the United Nations, are barely active in the war zones of North and South Kivu and northern and central Rwanda. A military cordon sanitaire has been constructed around the region. Information is hard to come by; people tell their stories at their own risk. Many of the intellectuals, businessmen, and local leaders in both Rwanda and Kivu who would have the means and capability

to tell their stories, have been systematically silenced. The publicized arrests or murder of potential witnesses reporting to the UN investigation team point to a far wider pattern of “disappearances” throughout the region. Reports that surface of continued mass murder in these regions receive little if any publicity from the international press. The massacres are carried out, as the Nande Cultural Association states, “in the silence” (see *Documentation*).

Kampala and Kigali run the show

Although ministers in the Museveni and Kabila governments have exchanged diplomatic barbs, and there is talk of their division, first highlighted by the British Reuters wire service, for Congolese, on the ground, there is no division in policy between Kabila and his “puppet masters” in Kigali and Kampala. In Kinshasa, according to reliable sources, the appointment of Deogratias Bagera to the post of Minister to the President, indicates that this cohort of Kagame is “running the show there.” The chief of the Armed Forces remains James Kabari, a Rwandan coming from Uganda with the Rwandan Patriotic Front, who was forwarded to Kabila’s army by Kagame, as the Rwandan Defense Minister admitted in a July 1997 interview with the South African *Mail and Guardian*. Kabila’s arrest of several cabinet ministers on charges of speculation has only increased the power of the “Tutsis” in Kinshasa, centered around Bagera, Foreign Minister Bizima Karama, and Minister of Education Kamara Rwakaikara.

The rearrangement of the cabinet has been preceded by a ruthless crackdown against all *Congolese* opposition forces, including the April 3 banning of Azadho, the Zairean human rights association, which had a long record of opposition to Mobutu, but which had reported on the atrocities against civilians during the Zaire war; the April 8 arrest of *Le Palmares* editor Michel Kadi Luya; the April 12 arrests of Rev. Paul Nsapu, president of the Voters League, and Sabin Banza, president of the Human Rights Now Committee; and the May 15 arrest of Pascal Kambale, vice president of the newly reorganized Azadho.

Meanwhile, on April 28, according to AFP, Kabila’s D.R.C. reached accords with Uganda and Burundi for a “joint strategy for putting our common enemies out of action,” according to Interior Minister Gaetan Kakudji. This accord, in combination with the Rwandans, represents the determination to take brutal action to put down the resistance in Kivu. This resistance has been led by the Mai-Mai, comprised of two separate groups that had originally joined Kabila for the “liberation” of Zaire from Mobutu. Although the international press attempts to portray this resistance as coming from Mobutu’s old army, the Armed Forces of Zaire, and the Rwandan Interhamwe, the Mai-Mai represent a grassroots resistance to the seizure of their land and productive capabilities by the Rwandan-dominated administration and Rwandan troops. “They will not stop,” said one well-placed source. “The Congolese people will never permit the annexation of part of this country. There are many groups in the Congo. We have a

sense of nation; we will never permit it.”

That is the quagmire unleashed by London’s warlord policy for Africa; it is a quagmire that the Clinton administration can avoid only if it makes a hard about-face and cleans out the incompetents who have hooked U.S. policy to London’s killers Museveni and Kagame.

Investigate genocide in post-1994 Rwanda

On the morning of March 30, 1998, a pool report was distributed by the White House on the occasion of President Clinton’s visit to the African country of Botswana. Among the reports was an interview filed by Kathy Lewis of the *Dallas Morning News* with U.S. Ambassador Robert Krueger, current U.S. ambassador to Botswana, and former ambassador to Burundi. A political appointee, Krueger had reported publicly on the slaughter of Hutu villagers by the Burundian Tutsi military. His life had been threatened by the newspaper of former Tutsi dictator Jean Baptiste Bagaza, and during one tour of the countryside, Krueger’s convoy was attacked, and he narrowly escaped with his life. The Lewis interview focused on Botswana, but Krueger also commented on the situations in Rwanda and Burundi.

As Lewis reported on the interview:

“He [Krueger] said Paul Kagame and his ‘Rwanda Patriotic Force’ came in and drove out the Hutu army that was responsible for much of this slaughter. The Tutsis then went back, but revenge is an extremely virulent disease in Central Africa. And then began the counterslaughter of Hutus by the Tutsis in Rwanda, including the RPF forces.

“I visited countless refugee camps—every couple of weeks or so—these would be, then, Hutu refugees coming from Rwanda into Burundi. I always took along an expatriate British person, whom I knew would not be partial in translating.”

“Over time, he said, he interviewed hundreds of refugees.

“Their answer was always the same. They were living in these miserable little blue plastic hovels, that were only three and one-half feet high. Nobody could say you wanted to live there—it’s wet earth.

“They were all afraid to go home. . . . Some of them would go back and those who would go back either would never return, meaning they were killed, or some who did return would come back with stories of others, Hutus being slaughtered in their villages.

“You would have asked them when they would go back and they would tend to say, when the RPF is gone. A vast majority of these people are women and children. None in Burundi were engaged in guerrilla fighting. There were Tutsi Burundian armies in charge of all these camps. So I have

no reason to believe that the unanimous statements of these people were false.’

“Asked if he’s in a position to know if the RPF is still doing it, he said:

“ ‘If you had visited Auschwitz and then someone came to you and said there are reports of comparable camps elsewhere, have you seen them. If you have seen Auschwitz, you don’t have to see all the others to know what is going on. I don’t think that what is going on in terms of revenge is of the same scale in Rwanda now as what went on before. I am certain that it is not. But if you asked me what one can reasonably suppose took place in the former Zaire’ . . . ”

As Lewis reported, Krueger “also told a story about being at a missionary refugee camp New Year’s 1995 that was eight miles from the Rwandan border. He said they heard shooting all night long and about 275 refugees came over.

“ ‘They came in and said that the RPF had come in and was slaughtering their refugee camp on the Rwandan side of the border,’ he said.

“He said the UN reported 13 dead.

“He said some refugees said there were thousands killed and that he doesn’t know [if] there were thousands, but he knows it wasn’t 13.

“Krueger said he talked to someone at the State Department about it, who told him they were getting lots of different reports with lots of different numbers. ‘The fact that I was right there meant nothing to this particular desk officer who didn’t want to know about it,’ he said.”

Renewed campaigns in 1997

Krueger’s interview corroborates the charges made by former Rwandan Patriotic Front cabinet minister Seth Sendashonga in December 1995, when he left the Kigali regime, reporting that the RPF had murdered more than 300,000 people in the country since coming to power. Sendashonga was assassinated in Nairobi, Kenya, in April.

Accounts indicate that this murder campaign wound down during 1995-96. But with the return of approximately 600,000 refugees from eastern Zaire in the late months of 1996, murdering sprees in Rwanda carried out by the Rwandan Army became the norm again.

According to a report published by Amnesty International on Sept. 25, 1997, “Rwanda: Ending the Silence,” the following pattern was established:

“During January 1997, massacres began to be reported with increasing frequency. For example, on 4 January 1997, at least 55 people were reportedly killed by RPA soldiers in Nkumba commune, Ruhengeri, during a military search operation. . . . On 20 January 1997, RPA soldiers reportedly rounded up unarmed local residents during a military search operation in Nyamugali commune in Ruhengeri and killed 28 of them. . . . On 3 March 1997, at least 150 unarmed civilians, and possibly as many as 280, were killed by RPA soldiers in a military search operation in the communes of Kigombe, Nyakinama and Mukingo, Ruhengeri. . . . Between 9 and 11

May 1997, at least 1,430 civilians were reportedly killed by RPA soldiers in the sectors of Ryinyo, Kintobo, Gatore, Rukoma, Gitwa, Runigi, and Mukamira in Nkuli commune, in Ruhengeri. . . . Around the same period, 423 people were reportedly killed in neighboring Nyamutera commune. . . . From mid-May to mid-June 1997, hundreds of killings were reported from Cyabingo commune, Ruhengeri. . . .”

The significance of the report is the established pattern of RPA indiscriminate killing in northern Rwanda, where the citizenry is more than 90% Hutu. Since then, there have been more frequent reports — whose source is the Rwandan News Agency — of killings of civilians allegedly carried out by “Hutu extremists” in the same area. A low-intensity and very likely unstoppable war is now progressing throughout much of rural Rwanda.

One Rwandan source has reported that his family reports from home that “there are only two men left in my county” in Ruhengeri. The county would normally have 1,000 men. “They [the RPA] kill the strong ones, anyone who could resist, or anyone who could possibly report what is going on. Since early last year, people have been given a choice to either die in their homes, or to die fighting, and so many of them have chosen to fight, as there is nothing to lose.”

Documentation

Congo: slaughter in Kivu

In May, the Nande Cultural Association published a “Memorandum of the Nande People on the Multiple Massacres and Violations of Human Rights by Kabila and his Allies, in Beni, Butembo, and Kivu in general, in the Democratic Republic of the Congo.” We print excerpts from the document:

From Feb. 20-23, a massacre of more than 300 civilians took place at Butembo, by the AFDL army of Kabila, supported by the Rwandan and Ugandan armies. . . . Under the pretext of pursuing the Mai-Mai who are reacting against the army’s extortions against the civilians, the army surrounded the city, ransacked all the homes, one by one, and killed all the young men they could find.

- From April 2-6, 1998, more than 40 civilians were killed in Beni, under the same pretext. . . .

- From April 14-18, 1998, the city of Butembo was again encircled by 6,000 soldiers from the AFDL, Rwandan and Ugandan armies. For four days, no one was permitted to enter or leave. All the radio and telephone communications were cut by the army. Massacres on a large scale are carried out in silence. . . .

This first accounting does include those who were killed in the outskirts of the town (notably: in the localities of Butuhe, Bunyuka, Vuhovi, Kyondo, Musienene, etc.), torching

whole villages, raping, looting, and massacring hundreds of villagers, according to a well-known technique and earlier practiced by the Rwandan army in Rwanda and in Masisi (see *Human Rights Periodical*, Report of AZADHO, #B021, banned in D.R. Congo, February 1998).

The precise ledger on these killings certainly will never be known, since human rights associations are prohibited. The searches carried out by the army were accompanied by systematic pillaging of the inhabitants' possessions. The troops demand money (in dollars!). Whole families were beaten up because they don't have the money demanded. All vehicles and goods of any value were carried off.

These killings, abductions, extortions, and looting continue to this day in Beni, Butembo, and in all the surrounding villages, and this, within a generalized indifference. If the international community does not react, the Nande people is on the way to being decimated according to a methodically prepared and executed plan by the AFDL army of Kabila, with the support of the Rwandan and Ugandan armies. . . .

There have been numerous arrests, followed by torture of the civilian population, among the customary chiefs, priests, intellectuals, and other leaders of the Nande population.

A dozen Nande leaders in Beni and Butembo have been arrested, tortured, and taken by the army to a destination, up to now unknown. Among them, we can cite:

- Mr. Kakule Matumo Kitswiri, Paul, Professor and Dean of the Political Science Faculty at the Catholic University of Graben in Butembo.

- Mr. Atshongia M. Kasereka, customary chief of the local Beni collectivity, at Mbau.

- Mr. Kapupa, customary chief of the Batangi group, at Mavivi.

- Mr. Kapisa, businessman in Beni.

- Mr. Ngolo, businessman in Butembo.

All are being charged and considered as heads of the Mai-Mai.

One example of these latest arbitrary arrests (Sunday, May 3) is that of Abbé Muholngu Appollinaire, Malumalu, Vice-Rector of the Catholic University of Graben, because he is one of the initiators of the *Wima* ("Stand Up") network, whose aim is to bring together social activists in the Butembo region on behalf of peace, development, and respect for human rights. The absurdity of his arrest hides the more diabolical intentions toward the Nande people, which Kabila helps to bring to their knees. . . .

- All the Nande customary chiefs and city fathers were called together and brought to the provincial capital, Goma, for supposed competency tests. Any chief who failed, would see himself automatically removed from his post and replaced. The present AFDL ruler would then name whomever he wished, with no regard for traditions in the matter.

- Remember, all the customary chiefs in the Masisi, Walikale, and Rutshuru territories have already been replaced, with the present Governor of Nord-Kivu (Mr. Kanyamu-

hanga) and the Rwandan army, by Rwandans who came right away from Rwanda with their herds. (cf. *Human Rights Periodical*, Report of AZADHO, #B021, February 1998, p. 15).

- Traditional warriors are forbidden to drill under pain of death.

- Prayer gatherings are forbidden, because they are considered gatherings to plot and overthrow the government.

- All family gatherings (such as wakes, children's communion) are forbidden.

- Any gathering of more than three persons is considered as being an enemy grouping, and is therefore forbidden.

- All hotels in the town of Butembo are shut.

- An order has gone out to all leaders of cities, localities, or neighborhoods to carry out a census of the population and to hand out special identification cards, as well as the national identity card. Any person without such a card is automatically a Mai-Mai, arrested and shot without further legal proceedings. . . .

These regimes, organized on an ethnic basis, seek to control a large portion of East and Central Africa, from Eritrea to Congo, by way of Ethiopia, Somalia, Kenya, Uganda, Rwanda, Burundi and Tanzania (cf. Memorandum of March 14, 1998 addressed to the President of the United States of America by the collective Congolese opposition parties during his recent visit to Africa).

It is this urge for power and domination that impels them to occupy Kivu province in one way or another, with the cooperation of Kabila's AFDL in power in Kinshasa, following the secret accords passed at Lemera, Sud-Kivu between the latter and the three leaders of the above-cited countries. Following these accords, the occupation of Kivu was to take place over the ten years from 1998-2008, essentially in two phases.

The first phase of this occupation would be carried out by a forcible military occupation, in order to break any attempt at resistance among the local populations. These military operations would, in general, be justified on the pretext of hot pursuit of armed Hutu extremists (the Interhamwes), the genocidalists from Rwanda seeking refuge in Kivu province, and against the "Mai-Mai" groups presented as the latter's accomplices. This phase is under way today.

This would be followed by a second phase of transferring populations from Rwanda and Burundi into Kivu, giving them automatic Congolese nationality, taking into account their complicity with the AFDL rulers of Kabila in Kinshasa.

It is forecast that with the execution of such a plan, practically imposed on Mr. Kabila by the above-cited foreign countries, in exchange for their military support in the so-called liberation war in Congo, a plan for the implosion of the Democratic Republic of Congo is being readied. According to this plan, Katanga would fold up, undergoing a new secession; other provinces (notably the two Kaisai provinces) would do the same, leaving Kivu occupied by Rwanda and Burundi, as land to be peopled by these two countries.



Time to take power away from the bubbleheads

Mrs. LaRouche is the founder of the Schiller Institute and is currently the candidate for Chancellor of Germany of the Civil Rights Movement Solidarity party. She was interviewed on the radio program "EIR Talks" on June 17, by Tony Papert.

EIR: Helga, given this week's simultaneous stock and currency collapses in Asia, the financial panic in Asia, the deepening financial collapse of Russia, major financial collapses in Latin America, how would you characterize the current global financial situation?

Zepp-LaRouche: Well, I would say that the developments we have seen in the past days, which were characterized by a fully synchronized slide worldwide of both the stock markets and the currencies, are actually symptomatic of the kind of phase-change Mr. LaRouche forecast in January of this year, which you remember very well. This was the so-called "end of the Asia crisis," where everybody was talking about how the Asia crisis was over, that the situation had stabilized.

And Mr. LaRouche forecast at that point that the second phase of the Asia eruption of the global systemic financial crisis would occur at the second quarter of '98.

So, this is exactly what we are seeing, and all the so-called financial experts stand completely discredited. Just look at the horrendous fluctuations and downward spiral motions going on. For example, on Tuesday, you had a Dow-Jones collapse of 2.3%. All the stock markets in Europe went down between 1% and 4%. Latin America averaged -4%. Moscow, -7.3%. That was a seven-day collapse of -18%. (Since January, the stock market in Moscow has collapsed by 57%.) Asia on the same day went down between 2% and 5%, and the yen continues to be more or less in a free fall. Today, some of the Asian stock markets have gone up, only because of the rumor of a joint U.S.-Japanese action, and the fact that U.S. Deputy Treasury Secretary Larry Summers is going to Japan, meeting with Japan authorities—even though one has to wait and see what they announce—but this has not stopped the continuous currency collapse.

The Indonesian rupiah went down in one day from a whopping 14,900 to the dollar, to 16,400. And that is close to the low point we had reached in January. The yen collapse virtually destroys all of South Korea's production in exports.

It virtually wipes out all the industry of South Korea, because they are losing their competitive edge toward Japan. It creates tremendous pressure on the renminbi. And then, look at the situation in Russia, which is absolutely desperate. The United States said that Russia is too dangerous to fail, so there are quiet, frantic negotiations for a major bailout package going on. . . .

If you look at all these different elements together, the situation is absolutely out of control. And one thing is becoming apparent: that the effort to conduct crisis management in Indonesia, in South Korea, in Japan, in Russia, here and there, does not function any more. The period in which crisis management could create the illusion that it resolves these situations, is over. So, we are in a complete phase-change.

EIR: This week, all of a sudden, government officials and bankers, especially in Asia, but not only, began using the "D" word, depression. Why?

Zepp-LaRouche: Well, this is very, very interesting, because for a very long time, Mr. LaRouche has been the only person who has been warning that the continuation of monetarist neo-liberal policies, which began 30 years ago, would lead to a depression worse than that of the 1930s. And he was always attacked for this, and called "controversial," and this and that.

But now, all kinds of people are talking about the depression, even people you wouldn't think of, such as representatives of the International Investment Conference in Melbourne, where a World Bank official, named Jean-Michel Severino, said these amazing things: "We are probably at the end of the first cycle of the crisis. And we are entering into a deep recession. Or you could even use the term 'depression.' This depression could be very long-lasting, if it is not handled very, very carefully. The risk is there, and probably we are counting in months rather than in years."

This, from a World Bank official, is quite amazing. Then, at the same occasion, Thailand Deputy Prime Minister Supachai said that "if the yen would drop with no limit or no bottom, then the second Asia crisis would mean a First World economic depression."

So, I think Mr. LaRouche has been completely vindicated. . . .

EIR: As you've said, there seems to be far-reaching agreement that we are in a depression, at least among knowledgeable people. What caused it to happen?

Zepp-LaRouche: Well, the key question which people have to understand, to grasp what has happened to the U.S. and to the world economy, is that both the U.S. and the world economy underwent a series of shifts in the underlying policy axioms in the period immediately after the death of President Franklin D. Roosevelt.

These shifts are each somewhat different as hypotheses, in respect to those which preceded and followed. But underlying all the shifts, is a certain philosophical direction. It is that philosophical direction which brought us from a successful U.S. economy of the time of the best of Franklin D. Roosevelt, to the world wreckage which dominates the world today.

So, first, with the death of FDR, there was an immediate shift under Truman, under the influence of Winston Churchill and the Harriman crowd in the United States, toward a pro-British and pro-monetarist policy in international monetary affairs, and in the affairs of the world economy.

There were three shifts, essentially. One was immediately after the death of Franklin D. Roosevelt, when Churchill induced the Truman administration to reverse the Roosevelt policy of immediately liquidating the colonies of Great Britain, France, and the Netherlands, and reversing Roosevelt's policy toward the so-called Adam Smith system.

Truman, under the influence of Churchill, immediately restored the colonies of France, the Netherlands, Portugal, and so forth, implementing an immediate return toward the Adam Smith orientation, with some limitations, of course, in economic and financial policy.

This change was supplemented by the bombing of Hiroshima and Nagasaki, for which, under a just law, Truman should have been convicted for crimes against humanity at Nuremberg. This was a war crime, because there was absolutely no military reason, in terms of the war itself, to do this.

The purpose of the launching of the bombing in Hiroshima and Nagasaki, was to inaugurate the nuclear age, and a certain role of the postwar U.S.-British versus Soviet conflict, the so-called nuclear age conflict.

This was a complement to restoring the hegemony of the French/Anglo-Dutch/Portuguese oligarchical interests, which, for example, in the United States were typified by the Harriman interests, Lovett, Stimson. So, this crowd took over.

They took over, with a reconstructionist approach which was to establish the military preparation for maintaining what became known as the nuclear war conflict. This underwent a modification with the Eisenhower negotiation of what became the protracted North Korea/South Korea conflict, following the ouster of MacArthur. It resulted in a downward slide of the economy, in domestic and other financial policies, in the tax policy of the Eisenhower administration. And in this way, the Eisenhower administration policies

continued the Truman policies, which resulted in the 1959-60 deep recession.

Then, the only turn for the positive in the entire postwar period of any significance, was under Kennedy, where some of these measures, such as the post-Sputnik space program, was activated under President Eisenhower. Kennedy, during 1961, made a positive reversal in U.S. policy in the direction of the Franklin D. Roosevelt policies. But, with the death of Kennedy, although with some reluctance in doing this, Johnson turned radically away from the Kennedy policies, in the direction of a radical monetarist policy, more radical than that of the 1950s, with the introduction of a cultural paradigm shift, the post-industrial utopianism in the period between 1964, '68, and '72.

This was then followed by the events leading to 1971, the end of the Bretton Woods agreement, and a series of shock measures in the 1970s and '80s, which eventually led to the self-destruction of the U.S. and the world economy, a reversal, a downward trend in the economic condition of the developing sector generally, and a worsening of their social and demographic conditions.

So, this then led to a ruining of per-capita income in the United States, and echoes of this occurred not only in Great Britain, but also on the continent of Europe, and in Japan. With the final blow, the '92 shift, under the influence of people like Margaret Thatcher and Mitterrand, and, to some degree, echoed by Bush, they put the world in the direction leading into the present ruin.

Each of these periods is characterized by a somewhat different policy. One could argue that some people would defend one of these policies against another. But the overall direction of these trends is governed by one thing: the successful move away from the world of the nation-state, defined by the model of Alexander Hamilton and those who followed in the same footsteps, toward a restoration of the rentier-financier globalist system, the elimination of the nation-state, establishing a globalist system as a de facto new global Roman Empire. . . .

I would like to add a second feature in this, and that is a change in the characteristics of the politically dominant layer of the population. We now have, in leading circles, in the United States, in Japan, in Europe, a group of people in power, typified by what you could call the Wall Street fast-buck operators, that is, people who are playing a game, which is exactly what happened in the South Sea Island bubble and the Mississippi bubble in the 18th century.

This was a bubble which enjoyed the participation of the patriotic faction, by and large, which, in the process, was bankrupted by its participation in the bubble. And the same thing happened in France, where a layer of the French population, which had attempted to implement Colbert's economic development program, was financially ruined by speculation in the financial bubble.

Now today, these financial—you could call them “bubbleheads”—have taken over the dominant political positions, not only in the Wall Street and other financial centers, but also in many policymaking positions. So these bubbleheads of the Mississippi and South Sea Island bubbles of the early 18th century, today are fanatically involved in trying to get “my money” for pure speculation. . . .

You know, in London, in Europe, in Japan, in many of the developing countries, we have now gone from a ruling layer of people who believed in industrial capitalism, to one which does not understand any more the importance of real production, of profitability, of technological progress, why this is necessary to make a better product, the idea of a national economic interest, and so forth. We are no longer dominated by this capitalist thinking layer, which used to have trade union partners and so forth, who used to see the economic strength of a country as the basis for serving the national interest. But we are dominated by people who wish to destroy everything, simply to make a personal quick profit. And that is the problem.

Now, we have gotten to the point where only if we demoralize and bankrupt, and strip of their political power, these layers, where we have a collapse of the power of these bubbleheads—which can be very easily the result of the ongoing collapse of the financial system—that only under those conditions, is it possible to restore the world economy, by going away from globalization, away from free trade, away from this wild monetarism, back to the idea of an agro-industrial conception of wealth, and the function of the nation-state to protect the economies in their pursuit of this course of action, and to foster the growth of the world economy through cooperation among the leaderships of pro-protectionist nation-states, somewhat like the best features of the 1950s, under the old Bretton Woods agreement.

We have to restore something like a nation-state-based anti-globalist, anti-monetarist, pro-agro-industrialist kind of economic orientation. This would mean the end of the influence and political power of the bubbleheads, which means that we must liquidate the so-called assets of the bubbleheads. We should not try to save their money. We should just write it off. It’s worthless, it’s gambling, and we should not pay other people’s gambling debt. So, that is the nature of the present situation. . . .

EIR: On another aspect of this crisis, there are strong indications that the collapse of the yen and other Asian currencies is having a serious effect on China. Now, you have a long acquaintance with China, where you’re very well known as the “Silk Road Lady.” Could you tell us about this?

Zepp-LaRouche: Well, I think it is very important that the Chinese Finance Minister, Zhiang Huaisheng, just wrote in the Chinese *People’s Daily*: “Whether or not economic growth targets can be realized, not only will affect China’s

already extremely serious unemployment situation and increase the pressure on the stability of the renminbi, but will also affect the state enterprise reform.”

Now, this is very remarkable, because this is, to my knowledge, the first time that a Chinese official is talking in such an open forum about the effects the Asia crisis has on China. And by the way, you know, the Chinese leadership, since November last year, doesn’t talk about the Asia crisis, but they talk about the *global* financial crisis. But this is the first time that they admit that China is hit in such a serious way.

Now, in reality, the Asia crisis does put China in a totally impossible situation, because their exports to Asia are collapsing. They do not have enough export earnings, so revenues are not coming in. They don’t get the income necessary against the short-term loans outstanding, and many regions of China are therefore experiencing balance of payment problems. And I think that given the three areas that China’s Finance Minister mentions—namely, unemployment, the stability of the currency, and the reform of the state enterprises—that all of that will force China into a protectionist direction. They have no other way.

Now, it is very notable that the Chinese media have, for a couple of days, been coming out with the line that while China tried, with great sacrifices, to keep the level of their currency, that they have been cheated, that the United States, Japan, and the G-7 in general are doing nothing to stop the collapse of the yen. I think that that is very serious also, in light of President Clinton’s coming trip to China.

China must go in a protectionist direction, but they also need a massive injection of science and technology investment to keep the necessary rate of social capital formation, and especially in the machine-tool area. So, one can only hope that that aspect is taken care of by President Clinton’s trip.

But, China up to now was the last island of stability. And if they are affected by the crisis, then the world will go into unbelievable dimensions of downward spirals. If China were forced to devalue its currency, you would see a crisis developing, compared to which the present level would be nothing.

EIR: You mentioned that President Clinton is going to China next week. In a recent article on what China can expect from the Clinton administration, you made a surprising call for a new Non-Aligned Movement. Could you elaborate on that for our listeners?

Zepp-LaRouche: Yes. As you know, President Clinton will go on a state visit from June 25 to July 3. And this visit will take place under conditions of what can only be called a global catastrophe. Crisis management doesn’t function any more. The IMF is de facto bankrupt, after the U.S. Congress refused to vote up the \$18 billion of the U.S. contribution to the IMF. The derivatives bubble is about to burst in Indonesia, South Korea, Russia, other places.

So, one would think that the only way this visit could

become a success, is that the two governments should address that. But the big question is: Will they?

Now, let me locate this in the following way. Mr. LaRouche and I went to Moscow in April '94, and Mr. LaRouche addressed there a seminar with leading economists, a former prime minister, top-ranking scientists from different fields. And there he presented the idea that the only way in which the world could come out of this crisis, would be if a number of key nations were to return to the kind of alliance which Franklin D. Roosevelt had formulated at the end of the Second World War, namely, that the United States, China, Russia, India, and hopefully other nations, would ally, and together go for a reorganization of the bankrupt financial system, go for a New Bretton Woods, and reorganize the world on a more just basis.

Now, that was in April '94. And, well, there is no doubt that President Clinton personally, and I think his administration, puts the strategic partnership with China on a very high level. I mean, he gives it very great importance. There's also no question that President Clinton wants economic cooperation, that he indeed is all in favor of the kind of state-to-state cooperation in infrastructure projects that was pursued by his former Secretary of Commerce Ron Brown. And I'm also absolutely certain that President Clinton is fascinated by the very rich and beautiful 5,000-year-old Chinese culture.

But unfortunately, I don't think that this is enough. For a variety of reasons, I think that, at the latest since October '97, the Clinton administration has stopped seriously considering the kind of reorganization proposed by Mr. LaRouche. And unfortunately, the Clinton administration has taken, in the meantime, the indefensible position of defending such speculators as George Soros, in disregard of the fact that it was Soros who triggered the beginning of the Asia crisis in February '97, with his speculative attack on the Thai currency, the baht.

Now, you can not do that, because with this, the Clinton administration is defending exactly the same kind of international financial powers who, in the final instance, are really behind the scandal-mongering for which Starr and Gingrich and others have become somewhat infamous around the world.

The problem is, that the international financial powers know that their system is finished. And they are using people like Starr and Gingrich as the attack dogs to try to stop Clinton through an impeachment, so that he would not go for the kind of FDR reorganization. . . .

The problem is that despite the fact that the U.S. Secretary of the Treasury Rubin has attempted to organize what he called a new architecture for the world financial system, it is unfortunately nevertheless a fact that the United States *did* support the IMF and the World Bank, for example, in the case of Indonesia, with draconian austerity measures, which just are throwing that country into worse and worse crises every time the IMF intervenes.

It is unfortunately clear that as long as the United States supports the IMF, the World Bank, this for sure will lead to the disintegration of the financial system. And if the financial system collapses, this will bring the Clinton administration down. It is not Gingrich or Starr, or such people who potentially will lead to the fall of the Clinton administration, but it will be their own monetary policies. And because this still is the picture, one can not expect Clinton to define a China policy which would address the axioms of the strategic crisis, and seek the necessary kind of strategic cooperation with China.

Nevertheless, the New Bretton Woods solution proposed by Mr. LaRouche remains the only solution for the present crisis in the world. And therefore, since the financial crisis has demonstrated that all the countries of South Asia, of Southeast Asia, or East Asia have a common interest — China, India, the countries of Southeast Asia, all have worked for a modest industrial improvement, and improvement of the living standard of their people, and this has been threatened and destroyed by speculators in a matter of weeks.

Therefore, we are proposing the creation of a new Non-Aligned Movement, which puts together many countries so that they can support one another in the fight against globalization, that they can together impose the kind of protectionist measures which, by the way, the industrial countries took as their right, when they began their industrialization phase. This was the case for the United States; it was the case for Germany in the postwar reconstruction period, when the Kreditanstalt für Wiederaufbau, which was a kind of national bank, gave credit lines for very clearly defined purposes in the common interest of the country.

So, these countries must be allowed to do the same thing. And they must also go back to the kind of philosophy which still existed in the discussions, for example, when the Secretary General of the United Nations was U Thant, and there was a discussion about the so-called Second Development Decade, and the perspective existed for the developing countries to overcome their underdevelopment, an idea which has completely vanished in the meantime.

Now, if you look at another aspect of this, and that is the fact that both India and Pakistan conducted nuclear tests, they did this against the background of the Asia crisis. And they clearly wanted to establish their sovereign right to have the so-called dual-use technology. Dual-use technology is technology which can also be applied in the military domain. By what justification can you deny the majority of the world population access to the kinds of technologies which they absolutely need to overcome misery and poverty in their countries?

So, what the nuclear tests of these two countries actually signify, is the end of the kind of technological apartheid which was imposed by the globalists. And therefore, it must be seen as something very positive.

Now obviously, this is all very dangerous, not so much

because of India or Pakistan, but under conditions of a continued financial collapse. There is, for example, the danger of a breakup of Russia. If certain regions of Russia, like Siberia or other places, were to secede, and you would have nuclear weapons in the hands of regional mafias, or other forces, that indeed is very dangerous.

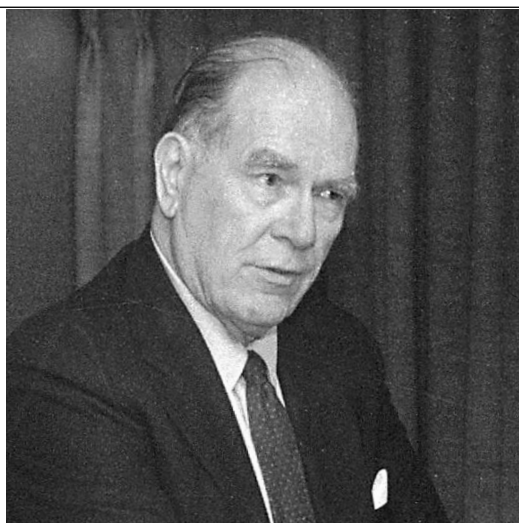
And therefore, there is only one sane approach to all of that, and that is a return to the kind of Strategic Defense Initiative which was worked out by Mr. LaRouche at the beginning of the 1980s, and which was adopted by the Reagan administration in 1983. Such an approach of developing a new strategic defense system, which indeed makes offensive weapons like nuclear weapons obsolete, and applies technologies based on new physical principles, in the form of a science-driver, to the civilian world economy, and in this way would lead to an increase in the productivity of the world economy—that indeed would be a way to overcome the present world depression.

Now obviously, some people, like certain think-tanks in Great Britain right now, want to put on the agenda the idea of a new condominium between the United States and China, as a way of countering the nuclear testing in India and Pakistan. This is dangerous. This is completely insane! And it would be a great misfortune if the discussion between the U.S. and

China at this summit, were to be focussed on such a narrow and wrong idea. I just hope this will not happen.

Now, what we propose instead, is that this new Non-Aligned Movement of countries like China, India—which, by the way, alone have already 40% of the world population, and if you add Southeast Asia, you have half of mankind living in this area—that they would combine the fight for a just new world economic order, with a strategy of a global SDI, a turn to a Mutual Survival Strategy, and have an idea for a vision of the 21st century.

If that were to be on the agenda between President Clinton and President Jiang Zemin and the Chinese government, that would indeed be an adequate response to the present situation. Now, I think the idea of a new Non-Aligned Movement is an absolutely crucial idea, because if the G-7 does not provide leadership in this extraordinary crisis, then the leadership must come from those people who represent the majority of the human race. And I can only say that nobody should think that the so-called Third World countries, or large countries like China, India, Indonesia, the fourth-largest country in the world, that these countries should be induced to accept policies like those which were the underlying policies of the G-7, of the United States, of Europe and Japan, policies which for 30 years have proven to be a complete failure.



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So, nobody should try to impose these policies on these countries. And I think we have reached the point in history where either we bring the political order in cohesion with the laws of the universe, or this civilization will not make it. And that is what's on the agenda.

EIR: I know that you're involved in a campaign for the restoration of Classical education in Germany. I think there would be tremendous interest in that in the United States, if people knew about it. Could you tell us something about it?

Zepp-LaRouche: Yes. This is not only a problem for Germany. This present financial crisis is not only a financial crisis, but it is part of what I call a civilizational crisis, where the entire culture which represented the high point of European culture, of 2,500 years, which is also the basis of Americans' culture, is about to be lost.

You have right now, just to mention one aspect of it: Not only is the knowledge of universal history virtually disappearing among the younger generations, but you also have an outbreak of youth violence in the United States, in Europe, in other places, which is absolutely breathtaking. If a country, if a society, looks at its own young people as the most dangerous component of its society, then that is a symptom of a dying civilization.

Now therefore, what I'm doing in Germany in particular, is that I'm trying to revive the greatest educational system which, in my view, ever existed, which is the Humboldt educational system of the 19th century — which is not outdated, as some people may think, simply because it defines as the goal of education that the outcome of education must be beauty of character: that pupils are not supposed to learn just technical skills for practical jobs, but that they have to develop their character, that they must take responsibility for their place in universal history, that they must know the tremendous contributions of all previous generations, to then know, from that standpoint, how to contribute to the future, and future generations.

Right now, the issue of education is probably — aside from the economic issue, you know, the unemployment, the financial meltdown, and so forth — education is the hottest issue in Germany, because anybody who is not completely immoral, understands that if we leave to our children a world which is in such a condition where drugs, Techno, the most horrible noise, rhythmic noise, which is not to be called music, is actually causing not only damage to the ears, but brain damage, so that people who are undergoing this for a long period of time, they indeed can not think any more, that their cognitive powers are severely hampered, that we can not leave the future world to these values.

But, we have to go back to the Classical values of Classical Greece, of the Italian Renaissance, of the German Classics, which have an idea of man as man in the image of God, as man infinitely capable of self-perfection.

G-8 sanctions will fuel chaos in Pakistan

by Ramtanu Maitra

Following the testing of nuclear devices in May by Pakistan in the Chagai Hills in the province of Baluchistan, the U.S. government, followed by the Group of Eight (G-8), has imposed tough economic sanctions, ostensibly to teach the Pakistanis a lesson. As has become routine, the White House wrung its hands in despair, blaming the nuclear tests and the U.S. law for further tightening the screws on an already debt-ridden Pakistan.

Considered an ally by some in Washington, Pakistan has long been suffering deeply because of its deteriorating financial situation, thanks to the International Monetary Fund (IMF)-World Bank and other paraphernalia associated with the moribund Bretton Woods system. Developed nations know in detail exactly how precarious Pakistan's financial status is. What no one seems interested in facing squarely, is the fact that the economic sanctions will have a devastating social effect with potentially dangerous political implications.

A few days prior to testing, Pakistan's Chief of Army Staff Gen. Jehangir Karamat, was overheard at a diplomatic function in Islamabad pointing out that, much more than India's acquired nuclear capabilities, the threat to Pakistan's security is its weak economy. General Karamat can be presumed to know what he's talking about, and one could surmise that the sanctions imposed by the G-8 will further undermine Pakistan's security and create internal dissension and chaos.

The IMF has already put on hold a \$1.6 billion financial aid package for Pakistan, despite the fact that the IMF review team reported back that Islamabad had complied with all its earlier demands.

Already in deep recession

Pakistan's economy is in deep recession. The real Gross Domestic Product grew by only 1.3% last year. Thanks to sanctions, the growth could be negative this year. External debt is \$25 billion, and the country's debt service bill, which amounts to more than 30% of Pakistan's export income, is growing steadily at a rate close to 7% annually.

Since 1987-88, poverty in Pakistan has also been rising steadily (following a fall between 1969-70 to 1987-88). Pakistan's 1997-98 economic survey reported: "Absolute poverty declined in Pakistan from 46.5% in 1969-70, to 17.3% in

1987-88. In the same period, rural poverty has declined from 49.1% to 18.3%, and in the urban areas it declined from 38.8% to about 15%. However, since 1987-88, poverty [has risen] in Pakistan. In 1992-93, 22.3% of the population had income below the poverty level compared with 17.3% in 1987-88. The rural poverty level at 26.2% and urban poverty at 21.7% in 1992-93 has also increased from the 1987-88 level."

The annual budget presented by Finance Minister Sartaj Aziz, is perhaps the most austere in Pakistan's recent history. The opposition has already called the budget anti-poor, which is certainly true, though it is not so by choice, but because of the financial constraints within which the Finance Minister had to draft the budget.

In order to meet the foreign debt repayments, which may be as high as \$600 million, at the end of June. Prime Minister Nawaz Sharif undertook a trip to West Asia. It is likely that the West Asian countries will bail Pakistan out from defaulting, but it will only mean paying back the creditors while pauperizing the people further.

The extremist danger

While this process may evoke only a "So what's new?" from those who walk the corridors of power in Washington, some in Pakistan assess the situation differently. Agha Masood, a former union minister and now a columnist with the largest Urdu newspaper, argues that Pakistan is on the brink of an Islamic fundamentalist takeover. "At this rate," Masood told a seminar recently, "it may be only four months before Qazi Hussain Ahmed [the Jamaat-e-Islami chief] will be in or close to the citadel of power." Similar fears were expressed by B.M. Kutty, a veteran of Pakistan's left politics and now the general secretary of Pakistan National Conference (PNC), a new multi-party alliance. Kutty insists that the fears expressed by Masood are real.

There is no question that the country's decade-long economic deprivation, together with the gathering of strength of the Afghans, the mujahideen that were organized and armed by Washington, London, and other crusaders against the Soviet occupation, have worked hand-in-hand in consolidating the extremists' base within Pakistan. The ferocity and frequency of Shia-Sunni sectarian riots in Punjab, the nearly daily ruthless killings in Karachi and other major cities of Sindh, chauvinist pressure for autonomy for the Pushtoons of the North West Frontier Province, and growing intolerance toward minorities—best reflected in more frequent exercise of the laws imposing mandatory death sentences on individuals accused of blasphemy against Islam—are there for all to see.

In the 1980s, the movers and shakers of the "Free World" gave Lt. Gen. Hameed Gul complete freedom to organize Afghan mujahideen against the invading Red Army. What came out of that is an immensely powerful Inter-Services Intelligence (ISI) under Gul, controlling the drug- and gun-

running rejects of the Muslim nations. It also made Afghanistan a killing field, peddling ethnic warfare, opium, and guns. The ISI, now further strengthened with the help of British and other foreign intelligence networks and mafias, was instrumental in bringing the Taliban to power in Afghanistan. In order to recruit the religious orthodox Taliban, help came from Maulana Fazlur Rehman, a Pakistani politician with a noticeable following in Baluchistan and the patron saint of the Taliban.

In the past, Gul and his rag-tag mujahideen jihadis, led by the corrupt and degenerate Gulbuddin Hekmatyar, gave the Soviet Army a run for its money. Now, some of the Russians are in the same drug-mafia network, and there are strong rumors that the religious chauvinists, with the protection of the ISI, are making forays into the neighboring Chinese province of Xinjiang, where a militant minority Muslim group is demanding secession from Beijing.

The arming of the Afghan mujahideen was considered a masterpiece by some geopoliticians, such as Zbigniew Brzezinski. Nonetheless, it pitched Pakistan into a future stocked with distress and agony. Now, by forcing upon the Pakistanis a fresh dose of economic hardship, it is likely that the G-8 will help yet another force, perhaps even more venal, to emerge in Pakistan's ragged social fabric.

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Ruiz resigns as 'mediator'

Zapatista "Commander" Bishop Samuel Ruiz abandons the charade of neutrality in Chiapas insurgency.

During mass on June 7, Samuel Ruiz, Bishop of San Cristóbal de las Casas, announced that he is ending his role as "mediator" between the so-called Zapatista National Liberation Army and the government, but not before issuing another of his provocations against the national government. Presenting himself as the bearer of a "special illumination" which led him to recognize "the legitimacy of the just causes" raised by the January 1994 Zapatista insurgency in Chiapas, he alluded to "a constant and growing government aggression" against himself, the diocese which he heads, and "the Catholic Church of the entire country."

The Mexican government rejected Ruiz's charges as "false and deceptive," stating that "differences with Mr. Samuel Ruiz are not over his pastoral labor," but rather relate to the fact that he "has used methods and supported actions which intrude on the political arena. . . . It is unacceptable that, under the pretext of defending Indian communities, the participation of foreigners [in Mexican affairs] should be promoted."

The Papal Nuncio in Mexico, Justo Mullor García, declared that Ruiz's resignation as mediator is not a point of friction between the Church and the government, and that for Ruiz, "it is better to return to his point of departure, which is that of a bishop and of a pastor."

Ruiz's resignation came as a result of a growing national campaign, by both Mexican government and Catholic Church layers, exposing him as a partisan of the Zapatista insurrection, and not the neutral mediator he likes

to pretend to be. Things reached the breaking point when Mexican President Ernesto Zedillo, on a visit to Chiapas, spoke out against those who advocate "the theology of violence"—an unmistakable reference to the schismatic bishop. Shortly thereafter, Ruiz tendered his resignation.

The drumbeat for Ruiz's ouster was started years earlier by the Ibero-American Solidarity Movement (MSIA) of Mexico, the political movement associated with the policies of Lyndon LaRouche. It published a poster against Ruiz, headlined "Wanted, for Treason," which made national headlines across Mexico every time it was reissued over the last couple of years; it charges Ruiz with being the "Commander" of the Zapatistas, and a follower of Nazi philosopher Martin Heidegger. Then, in April of this year, the MSIA circulated tens of thousands of copies of a 32-page pamphlet featuring an historical and political analysis of the networks behind Ruiz, written by LaRouche, entitled "Fidel Castro's French Connection" (see *EIR*, Jan. 23, 1998).

Three days after Ruiz's resignation, the Zapatistas had an armed confrontation with Chiapas police, for the first time since a truce was declared on Jan. 12, 1994. The clash occurred when the police undertook to reinstate the legally elected authorities in a town in northern Chiapas. The Army was forced to intervene on behalf of the state police, and during the confrontation, six guerrillas and one police officer died, while nine were injured and 56 members of the Zapatistas' so-called "social bases" were arrested.

Ruiz has now begun a highly publicized "pastoral tour" through his diocese, together with Assistant Bishop Raúl Vera López. His diocese is the only one in which armed groups have formed, drawn from what Ruiz calls "a new era," from which will emerge "something new and strong for the struggle."

Everything suggests that "the new era" to which Ruiz refers is a renewed effort to train recruits for his autochthonous church, so-called "catechists," of whom the majority of Zapatista militants constitute the armed part. Another part of Ruiz's "catechists" are drawn from the Zapatista propagandists and "social base."

In early June, the press released a letter, dated June 23, 1997, from Felipe Arizmendi, Bishop of Tapachula, Chiapas, in which he warned Ruiz and Vera about a pamphlet that was circulating among the Tapachula catechists, entitled "Christian Brothers, Do Not Fear the Fight for Justice," signed by their "Indian and Zapatista brothers." The pamphlet, wrote Arizmendi, "tries to justify armed struggle, using biblical quotes," and invites Indians to form autonomous and rebel townships.

The content, Arizmendi wrote, "makes one think that it was written by those who live and operate in territories of the San Cristóbal diocese . . . to promote all of the previously described actions. . . . Any person to whom this pamphlet comes and who has information about what it is trying to infuse in our catechists, would not hesitate to blame the San Cristóbal diocese as responsible . . . or at least tolerant of the mentality of the pamphlet and of the cited rebelliousness." Bishop Arizmendi called on Ruiz to distance himself from those who are distributing the pamphlet—something which neither Ruiz nor Vera have yet done.

MST's irregular warfare advances

Brazil's Landless Movement is using the drought in the northeast to expand its Jacobin insurgency.

The insurgency unleashed by the Landless Movement (MST) of Brazil, which has been aptly characterized by the leadership of that terrorist organization as "low-intensity civil war," is proceeding without significant obstacles. Without abandoning their strategic fronts, located in Rio Grande do Sul, Paraná, and the Amazon region of Pará, the MST has taken advantage of the chaos caused by the drought now ravaging 1,092 municipalities in the northeast and which is threatening 10 million Brazilians with starvation. The group has launched rapid-deployment operations throughout the area, such as looting food from warehouses and trucks, thus exercising their considerable mobilization capabilities.

To prepare for the social convulsions that are expected to occur because of disappearing food stocks and the drought, which President Fernando Henrique Cardoso's neo-liberal government had been warned of ahead of time, the MST deployed José Rainha, one of its national coordinators, to tour five states of the drought-plagued region to incite peasants to loot supermarkets and government-run food warehouses. Rainha runs the MST in the Pontal del Paranapanema region, in the state of São Paulo, and is the MST's Maoist military leader. In a May 20 harangue at an MST camp in Passira, in the state of Pernambuco, Rainha told peasants, "If you need to organize workers to loot, then loot, don't be afraid; go into the *latifundios*, don't be afraid; if comrades are jailed, fight for their freedom . . . in the plazas, in the streets; that is our place."

In the drought area known as the "polygon," which embraces eight states, the organizing presence of the MST is still small. However, using the support infrastructure provided by the Pastoral Land Commission, which is dominated by the existentialist Theology of Liberation faction of the Catholic Church, the MST is increasing its influence with each day the drought continues, and it has turned this impoverished area of the country into a powderkeg.

According to Federal Police reports, there have been formal charges brought in only 20% of the looting incidents, all led by MST cadre. The Cardoso government has reluctantly called in the Army to protect trucks transporting food to the northeast. A large percentage of the looting has been carried out to supply the MST's own camps. After several incidents of looting involving the MST, the government decided to cut off food aid to those families living in the MST's camps.

As *EIR* has documented, the MST—which was conceived from abroad by organizations under the domination of the British monarchy—owes its growth to the government of President Cardoso, in part due to the aid that it has received through government social programs. For example, in 1995, the government distributed 24,086 food baskets to the MST camps; in 1996, they increased donations to 252,295 baskets, and in 1997, to 416,433. That is, 10,410 tons of food went to this narco-terrorist outfit, courtesy of the Cardoso government!

Trained in guerrilla warfare, the

MST is highly aggressive, especially in Pernambuco, where it carries out carefully planned military actions. According to sources, there have been numerous assaults carried out by MST militants under the command of Cuban military intelligence personnel with combat experience in Angola in the 1980s. This should come as no surprise, since the MST is an affiliate of the São Paulo Forum, a narco-terrorist umbrella organization created in 1990 on the joint initiative of Fidel Castro's Cuban Communist Party and the Brazilian Workers Party (PT).

It has also been reported that in Paraná, where the MST has launched a separatist operation to create the so-called independent republic of "Pontal," North Korean military advisers are assisting the MST. This is occurring in São Paulo, the first state in which the MST launched quasi-terrorist actions, ordering impoverished peasants to occupy banks in the region.

With its eye on the Brazilian Presidential elections at the end of this year, the MST is combining its Jacobin insurgency tactics with playing its so-called "democracy" card, by backing the Presidential candidate of the PT, Luís Inácio "Lula" da Silva. The MST has also intensified its links to Mexico's Zapatista National Liberation Army, which is running a separatist insurgency in that country's southeastern state of Chiapas. At the same time, inside the PT, the bloody model of the Colombian Revolutionary Armed Forces (FARC) and ELN narco-terrorists is growing increasingly influential. "The difference is that the Zapatistas defend the Indians," PT Congressman Milton Tremer told the June 3 issue of *Veja* magazine. "I would say that the MST has something in common with the FARC. In this case, the difference is that the FARC is already an armed movement, and the MST isn't."

International Intelligence

India holds maneuvers with Iran, Saudi Arabia

For the first time, India has held separate naval exercises with Iran, and joint exercises with Saudi Arabia and Kuwait, sending powerful signals about the emerging security equations between South Asia and the Persian Gulf after the nuclear tests by New Delhi and Islamabad. Both sets of exercises took place in the Persian Gulf.

India's decision to hold exercises with Iran, despite the U.S. bid to isolate Tehran, is also an assertion of New Delhi's independent foreign policy. "There is an element of defiance to the United States in these maneuvers," an observer said. For Iran, such exercises with India are a demonstration that it continues to play an effective regional role, despite an attempt to isolate it. India is also keen to add a security dimension to its ties with Iran. Iran is one of the key hydrocarbon suppliers to India; and New Delhi and Tehran are still thinking about constructing a gas pipeline along the sea bed. Naval cooperation can be one of the means of ensuring the security of such a passage.

Australian maritime union sues government

The Maritime Union of Australia has brought suit against the government, charging that it conspired with stevedoring companies to break the union, according to the June 5 *Australian Financial Review*. Leaked cabinet memos have revealed that the Australian government used an "activist" strategy on the waterfront, including pushing the idea that stevedoring companies could sack their unionized workforce to rehire "new people under different arrangements."

The parliamentary opposition exposed the existence of the cabinet papers in Parliament on June 4. The assistant secretary of the Australian Council of Trade Unions (ACTU), Greg Combet, said that the cabinet document completely contradicts earlier denials by Prime Minister John Howard and Minister for Industrial Relations Peter Reith,

that they had any knowledge of Patrick's plans to replace its unionized workforce.

Patrick and the MUA are currently negotiating the terms under which Patrick will hire back its workers. Most likely, a number of workers will be permanently laid off, and the rest will suffer significant changes for the worse to their working conditions and pay. P&O Ports, the subsidiary of the old drug-trading firm, Peninsular and Orient Steamship Navigation, is also pressing the MUA hard.

British factions emerge around Sudan policy

Parallel to the royal fight that has broken out around the murder of Princess Diana, there is evidence that differences are also emerging inside the British establishment, around Sudan policy. On June 7, Minister of International Cooperation Clare Short (who replaced the Tories' Lady Lynda Chalker, when Labour came to power) told Independent Television that her representative to southern Sudan had reported back, that the Sudanese People's Liberation Army of John Garang (and Lady Chalker) was receiving food and distributing it. She was apparently referring to the food sent as humanitarian aid, and intended for civilians. Her representative, she reported, said that the rebel SPLA soldiers were well-fed. When asked about arms supplies to the SPLA, she responded only: "Good question."

Although Short's account conflicts radically with the barrage of propaganda from Christian Solidarity Worldwide's Lady Caroline Cox, no major print media covered it, except the *Daily Mail*, which mooted Short may lose her job. Short had previously been quoted as criticizing the non-governmental organizations that were continuing to pour in food to the rebels, because this weakened the pressure on the rebels to agree to a ceasefire, which the Sudanese government has been demanding, or to come to terms with the peace process.

The recent stories played up in the *Baltimore Sun* and British press from Cox et al., claim that Khartoum is starving the southern

population in Bahr al Ghazal, by refusing to allow humanitarian aid to be sent in. Cox, who visited the area in May, had herself photographed with undernourished children. In fact, Cox was visiting an area devastated by the rebel forces of Kerobino, which had met with stiff resistance from local tribesmen, who objected to the rebels' stealing their herds and destroying their livelihoods.

Iraqis welcome possible end to deadly sanctions

EIR sources in the Mideast report that the news of an agreement struck between Iraq's Deputy Prime Minister Tariq Aziz and UN-SCOM head Richard Butler, to end UN inspections in two months, and to proceed, following Butler's report to the UN Security Council, to lift the embargo, has been greeted with enthusiasm. It is being presented as a victory against Butler and the UN, as well as a victory "against the U.S." In reality, the decision to ease the sanctions has been coordinated in Washington. Butler himself admitted that it would not have come about without the forceful intervention of UN Secretary General Kofi Annan, who had coordinated his mission to Baghdad with President Clinton.

The good news for Iraq—though much too late, and after the death of countless civilians—loses some of its luster, against the backdrop of the financial and economic collapse worldwide, which is pulling the international oil price down daily, to the detriment of Iraq's battered economy.

Ireland's 'Jackal' worked closely with British SAS

News reports took advantage of the death in early June of Irish loyalist paramilitary Robin "The Jackal" Jackson, to make further revelations about British Army, Secret Air Services, and MI5 infiltration of the loyalist paramilitaries, and the Royal Ulster Constabulary, Northern Ireland's police force. Jackson's role in terrorizing Catholics was legendary, but his contacts with the British

KOSOVA PRESIDENT Ibrahim Rugova was received by French President Jacques Chirac on June 15. Chirac denounced the "brutal intervention by the Serbs which is causing the exodus of Kosovars, the death of many," and which displays "once again, in reality, their desire to go for ethnic cleansing."

PAPUA NEW GUINEA Prime Minister Bill Skate and Indonesian President B.J. Habibie signed a Memorandum of Understanding on June 4, aimed at providing a framework for improved relations between the two neighbors. P.N.G. has agreed to support Indonesia's inclusion in the South Pacific Forum, and Indonesia will support P.N.G.'s inclusion as a permanent associate member of the Association of Southeast Asian Nations.

MALAYSIAN Prime Minister Mahathir bin Mohammed poked fun at charges of "cronyism," during a speech on June 13. He said that students who received scholarships, people with good jobs, and investors in *bumiputra* (indigenous Malay) trust funds are all his "cronies." "I think I have 6 million cronies [because] some 6 million *bumiputras* have been able to invest in shares of companies. . . . We could have given the shares to those close to our hearts, but we did not."

IRVING MOSCOWITZ, the Miami bingo king and bankroller of the most radical Israeli settlers, was given permission to build 58 housing units on the Mount of Olives in Arab East Jerusalem. Meanwhile, a group of American Jewish peace activists protested the occupation of Palestinian houses by the Jewish settlers in the Silwan district of East Jerusalem.

CAMBODIA has registered 90% of its eligible voters over the past month for general elections on July 26. A member of the European Union's election assistance unit told one daily that "the determination of Cambodians to register has been absolutely remarkable."

SAS, have only recently seen the light of day.

The facts of his role have been featured in a new book, *The Committee: Political Assassination in Northern Ireland*, by Sean McPhilemy. The book is banned from sale in London; however, the publisher reports that its first printing in the United States sold out in less than a month. *EIR* is receiving reports that many in Britain and Northern Ireland are accessing the book via the Internet or underground networks. These continuing revelations will likely have an important impact on the battle over the composition of the new police reform commission mandated by the recently adopted peace accord.

Arafat: Palestine will be an independent state

In an interview with Germany's *Die Welt* on June 8, Palestinian Authority President Yasser Arafat confirmed his intention to announce the establishment of an independent Palestinian state, by next year. Arafat said, "Only such a state guarantees durable and stable peace in the region." He said that he had had "many consultations with many friends—in the Arab world, in Europe, Asia, and Africa," adding, "We would like the birth of the state to be perfect."

Regarding expected immigration into a Palestinian state, he said, "In the West Bank and Gaza there are 3 million Palestinians, almost half of them living in refugee camps under conditions beneath human dignity. These camps have to be finally eliminated, as per the UN decisions. Then there are the 6 million Palestinians who are scattered in the winds everywhere." They, he said, all had the right to return.

Regarding the deadlock around Israeli withdrawals from territory destined for the Palestinians, Arafat made several points: First, that although he agreed to the 13% Israeli withdrawal offered by the United States, as a means to restart the peace process, he does not agree that that satisfies the demands covered in the Oslo Accords. Oslo, he recalled, stipulated that the West Bank and Gaza constituted "a geographical unity,

which Israel should withdraw from completely."

He said: "In the Oslo treaty, there is the security of Israel, not of the settlers. We made peace with Israel within the 1967 borders, and not with the settlers." He repeated several times that Israeli Prime Minister Benjamin Netanyahu's policy has been to encourage new illegal settlements, as a means of breaking up Palestinian territory, creating a "leopard skin" map, preventing any unity, and, obviously, preempting the possibility of a Palestinian capital in East Jerusalem.

In Rome, Arafat met with Pope John Paul II on June 12, and extended an invitation for the Pope to visit Bethlehem, to celebrate the millennium. The Pope accepted the invitation "in principle." He had earlier turned down an invitation by Netanyahu to visit Jerusalem for the Jubilee.

Roland Dumas deeper in trouble in France

The two judges investigating the possible financial illegalities by Constitutional Court President Roland Dumas have opened up a new line of interrogatories, seeking to find out why, between 1991 and 1996, Dumas's personal checking account at Crédit Lyonnais was credited with 9,270,730 francs (\$1.5 million), FF 3,299,500 of which was in cash.

According to French money-laundering laws, cash deposits over 10,000 francs must be justified. Moreover, public officeholders may not legally undertake private jobs; Dumas, during 1991-93, was French Foreign Minister. During that time, his professional checking account at his law office was also credited with FF 10,783,280.

It was in 1992 that Dumas's mistress, Christine Deviers-Joncour, got FF 46 million in kickbacks from Elf Aquitaine, when she also withdrew large amounts of cash from Swiss accounts. If the judges find any connection between her cash withdrawals and his cash deposit, then they have proven the case of corruption. The judges let it be known that Dumas had not been able to explain the cash deposit.

News media 'partnership' with Starr is exposed

by Edward Spannaus

The news media loves to dish it out, but it can't take it. What else can you conclude from watching the media's reaction to "Pressgate," the bombshell article published in the premiere issue of the new media magazine *Brill's Content*?

"Utterly garbage," responded *Newsweek's* Michael Isikoff. "Complete and total hogwash," sputtered NBC's David Bloom. "You have defamed me and damaged my reputation," squealed *Washington Post* Whitewater reporter Susan Schmidt.

Although the media have chosen to focus on the back-and-forth between author Steve Brill and independent counsel Kenneth Starr, Starr was, in fact, *not* the subject of the article. "This was a piece about the press and press coverage," Brill said on CNN's Larry King show on June 16. He added that if he had never interviewed Starr, "I would have had much the same piece."

What Brill did, with his thoroughly documented account of the "partnership" between the news media and Starr's office, was to show how Starr's prosecutors provided leaks to selected reporters for the major news media, and how those same media then became a "cheering section" for Starr's crusade against the President. Brill contends that a detailed examination of the first few weeks of the media frenzy around the Monica Lewinsky affair "raises the question of whether the press has abandoned its Watergate glory of being a *check* on official abuse of power"; in this matter, Brill argues, "the press seems to have become an enabler of Starr's abuse of power."

Most of the screaming is coming from people who appear not to have read Brill's 24,000-word article, but only received second-hand accounts of it. The primary documentation in Brill's article consists of the stories put out by the reporters themselves, on television and in the print media. The day-by-

day account of the media feeding frenzy that erupted after the Lewinsky story broke on Jan. 21, including quotes from the articles, news broadcasts, and television talk-shows which flooded the nation with leaks, rumors, and speculation about President Clinton and Lewinsky, is the most devastating indictment that can be lodged against the news media. They are hung by their own words.

Starr's stenographers

Brill's primary accusation against most of the major news media is that they accepted, uncritically, leaks from Starr's office, and then broadcast and published those leaks as the truth. Thus, Brill describes Susan Schmidt of the *Washington Post* as doing "stenography" for the prosecutors, and as "softening" Starr's image for the public. "The most laughable lap-dog-like work" is done by NBC's David Bloom, Brill writes, also labelling Bloom a stenographer for Starr.

In the course of preparing his article, Brill interviewed Starr in mid-April. During an on-the-record interview, the independent counsel acknowledged that he and his office have frequently provided "background" briefings to reporters. Starr insisted that he and his deputies had done nothing improper, and that they had not violated the law against disclosure of grand jury material. Starr attempted to justify this with the sophistry of arguing that if his office talks about what witnesses say *before* they go in front of the grand jury, then it is not "grand jury information."

After the publication of the article, Starr denounced it as a "reckless and irresponsible" attack on the Office of the Independent Counsel (OIC) which "borders on libelous." But, amidst all of Starr's fulminations, he never says that he was misquoted by Brill, only that his statements were

taken “out of context” and misinterpreted.

Brill’s article identifies the major leak points for Starr’s office as the *Washington Post*, *Newsweek*, the *New York Times*, ABC News, and NBC News. The primary leaker is identified as Jackie Bennett, Starr’s deputy in his Washington office. As *EIR* has shown (March 6, 1998), Bennett is a career Justice Department prosecutor, previously assigned to the so-called Public Integrity Section, who specializes in targeting elected officials. Bennett has a well-deserved reputation as a “schoolyard bully.”

While Brill’s “Pressgate” article was in preparation, another writer also documented how leaks were orchestrated from Starr’s office. Late last month, Dan Moldea — who has just published a book on the Vincent Foster case — told of a conversation he had with Hickman Ewing, Starr’s top deputy in Little Rock, Arkansas, in which Ewing described how the OIC conducted leaks to the news media. Ewing said that Starr personally approves the leaks and who gets them.

Moldea said that Ewing told him that the OIC “talks freely with reporters . . . and gives them the OIC’s position on controversial issues along with occasionally providing information which is not on the public record. This information is provided to approved writers on an off-the-record basis.” Ewing told Moldea that if the reporter is in agreement with Starr’s office, “then the OIC will speak more freely with the reporter seeking inside information.”

While Moldea and Brill acknowledge that it is the group of reporters regarded as friendly by Starr, who get the leaks, what they leave unsaid, is that those reporters regarded as hostile to Starr, get the subpoenas. In Starr’s twisted mind, any reporter who publishes criticism of the OIC is guilty of obstruction of justice and worse.

Brill’s challenge to Starr

During a discussion on the Larry King show on June 16, Brill suggested a simple way to clear up the controversy created by the article and Starr’s denial of having leaked secret information to reporters. What Starr can do, Brill proposed, is to release the logs of all the contacts that OIC has had with reporters, and disclose what he and Bennett told those reporters.

Second, Brill said, since Starr claims that there is no significance to the fact that his briefings to reporters were on background instead of on-the-record, Starr should release the reporters from the promises of confidentiality which he apparently extracted from them. The reporters now claim that they cannot acknowledge whether Starr or a deputy were their sources, because of the assurances of secrecy given to confidential news sources.

For all his protestations, Starr has been unable to explain, if all of his contacts with reporters were totally proper and did not involve secret information, why were his briefings done on the condition of anonymity, instead of on-the-record, where the source could be named?

Starr’s setbacks

The Brill article is not Starr’s only problem of late. Since March, Starr has been trying to maneuver his way around serious charges of witness-tampering and prosecutorial misconduct involving his key Little Rock witness David Hale. Over \$2 million was funnelled from “Daddy Warbucks” Richard Mellon Scaife, through the *American Spectator* magazine’s tax-exempt foundation, into the so-called “Arkansas Project,” whose purpose was to dig up dirt on Clinton and to create and purchase witnesses against the President and his associates. In an April 16 letter to Attorney General Janet Reno, Starr acknowledged that there were “FBI-supervised contacts” between Hale and operatives of the Scaife-financed *American Spectator* project; there are also allegations that Hale directly received cash payments and other amenities from operatives of the anti-Clinton “Arkansas Project.” Starr has designated a former Justice Department official, Michael Shaheen, to investigate the witness-tampering allegations and to report to a panel of retired judges.

On April 1, a Federal judge threw out of court the civil suit brought against President Clinton by Paula Jones. It was the Jones lawsuit which provided the pretext for Starr to seize upon the Monica Lewinsky perjury and obstruction-of-justice allegations, permitting Starr to piggyback an investigation of the President’s sex life onto his failed Whitewater probe. The dismissal of the Jones case weakened—but did not terminate—Starr’s efforts to criminalize the Jones civil case.

Then, in late May, Starr went on a frantic drive to induce the U.S. Supreme Court to bypass its normal procedures and to intervene on an emergency basis, to decide the appeals of rulings involving grand jury witnesses. Starr explicitly raised the issue of indictments and impeachment of the President in his pleadings to the high court. But on June 4, the Supreme Court rejected Starr’s demands—ensuring that it will not hear the appeals on Starr’s cases until this fall.

Starr had reportedly promised House Speaker Newt Gingrich (R-Ga.) that he would deliver an impeachment report to the House of Representatives by the end of June. However, apart from Gingrich, much of the Republican leadership is getting cold feet over the prospect of conducting impeachment hearings against a currently popular President, and are sending broad hints to Starr that he should not send an “incomplete” report to the House—translated, this means, “We don’t want to deal with this until after the November elections.”

With new demands now coming from the White House for an independent investigation of Starr’s leaking and his violation of grand jury secrecy laws, Starr is even more desperate. On June 14, Presidential adviser Rahm Emanuel called the revelations “a cloud that hangs over the Office of the Independent Counsel.” But, meanwhile, Starr’s grand jury inquisition against the President, and his threats and intimidation against witnesses, proceed—and will continue until someone in a position to do so, has the courage to rein him in.

Battle rages around McDade-Murtha 'Citizens Protection Act of 1998'

Lobbying efforts are intensifying on Capitol Hill, both on the part of those seeking passage of the Citizens Protection Act of 1998, and of those determined to block it at all costs. The bill, H.R. 3396, was introduced on March 5 by Representatives Joseph McDade (R-Pa.) and John Murtha (D-Pa.), and is designed to clean up prosecutorial abuses by the permanent bureaucracy in the Department of Justice and other government agencies (see "Exonerate LaRouche to Stop America's Political Lynchings," *EIR*, May 15, 1998). As of June 18, the bill has 167 Congressional co-sponsors, out of 218 that would be required to force the Congressional leadership to hold hearings.

The Schiller Institute has sponsored several delegations of dignitaries from around the country, to meet with Congressmen and their aides, and to press for passage of the bill. They are insisting that the case of Lyndon H. LaRouche, Jr. be placed at the center of Congressional hearings on the matter. As *EIR* reported on June 5, the railroad prosecution of LaRouche and his associates manifested nearly all the areas of prosecutorial misconduct that the bill covers, including indictment without probable cause; failure to promptly release information that would exonerate a person under indictment; intentional misleading of a court as to the guilt of any person; intentional or knowing misstatement of evidence, etc.

This mobilization has drawn opposition from the Department of Justice and its advocates. The National Association of U.S. Attorneys has not only sent out a letter opposing McDade-Murtha, but is descending upon Congressional offices to lobby against it.

Attorney General Janet Reno, at her weekly press conference at the Justice Department on June 18, denounced the bill, and said she would advise the President to veto it, should it pass the Congress.

In response to a question on McDade-Murtha, Reno said: "Well, I think the sponsors of this bill are trying to solve a problem that really doesn't exist. I've had a chance to review on a regular basis the complaints that are received, and they are few and far between, considering the thousands of lawyers within the department. They are—the lawyers of this department are really extraordinarily dedicated. I have watched them in action. I've seen the results of their work.

And I think that the standards they exhibit don't require something like this in the least.

"The bill constitutes, I think, an unjustified and an unwarranted interference with lawful and effective Federal law enforcement. I think it would interfere with that effort, and if the bill passes, I'm going to strongly urge the President to veto it."

Asked what is "driving" this bill, she continued:

"I don't know exactly what's driving it, but my message to everyone is that we're committed to ensuring that our attorneys and our employees conform to the highest standards of conduct. We have a formal disciplinary proceeding for attorneys, which is administered by the Office of Professional Responsibility. The department's law enforcement agencies have their own Office of Professional Responsibility or are reviewed by the inspector general. The department has an extensive training program in legal ethics, and each United States Attorney's office has at least one professional responsibility officer whose job it is to provide guidance and advice. I think there is a good procedure in place.

"I think one of the points that has been raised is that it would—in a multi-jurisdictional drug case which involved ten different states, it would require that the lawyer decide if he was in compliance with the disciplinary rules and rules of professional responsibility in one state, then the next state, then the next state. And I just don't think that that contributes to effective law enforcement.

"The bill would create a misconduct review board with unprecedented power to obtain and make public information concerning ongoing investigations, classified material, and other confidential information. It could be read to suggest that in the middle of a prosecution, if someone wanted to interfere with that prosecution, this board could bring it to a screaming halt.

"There is a mechanism, a very clear mechanism, that we have relied on for 200 years of our history, in which the parties are in a court. A judge decides the case. They have the right to take an appeal, and they have other appellate procedures. I think that the system of justice has worked well, and I think it would be a terrible mistake to affect it in this way."

The following are the co-sponsors of the bill, so far.

Alabama
 Robert Aderholt (R)
 Spencer Bachus (R)
 H.L. (Sonny) Callahan (R)
 Earl Hilliard (D)
 Bob Riley (R)

Alaska
 Don Young (R)

Arizona
 Ed Pastor (D)
 Bob Stump (R)

Arkansas
 Jay Dickey (R)

California
 Brian P. Bilbray (R)
 Ken Calvert (R)
 Tom Campbell (R)
 Gary A. Condit (D)
 Christopher Cox (R)
 Randy (Duke) Cunningham (R)
 John T. Doolittle (R)
 David Dreier (R)
 Vic Fazio (D)
 Elton Gallegly (R)
 Stephen Horn (R)
 Duncan Hunter (R)
 Jay Kim (R)
 Jerry Lewis (R)
 Matthew G. Martinez (D)
 Ron Packard (R)
 Nancy Pelosi (D)
 Richard W. Pombo (R)
 Dana Rohrabacher (R)
 Esteban E. Torres (D)

Colorado
 Joel Hefley (R)
 Dan Schaefer (R)

Connecticut
 Rosa DeLauro (D)
 Nancy L. Johnson (R)

District of Columbia
 Eleanor Holmes Norton (D)

Florida
 Michael Bilirakis (R)
 Mark Foley (R)
 Tillie K. Fowler (R)
 Porter Goss (R)
 Alcee Hastings (D)
 Carrie P. Meek (D)
 John L. Mica (R)

Dan Miller (R)
 Joe Scarborough (R)
 E. Clay Shaw, Jr. (R)
 Clifford B. Stearns (R)
 Karen L. Thurman (D)
 C.W. Bill Young (R)

Georgia
 Mac Collins (R)
 Jack Kingston (R)
 Charlie Norwood (R)

Idaho
 Helen Chenoweth (R)
 Michael Crapo (R)

Illinois
 Danny Davis (D)
 Harris Fawell (R)
 Ray LaHood (R)
 William O. Lipinski (D)
 Donald Manzullo (R)
 Bobby Rush (D)

Indiana
 Steve Buyer (R)
 David M. McIntosh (R)
 John Hostettler (R)
 Peter J. Visclosky (D)

Iowa
 Jim Nussle (R)

Kentucky
 Anne Northup (R)

Louisiana
 William Jefferson (D)
 Chris John (D)
 Bob Livingston (R)
 Billy Tauzin (R)

Maine
 John Elias Baldacci (D)

Massachusetts
 Joe Moakley (D)

Maryland
 Elijah Cummings (D)
 Wayne Gilchrest (R)
 Albert Wynn (D)

Michigan
 Vern Ehlers (R)
 Dale Kildee (D)
 Joe Knollenberg (R)
 Lynn Rivers (D)

Minnesota
 Bill Luther (D)

Mississippi
 Mike Parker (R)
 Charles Pickering (R)

Bennie Thompson (D)
 Roger F. Wicker (R)

Missouri
 William (Bill) Clay (D)
 Pat Danner (D)

Montana
 Rick Hill (R)

New Jersey
 Rodney P. Frelinghuysen (R)
 Frank A. LoBiondo (R)
 H. James Saxton (R)
 Chris Smith (R)

New Mexico
 Bill Redmond (R)
 Joe Skeen (R)

New York
 Sherwood Boehlert (R)
 Michael P. Forbes (R)
 Benjamin A. Gilman (R)
 Amory Houghton (R)
 Sue W. Kelly (R)
 Peter T. King (R)
 Rick A. Lazio (R)
 Tom Manton (D)
 Gerald B.H. Solomon (R)
 James T. Walsh (R)

North Carolina
 Cass Ballenger (R)
 Bill Hefner (D)
 Charles H. Taylor (R)

Ohio
 Paul Gillmor (R)
 David L. Hobson (R)
 Marcy Kaptur (D)
 Steven C. LaTourette (R)
 Bob Ney (R)
 Deborah Pryce (R)
 Ralph S. Regula (R)
 Louis Stokes (D)
 Ted Strickland (D)
 James A. Traficant (D)

Oklahoma
 Tom Coburn (R)
 Ernest Jim Istook (R)
 Wes Watkins (R)
 J.C. Watts, Jr. (R)

Oregon
 Robert (Bob) Smith (R)

Pennsylvania
 Robert A. Borski (D)
 Robert Brady (D)
 Mike Doyle (D)

Philip S. English (R)
 Chaka Fattah (D)
 Bill Goodling (R)
 Jim Greenwood (R)
 Tim Holden (D)
 Paul E. Kanjorski (D)
 Ron Klink (D)
 Frank Mascara (D)
 Joseph McDade (R)
 Paul McHale (D)
 John P. Murtha (D)
 John Peterson (R)
 Joseph R. Pitts (R)
 Curt Weldon (R)

South Carolina
 James E. Clyburn (D)
 Lindsay Graham (R)
 Floyd D. Spence (R)

Tennessee
 Bob Clement (D)
 John J. Duncan (R)
 Harold Ford (D)
 Zach Wamp (R)

Texas
 Ken Bentsen (D)
 Henry Bonilla (R)
 Tom DeLay (R)
 Chet Edwards (D)
 Gene Green (D)
 Ruben Hinojosa (D)
 Sheila Jackson Lee (D)
 Silvestre Reyes (D)
 Ciro Rodriguez (D)

Utah
 Merrill Cook (R)
 James V. Hansen (R)

Virginia
 Thomas J. Bliley, Jr. (R)
 Bob Goodlatte (R)
 Jim Moran (D)
 Owen Pickett (D)
 Robert C. (Bobby) Scott (D)
 Norman Sisisky (D)

Washington
 Norm Dicks (D)
 Jennifer B. Dunn (R)
 Doc Hastings (R)
 George R. Nethercutt, Jr. (R)
 Adam Smith (D)

West Virginia
 Alan B. Mollohan (D)
 Nick J. Rahall (D)

Fight emerges over LaRouche's role in Va. Democratic Party

by Nancy Spannaus

In February 1990, during a Virginia Democratic Party Central Committee meeting in Richmond, arrogant party chairman Paul Goldman announced that there was no qualified Democrat available to run for office against incumbent Republican Sen. John Warner. When I stood up and said, "That's a lie," the cowardly Goldman called the police and had me removed from the room, as many of the assembled Democrats jeered me. No one publicly objected to Goldman's actions.

What a contrast was the scene at the Democratic Central Committee meeting held on June 13, 1998. At the conclusion of that meeting, state party chairman Ken Plum announced that, at a May 2 meeting, the party's Steering Committee had voted to uphold the Loudoun County Democratic Committee's (LCDC) denial of membership to associates of Lyndon LaRouche. A longtime Democratic activist from the 8th Congressional District (whom I had never even met), stood up to demand that the vote be reconsidered by the full Central Committee, and overturned. After a short debate, the full committee, without any dissent, agreed to debate the matter at its next meeting in September.

The contrast between those two meetings highlights some of what has changed in the Democratic Party over the last eight years. Having lost all statewide races since 1994, the Virginia Democrats are now an embattled organization, fighting for a pathway to regain political support. Leading Democrats, including Democratic National Committee member and Virginia AFL-CIO head Danny LeBlanc, are flirting with the Republicans, thus threatening even greater losses for the party. Under these conditions, for the first time, some party leaders have decided that they have to stand up publicly against those forces in the party who have attempted to exclude, and destroy, Lyndon LaRouche and his associates.

In fact, those forces who orchestrated the 11-10 Steering Committee vote supporting the LCDC's removal of LaRouche associates, including this author, are the same as those who organized the 1990 expulsion. They are friends of the same Paul Goldman, who still puts himself forward as the architect of the "successful" era of the party, and has made bids since the 1997 gubernatorial loss, to put his own people into control of the party. Among them are Larry Framme, mid-1980s chair of the party; Abbi Easter, longtime treasurer of the party; and Danny LeBlanc, the AFL-CIO head who has

played a major role in bankrolling the party, but consistently endorses candidates and strategies which compromise labor's vital interests. (LeBlanc also distinguished himself in 1990 by threatening to have me arrested, when I visited his office to obtain a candidate's questionnaire.)

What's at stake

What lies ahead is a nearly three-month political battle over the role of LaRouche Democrats in the party. The result of this battle will go a long way to deciding if the Virginia party will revive.

The LCDC position against LaRouche is based upon the body of lies and slanders which have been circulated by the public-private concert of action that persecuted and prosecuted the LaRouche movement from at least 1982 on. The grouping, which I have dubbed the "Loudoun loonies," argues that LaRouche and his associates are "not Democrats" because, number one, LaRouche opposed those "turncoat" Democrats who worked with the Republicans to put LaRouche in prison; and, number two, LaRouche is described by his enemies in the organized-crime linked Anti-Defamation League of B'nai B'rith and pro-drug-legalization circles, among other places, as "anti-Semitic" and "racist."

While many Virginia Democrats might have been susceptible to the LCDC argument years ago, things began to change substantially in 1994, when LaRouche Democrats, led by this author's Defeat That Son-of-a-Bush Committee, played a decisive role in derailing Oliver North's GOP bid for a seat in the U.S. Senate. Since that time, LaRouche Democrats have maintained a strong attack on the Pat Robertson circles around North, which also happen to be the major base for the assault on the Presidency, and for the anti-human policies of Virginia's Republican Governors George Allen and Jim Gilmore.

The potential for LaRouche Democrats helping to turn around the party's decline was greatly damaged in 1996, when national party chairman Donald Fowler successfully ordered the Virginia leadership to invalidate two duly-elected LaRouche delegates to the Democratic National Convention. This led to a court case, which is still before the Federal court of appeals, in which LaRouche argued that the party was violating the Voting Rights Act.

As in 1990, many longtime party activists, particularly in the pro-civil rights regions of the state, knew that Fowler was wrong. They also are fully aware that the prosecutions against LaRouche, and his Virginia associates who are still in jail, were political injustices. The first signs of moves against the anti-LaRouche witch-hunt came when the 10th District Democratic Committee unanimously overturned Loudoun's expulsion, in February 1998. Now the fight has escalated, to involving the full statewide Central Committee.

As I said in my letter to the full party leadership, "Democrats must begin to represent the principles of FDR and JFK again — and that requires including LaRouche." There is now hope that this will occur.

U.S. strikes attack globalization

The corporate quest for "cheap labor" has been a disaster for both U.S. and Third World workers.

Two significant strikes are protesting the effects of "globalization" in the United States. In Flint, Michigan, home of General Motors Corp., 9,200 workers at two United Auto Workers locals are striking to stop GM's threatened layoff of up to 11,000 employees, their jobs to be shipped abroad to such cheap-labor areas as China, Thailand, and Mexico. In Philadelphia, 5,500 city and suburban transit employees have been on strike since June 2 against the Southeastern Pennsylvania Transit Authority (SEPTA), which runs Philadelphia's transit system. The strikers are protesting 47 take-away demands by SEPTA, including plans to hire 100 part-time workers with *no* benefits, and to reduce the wages of new hires to 60% of the going wage.

As the global financial system continues to disintegrate, forcing affected nations around the world to slash export prices to survive, American companies are responding by squeezing their labor forces to the bone, to remain "competitive" in an increasingly dog-eat-dog world.

In a June 12 interview with this news service, Norman McComb, first vice president of striking UAW Local 659 in Flint, pointed to the insanity of this situation: "As they continue to disinvest in this country and invest in Mexico and new plants in Korea and China and Germany and everywhere else, they are going into what they call a 'global market,' but it's at the expense of the workers and the American people, and it's not for investment overseas for their economy. . . ."

"You take these Third World

countries, even in Mexico, where they don't have *any* jobs. They're willing to work for a dollar an hour. That's more money than they ever made in their life, but it doesn't even sustain them, they can't even run a home, even in Mexico. . . .

"I really don't know what these companies are thinking about, taking this work out of this country, just so they can get cheap labor and make huge profits. That's a short-sighted position for any company to take. . . . You often wonder if they ever really sat down and thought this whole thing out."

Both the GM and the SEPTA strikes have shut down significant sectors of the economy. In Philadelphia, 435,000 weekday passengers who ride the buses, trolleys, and subway elevated trains have been without public transportation since the beginning of June. On June 15, SEPTA called on the Transport Workers Union to return to work, offering only the status quo and no contract. The union swiftly declined the "offer."

The Pennsylvania Legislative Black Caucus, representing minority communities who have been disproportionately affected by the strike, has been seeking to mediate between the Transport Workers Union and SEPTA. Caucus Chairman Rep. Harold James (D-Phila.) issued a letter to SEPTA early in the strike, noting that "the harmful effects of the strike are unwarranted, considering the millions of dollars in financial support that the Pennsylvania General Assembly has provided to SEPTA." On June 15, SEPTA cancelled a meeting with

the Caucus.

The GM strikes and resulting parts shortages had forced the layoff of more than 77,000 workers by June 16, closing 13 of GM's 28 major assembly plants and 59 parts plants in the United States, Mexico, and Canada. Since the two struck Flint plants produce key parts for all of GM's auto and truck models, and GM operates on "just-in-time" inventory methods, GM plants will be out of parts by the end of June, resulting in tens of thousands of more layoffs if no settlement is reached.

A combination of the strike and the effect of the weak yen and strong dollar on overseas sales are also affecting GM's financial position. GM's stock has dropped nearly 10% since its close on June 5, when the strikes began. To date, GM's profits are down by about \$200 million, but losses are expected to increase to about \$500 million a week as production grinds to a halt.

Labor leaders involved in these strikes, from the top of the AFL-CIO on down, understand that the solution to the negative effects of globalization in the United States lies beyond the power of individual unions' ability to sustain a strike, though that is still a crucial component of any real fight. It is for this reason that calls for revising "free-trade" treaties such as the North American Free Trade Agreement, and International Monetary Fund (IMF) policies generally, to make them more "labor friendly," have become a regular part of organized labor's policy efforts.

However, as Lyndon LaRouche has made clear, what must be done is to *end* the tortured reign of the IMF and its financial masters in London once and for all, and to replace these bankrupt institutions with a New Bretton Woods financial system, under which the world economy as a whole can be restarted.

Producers defended in hearing on free trade

Professional economists took it on the chin from Sen. Byron Dorgan (D-N.D.), during a Senate Finance Committee hearing on free trade policy on June 11. Dorgan told the committee, "I think it's wonderful to have distinguished economists testify today. I would encourage you, however, to invite some farmers and some businessmen, some oil drillers and others who really know about trade policy. It's safe to say that there has never been an economist or a journalist who's lost a job because of bad trade policy."

Dorgan appeared before the committee as a witness, and was followed by Treasury Secretary Robert Rubin, Council of Economic Advisers Chairman Janet Yellen, and Deputy Treasury Secretary Lawrence Summers.

Underlying the hearing were fears about the effects of the economic collapse in Asia on the U.S. merchandise trade deficit. However, Dorgan tended to characterize the situation as one of other countries trying to take advantage of trade policy to the detriment of the United States, including the recent purchase of a shipload of European barley by a Stockton, California company (which resulted from the breakdown of U.S. rail service). "If any of us think," he said, "that this trade policy has the respect of producers in this country who every day go to work and try and confront those kinds of issues raised by that kind of behavior, we are dead wrong. We need to fix this."

On the other hand, Rubin and Yellen said that the growing trade deficit was a sign of the strength of the U.S. economy. Rubin said that "the driving force" in the U.S. economy "has been domestic demand, although exports have also increased at a rather nice pace, but foreign demand, as a general proposition, has not increased as rap-

idly as domestic demand."

Yellen tried to clarify the "substantial confusion" that surrounds the interpretation of trade balance figures. Her central point was that "the benefits of increased international trade are reflected in higher real incomes and not in a smaller trade deficit."

Gingrich threatens CBO over economic forecasts

On June 9, House Speaker Newt Gingrich (R-Ga.) sent a letter to Legislative Branch Appropriations Subcommittee Chairman James Walsh (R-N.Y.), expressing concern "about the increasing evidence that the Congressional Budget Office (CBO) is utterly unable to consistently and accurately predict future revenues or even the fiscal implications of changes in budget policy." He demanded that Walsh, whose subcommittee funds the CBO, "direct the CBO to address these shortcomings immediately." Gingrich complained that the CBO "missed" the alleged \$53 billion surplus in the fiscal year 1998 budget, and threatened that if it doesn't address underestimates of supposed GDP growth, "I believe we must review the structure and funding for the CBO in this appropriations cycle."

Gingrich's letter is widely seen as an election-year ploy to get more tax cuts. The following day, House Minority Leader Richard Gephardt (D-Mo.) said that the Republicans "need to let the CBO perform its congressionally mandated function without their unwarranted meddling. . . . We need to base our budgeting on accepted budgetary practices, not slanted calculations generated to please the Speaker."

Senate Minority Leader Tom

Daschle (D-S.D.) labelled Gingrich's demand "cooking the books." He said, "To throw a tantrum, to tell [CBO director] June O'Niell, 'We want you to cook the books to fit our agenda,' is unbelievable. It's preposterous."

Gingrich's letter comes in the context of negotiations on the budget resolution between the House and the Senate. Senate Majority Leader Trent Lott (R-Miss.) had hoped to appoint Senate conferees by June 11 or 12, but told reporters on June 15 (Senate conferees were appointed later that day) that the numbers provided by the CBO were "part of the problem." He predicted that the Senate would not take up a conference report before the July 4 recess.

A few years ago, Republicans were complaining that the CBO's numbers were too optimistic. Now, they claim, CBO is being "overcautious."

Outlook improves for tobacco bill

The tobacco bill survived its third week of consideration on the Senate floor in June, when two key Republican amendments were passed. One, passed on June 9, increases funding for interdiction activities by \$1.4 billion per year; the other, sponsored by Phil Gramm (R-Tex.) and passed on June 10, repeals the so-called marriage tax penalty. Both take funds out of the trust fund set up in the tobacco bill.

The Democrats offered alternatives which didn't differ substantially from the Republican amendments in principle, but treated the tobacco trust fund differently. John Kerry (D-Mass.) said that the Democrats' anti-drug amendment did the same thing as the GOP amendment by Paul Cover-

dell (R-Ga.), but “it does so in a way that does not strip from the tobacco legislation the capacity to perform what we set out to perform under the health provisions.”

The bill still faces an uncertain fate, because of intransigence on both sides, and the refusal of Speaker Newt Gingrich (R-Ga.) to bring it up for consideration in the House. Senate Minority Leader Tom Daschle (D-S.D.), in a press conference on June 12, challenged Gingrich to come up with an alternative to the bill sponsored by John McCain (R-Ariz.). “We are certainly willing to look at alternatives,” he said, “but I think [Gingrich] has a lot of persuading to do before he can successfully conclude that there is a better way than what Senator McCain and many of us have been proposing.”

Senate Majority Leader Trent Lott (R-Miss.) hinted that the bill might be pulled. “We have got to come to some conclusion,” he said on June 15, “so that we can move [on] to very important appropriations bills.” He complained that the bill had become much larger than was needed to accomplish its goals relating to health care and teen smoking. He held out hope, however, that it might be possible to come up with a smaller bill that would be acceptable to the House.

Bankruptcy reform clears the House

On June 10, the House passed the “Bankruptcy Reform Act of 1998,” by a vote of 306-118. The bill takes the same approach of “personal responsibility,” ignoring the economic crisis, that underlay the 1996 welfare reform.

The bill requires a means test to determine eligibility for Chapter 7

bankruptcy, and gives unsecured credit card debt a higher priority against nondischargeable debts such as child support and alimony payments. Those who don’t meet the means test are required to come up with a payback plan for at least 20% of their debts, under Chapter 13.

The bill was watered down a bit in the Judiciary Committee, where the Chapter 7 disqualification was raised from 75% of national median income (as determined by the Internal Revenue Service) to 100%. Committee Chairman Henry Hyde (R-Ill.) said that this was done to address “a major argument of opponents that the needs-based formula was too harsh in its treatment of people with very limited means.”

The central issue was over what is responsible for the record 1.4 million personal bankruptcies in 1997. Almost without exception, supporters of the bill repeated the mantra that the United States is enjoying the “strongest economy in 30 years.” Bill McCollum (R-Fla.), a principal sponsor of the bill, said that the reason that people “are not going to a payback plan when they could afford to pay back their debts as they once did, at least in larger numbers than they do now, . . . is because people are not exercising individual responsibility.”

Opponents blasted the bill as a boon for credit card companies. Jerrold Nadler (D-N.Y.) said the bill had only one central purpose: “to take large sums of money from middle- and low-income Americans in distress and give it to the credit card companies; and, while we’re at it, to take large sums of money from other creditors and give it to the credit card companies.” Nadler referred to evidence that the skyrocketing rate of individual bankruptcies is a result of the disintegrating economy. What causes bank-

ruptcy, he said, is not the bankruptcy code, as the GOP argues, but rather, “lack of health insurance, downsizing, jobs moving abroad, family disintegration. . . .”

Campaign finance reform faces obstacles

On June 10, the House debated a constitutional amendment to allow the placing of limits on contributions and spending in state and Federal elections. The amendment was introduced on May 14 by Majority Whip Tom DeLay (R-Tex.) on behalf, he said, of Minority Leader Richard Gephardt (D-Mo.), as part of the agreement between Speaker Newt Gingrich (R-Ga.) and reformers. The fact that it only received 29 votes led to the suggestion that the debate was contrived as part of a strategy to bury the issue.

Marty Meehan (D-Mass.), a co-sponsor of one of the major bills, said of the opponents of reform: “Their message is that any campaign finance reform is impossible without amending the United States Constitution, and nothing could be further from the truth.” Gephardt complained that the opponents of reform “want to kill the process” by “endless debate and amendment.” He said, “The only way proponents of reform can prevail is through single-minded focus” on the bill co-sponsored by Meehan and Christopher Shays (R-Conn.).

The agreement under which the issue will be debated was modified to allow 258 amendments to the underlying bill, all but ensuring that the debate will never be concluded. Shays and Gephardt are asking supporters of reform to vote “present” on all but the Shays-Meehan proposal, to ensure that none of the others receive more votes than it does.

National News

Two bombs found before Clinton visit in Oregon

Police in Eugene, Oregon found two bombs in a culvert near the local airport, shortly before President Clinton landed there in Air Force One, on June 12. The President was in Portland to deliver the commencement address at Portland State University, and then he flew to Eugene, in order to visit nearby Springfield, the scene of a recent high school shooting incident. The President met privately with students and family members of two students who were killed and 20 who were injured, when 15-year-old student Kip Kinkel opened fire on his classmates.

Eugene police had received a call at 3 p.m. on June 12, telling them that bombs were planted near the airport, at the local bus station, and at Springfield City Hall. Police safely detonated the two bombs found near the airport. The Greyhound Bus depot and Springfield City Hall were evacuated, but a seven-hour search turned up no further explosives. Local police refused to rule out that the bombs were planted in connection with the President's visit.

London's Bin Laden threatens U.S. attacks

The U.S. State Department issued a terrorist alert in early June, after Saudi millionaire terrorist Osama bin Laden issued a threat against the United States during an interview with ABC News aired on June 10. The alert is for all Americans travelling in the Middle East and Persian Gulf, and the Pentagon has issued orders for all U.S. military facilities in the Gulf to tighten security. Bin Laden's threat came in the form of a *fatwa* (religious decree), in the name of his own bought-and-paid-for clerics. In fact, a *fatwa* can be issued only at the highest level.

Bin Laden has been linked to the World Trade Center bombing, to the downing of American military helicopters in Somalia, to two car bomb attacks against U.S. military bases in Saudi Arabia, and to planned at-

tempts on the lives of President Clinton and Pope John Paul II.

In the interview from Afghanistan, which aired on ABC's "Nightline," Bin Laden repeated his threat to carry out new terrorist actions against Americans, including women and children, until the United States pulls its troops out of the Middle East. Two days later, he issued the *fatwa*, calling for new anti-American terror attacks. "Nightline" neglected to mention that Bin Laden also maintains a luxurious residence in London. While the U.S. administration is pursuing Federal charges against Bin Laden, the British government continues to provide safe haven to him, as well as more than a score of terrorist organizations (many of which he funds) now on the U.S. State Department's list of groups banned from access to the United States.

U.S. benefitted from China satellite trade

Amidst all the China-bashing about Loral's satellite deals with China and the Clinton White House waivers, it has now been acknowledged by both the Pentagon and the National Security Agency that the United States benefitted significantly from the technology transactions with China, including the Loral deal. According to the June 13 *Washington Post*, after the Chinese Long March rocket exploded in 1996, wrecking a Loral-Hughes commercial satellite, the Chinese provided U.S. technicians with previously unavailable data on their intercontinental ballistic missile program. These data helped the United States to assess the Chinese military capability, and convinced the Pentagon that China poses no threat to the United States from an ICBM strike. China has an arsenal of 50 ICBMs, according to the *Post* story, but this represents a deterrent force.

The United States was also a beneficiary of the technology trade, according to Pentagon documents made available to the *Post*, because successful Chinese launches of U.S. satellites gave the United States access to Chinese military communications, which had hitherto used only cable.

State AFL-CIO cozies up to Virginia Gov. Gilmore

Virginia AFL-CIO head Danny LeBlanc, who is on the Democratic National Committee and played a prominent role against LaRouche Democrats at the recent Virginia Democratic Party Steering Committee meeting, is making strange bedfellows with the anti-labor Republican Governor James Gilmore, in "defense" of tobacco workers. LeBlanc, who successfully sponsored a resolution at the Democratic Steering Committee in early June in favor of protecting tobacco workers, heads a group called "Save Our Jobs, Save Our Communities," and penned a commentary published in the *Richmond Times-Dispatch* on June 11 which charged that politicians of both parties had ignored this constituency, and would be judged on what they did.

LeBlanc apparently finds it easier to defend labor when Philip Morris's millions, and the Republican governor, are in his corner. He was invisible when it came to the issue of prison slave labor, the UPS strike, free trade, and the low-wage bubble economy. Now he cites the 120,000 workers in Virginia who allegedly depend for their livelihood on tobacco, and seeks to "help" them.

The move has so far resulted in Sen. Chuck Robb (D) and several of Virginia's Democratic Congressmen (Scott, Sisisky, and Goode) to break from the party's general position on tobacco taxes.

Scaife bankrolled 'Judicial Watch' gang

According to the June 10 issue of the *Washington Post*, in 1997, Richard Mellon Scaife's Carthage Foundation gave a \$550,000 grant to Judicial Watch. Headed by former Justice Department attorney Larry Klayman, Judicial Watch operates as a "privately funded independent counsel," with 18 lawsuits now pending against the Clinton administration.

Judicial Watch claims credit for break-

RAS BARAKA, the son of Prudential's "black nationalist" Amiri Baraka, lost his bid to be elected to the Newark City Council, on June 9. Although he at first seemed to be a shoo-in, his campaign was badly hurt by his father's association with Rep. Donald Payne (D) and their backing for British-puppet dictator Laurent Kabila in the Congo. Both Payne and Amiri Baraka supported Kabila's mining concessions to British companies, including George Bush's Barrick Gold.

THE JUSTICE Department seized nearly \$1.5 million in seven bank accounts controlled by Mohammed Salah, an accused financier for alleged Hamas terrorism. This is the first time that the government has applied civil forfeiture rules in an effort to stop an alleged flow of funds from an American group to terrorists operating abroad. Salah has not been charged with a crime, and denies the government allegations.

WISCONSIN'S Supreme Court upheld the use of state funds for school vouchers on June 10. Using the vouchers, parents could send their children to religious institutions, further undermining the public school system.

BERNARD SCHWARTZ, the CEO of Loral, rebuffed rumors that he would resign, in an interview with *Aviation Week*. "This goes with the territory," he said, referring to the manufactured scandal around China's failed launch of a Hughes/Loral satellite in 1996. "It should be absolutely clear—Bernard Schwartz did nothing wrong, and I truly believe Loral people did nothing wrong."

MARYLAND LaRouche Democrat Thomas M. Jenkins announced on June 5 that he would run for the party nomination to challenge incumbent Rep. Wayne Gilchrest (R). Jenkins said that he would focus on "cleaning out the Department of Justice," and exonerating Lyndon LaRouche, the world's only competent economist, so that he could exercise leadership.

ing the entire "Chinagate" scandal as a result of its first Freedom of Information Act request and lawsuit against Ron Brown's Commerce Department in 1994, seeking information on trade missions to China and other parts of the world. Klayman claims to have discovered former Commerce employee John Huang; Klayman boasts that the publicity around his October 1996 deposition of Huang helped the GOP to maintain control of Congress in the 1996 elections. More recently, information from Klayman's depositions of White House and Pentagon personnel around the Linda Tripp case have been quickly funnelled into Kenneth Starr's office.

In an interview published in the April 27, 1998 issue of *The Washington Weekly*, Klayman was asked about the funding for Judicial Watch. He said that it was originally funded by himself, but that now it is a full-time operation. "We have now sought donations from the public. We primarily get donations in small amounts."

As of April, his most recent IRS filing showed an annual budget of \$68,000. Other sources have indicated that in 1996, Klayman kicked in \$110,000 of his own money, and raised \$60,000 in outside contributions.

Court rules, Smaltz may not expand Espy probe

A three-judge appellate panel, which included David Sentelle, struck down a move by independent counsel Ken Starr's bobsey-twin, independent counsel Donald Smaltz, to expand the scope of his long-running probe of former Agriculture Secretary Mike Espy. Espy is already under a 39-count indictment, charging him with taking a total of \$35,000 in alleged payments in kind while he was secretary. His trial is scheduled to begin on Oct. 1.

Smaltz was trying to win authorization to extend his probe back to 1988 and 1990, when Espy was a Congressman from Mississippi. He left the Congress in 1994 to take the USDA top spot. The three-judge panel said that the targetting of Espy's Congressional campaigns was beyond the scope of Smaltz's investigation. Smaltz's chief dep-

uty, Ted Greenberg, was quoted in the June 13 *Washington Post* account of the panel's decision. Greenberg is part of the DOJ permanent bureaucracy, who specializes in cases of fraud by public officials. The probes against Espy, the late Ron Brown, former Energy Secretary Hazel O'Leary, Housing and Urban Development Secretary Henry Cisneros, and now, Labor Secretary Alexis Herman, have raised the question of whether the permanent bureaucracy in the DOJ has now trained its "Fruehmenschen" guns against minority members of the Clinton White House.

U.S. judge rules for PKK and Tamil Tigers

In a major favor to British intelligence, U.S. District Court Judge Aubrey Collins ruled in New York on June 15 that key provisions of the 1996 Anti-Terrorism and Effective Death Penalty Act, which bans the harboring of terrorist organizations in the United States, are unconstitutional. The case against the Justice Department, which was filed by the U.S. branches of two terrorist groups, the Kurdish Workers Party (PKK) and Tamil Tigers, was argued by the New York Center for Constitutional Rights. Both groups are among the 30 terrorist organizations banned by a ruling of the U.S. State Department in October 1997. With the June 15 decision, that ban has been overturned.

According to Collins's decision, the Justice Department has no right to ban the PKK and Tamil Tigers from maintaining offices in the United States, or from deploying their foreign cadre into the United States to maintain these offices. Nor does the United States have the right to ban these groups from providing "training" to its recruits and supporters here. However, Judge Collins did not accept the PKK and Tamil Tigers argument that both groups should also have the right to gather "materials" here, in order to supply their terrorist comrades in the field.

Other British-run terrorist organizations maintaining an active U.S. presence, all banned by the State Department, include Hamas, Islamic Jihad, and the Kach party of the late Rabbi Meir Kahane.

New Bretton Woods or genocide

The reports from the Balkans on the June 15 “Determined Falcon” military exercise, the televised images of the NATO planes, ready for war, flying over Albania and Macedonia, have made the name Kosova a little less “exotic.” The NATO exercise was officially aimed at forcing Serbian Duce Slobodan Milosevic to withdraw his army and “special police” from Kosova. But still, for most Americans, Kosova remains one of those faraway places where people are killing each other for reasons that seem impossible to understand. At best, Americans rightly perceive that there is a new dictator in the area—Milosevic—who has been implementing genocide for the last several years.

Yet this characterization of Milosevic, by itself, does not explain what has really been happening in former Yugoslavia: in Croatia, Bosnia, and now in the southern province of Kosova. A campaign of terror, military assaults, gang-counter-gang fighting, and wanton destruction has triggered a biblical exodus of Kosovars (the ethnic Albanians who represent 90% of the population), civilians who have been “convinced” to abandon their homes, escaping wherever they can, trying to cross the borders with neighboring Albania, Montenegro, or Macedonia. According to some estimates, already 10% of Kosovars have been reduced to the status of desperate refugees.

Above all, Americans—except readers of the publications associated with Lyndon LaRouche—have not been told the *cause* of the genocide. Without understanding the real causes, and without an answer to the question, “What does this have to do with me?,” we are left with either the liberal-philanthropic attitude of “let me help the less fortunate, if I have some spare change,” or, more commonly, “I have enough problems of my own to worry about.”

But, what is happening in Kosova has a great deal to do with us, and the future of our posterity.

If one looks for the ultimate torturer of Kosova, one finds, beyond the psychotic grin of Milosevic, the much eerier smile of International Monetary Fund Managing Director Michel Camdessus. The policy that led to the genocide in former Yugoslavia is the same that has burned out the physical economies of the United States,

Europe, and Japan.

First of all, Milosevic was given the green light for his genocidal drive, after the fall of the Berlin Wall in 1989, by an oligarchical coalition led by the British. With the end of the Cold War and its division (and control) of the world, this oligarchy had a glimpse of its historical death. A period of unprecedented peace and development was potentially within the reach of the world’s nations.

But the oligarchy struck back with its financial tentacles, above all the IMF and the World Bank. The vacuum left by the Soviet empire was filled, not with economic development, but with looting. Camdessus and Co. launched a financial gunboat policy. Their instruments: shock therapy, economic and political conditionalities, total support for financial pirates such as George Soros and the “hedge funds.” Any government, any institution that tried to resist, was savaged. As the financial bubble grew, the remains of the real economy were being dissolved.

The Balkans, crossroads between East and West, North and South, was a key focal point for potential development, especially in the context of Lyndon LaRouche’s program for a Eurasian Land-Bridge. Milosevic was told to burn that crossroads, and he did so. Kosova is the latest act of the drama. The IMF had already taken care of burning up Albania; its economy and existence as a sovereign nation were destroyed, when it was forced to follow the IMF recipe in 1996-97. A speculative explosion ripped through the country for a few months, only to be followed by a total collapse, leaving behind a feudal state, under the domination of organized-crime gangs.

If Kosova is to be spared that fate, and the Balkans is to realize its positive potential, then we must defeat the IMF and the financier oligarchy. That means reorganizing the bankrupt world financial system, and forming a New Bretton Woods system, as LaRouche has demanded. With a financial system oriented toward productive investment, not speculation, and with a Eurasian Land-Bridge program for infrastructure development into the next century, it is not only Kosova that will benefit, but all of us.

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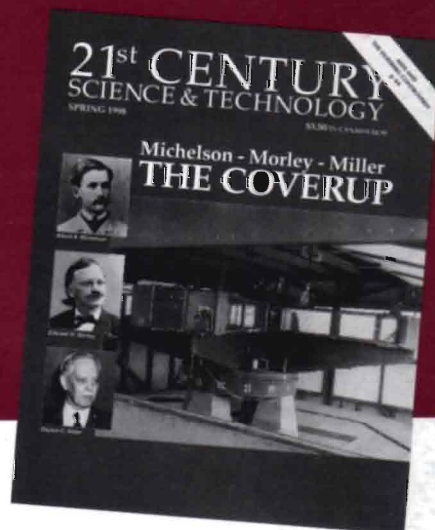
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Michelson-Morley-Miller: THE COVERUP

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The Experiments of Dayton C. Miller (1925-1926) and the Theory of Relativity

by Maurice Allais

Einstein's theories of special and general relativity rest on the allegedly null results of Michelson's interferometer experiment. Here, a French physicist and Nobel Laureate in economics, demonstrates that Michelson's results were not null, and that the interferometer experiments of the American scientist Dayton Miller produced positive results, thereby invalidating the foundation of the Theory of Relativity.

Optical Theory in the 19th Century, and the Truth about Michelson-Morley-Miller

by Laurence Hecht

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Into Space from the Sea

by Oleg A. Sokolov

Since the dawn of the space age, nations have lofted satellites into space from launch sites on land. Soon, for the first time, satellites will also be reaching space from the sea.

All Chernobyl's Victims: A Realistic Assessment of Chernobyl's Health Effects

by Zbigniew Jaworowski

Fear of radiation, reinforced by press scare stories and unwise policies, has created a shocking number of psychosomatic illnesses in the Chernobyl region. A leading radiation expert reviews the situation and scores the faulty assumptions of the radiation regulatory agencies.

AIDS and the Duesberg Controversy

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