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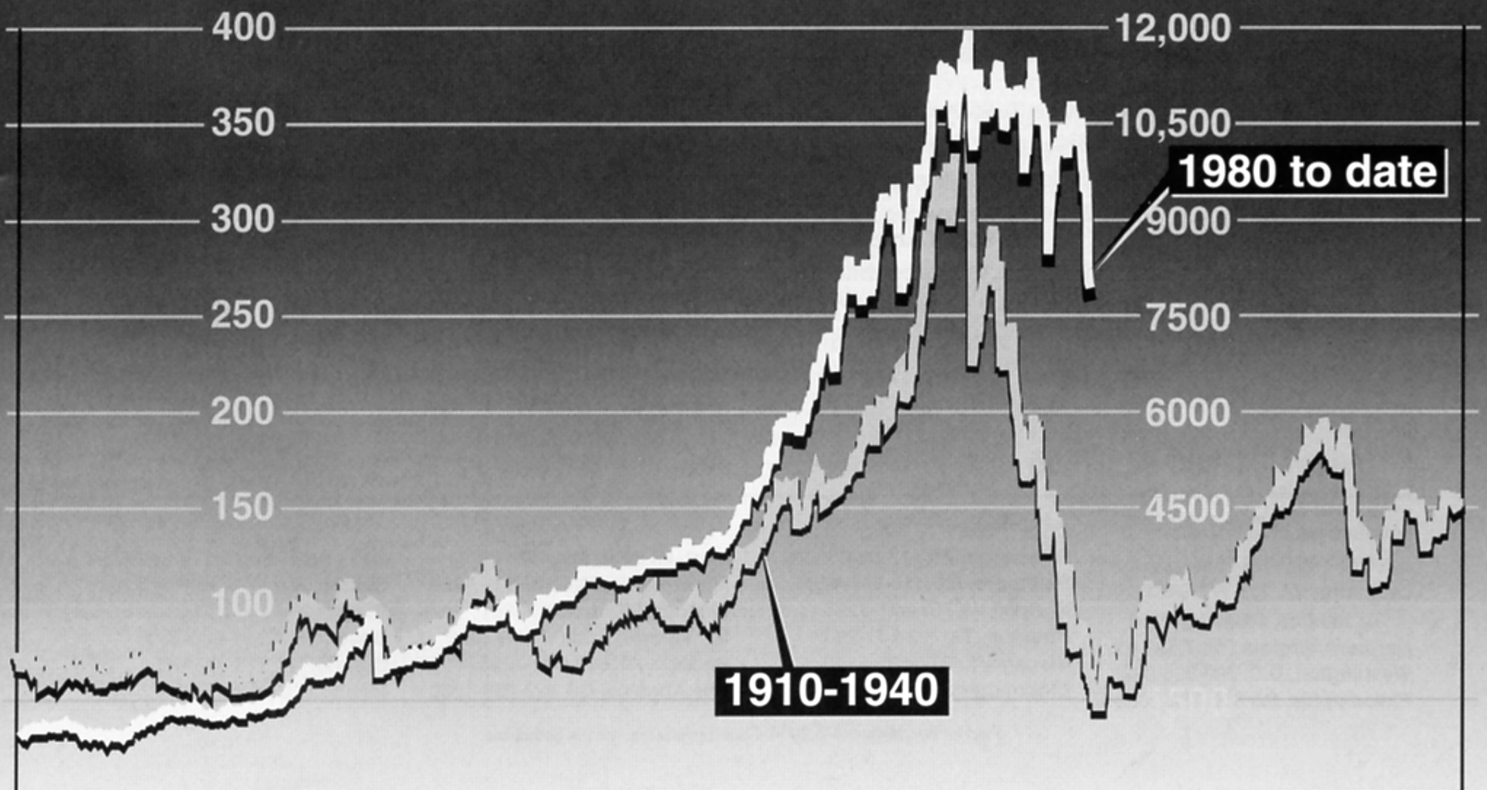
Executive Intelligence Review

August 2, 2002 Vol. 29 No. 29 [www.larouchepub.com](http://www.larouchepub.com) \$10.00

The Electable LaRouche  
Sharon's Bomb Aimed at Peace Negotiations  
Save the Republic, Knock Out Lieberman/McCain

## History's Worst Crash Now Two Years Under Way

Dow-Jones Industrial Average

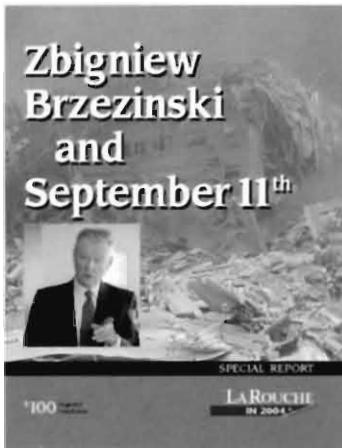


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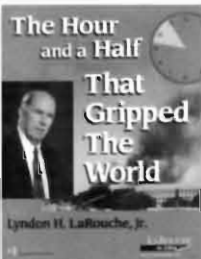
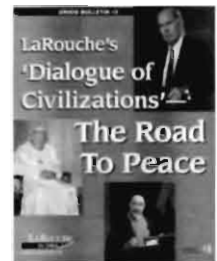
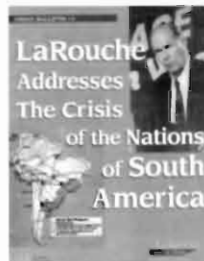
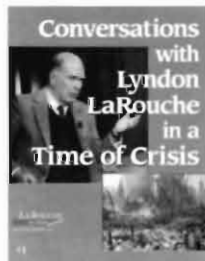
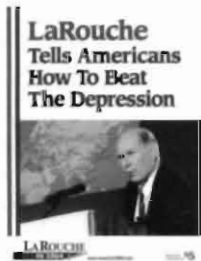
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*EIR* (ISSN 0273-6314) is published weekly (50 issues)  
except for the second week of July and the last week of  
December, by EIR News Service Inc., 317 Pennsylvania  
Ave., S.E., 3rd Floor, Washington, DC 20003. (202)  
396-0398. For subscriptions: (703) 777-9451, or toll-  
free, 888-EIR-3258.

World Wide Web site: <http://www.larouchepub.com>  
e-mail: [eirms@larouchepub.com](mailto:eirms@larouchepub.com)

**European Headquarters:** Executive Intelligence Review  
Nachrichtenagentur GmbH, Postfach 2308,  
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,  
Wiesbaden, Federal Republic of Germany  
Tel: 49-611-73650. Homepage: <http://www.eirma.com>  
E-mail: [eirma@eirma.com](mailto:eirma@eirma.com) Executive Directors: Anno  
Hellenbroich, Michael Liebig

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Rafael, Del. Cuauhtémoc, México, DF 06470. Tels: 55-66-  
0963, 55-46-2597, 55-46-0931, 55-46-0933 y 55-46-2400.

**Japan subscription sales:** O.T.O. Research Corporation,  
Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo  
160. Tel: (03) 3208-7821.

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prohibited. Periodicals postage paid at Washington D.C.,  
and at an additional mailing offices.

Domestic subscriptions: 3 months—\$125, 6 months—\$225,  
1 year—\$396, Single issue—\$10

**Postmaster:** Send all address changes to *EIR*, P.O. Box  
17390, Washington, D.C. 20041-0390.

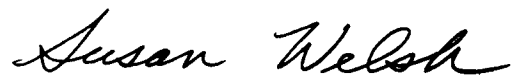
## From the Associate Editor

**T**his Summer's months are characterized by two crises, which can be felt by citizens of any nation where this issue is being read: accelerating economic collapse; and increasing turmoil and threat of war, as the "utopian" faction looks for the military "solution" to the financial crash.

This issue's *National* section focusses on that threat in the United States, centered in the actions of Senators John McCain and Joseph Lieberman to bully the White House into "perpetual war." Jeff Steinberg reveals the real McCarthyite and organized-crime backgrounds and backers of these two "reformers." Lyndon LaRouche spells out the battle required to save the U.S.A. from what threatens to become the worst crisis in its history as a constitutional Republic, by defending the institution of the Presidency. To supply ammunition for this fight, *EIR* is producing an updated offprint of our July 19 cover story, "The Real Scandal: McCain and Lieberman." The first edition sold out in less than two weeks.

In *Economics*, we present documentation of the economic collapse, starting with John Hoefle's analysis of the rise and fall of the global stock markets since 1997-98, which is similar in some striking respects to the Great Depression (as our cover graphic shows)—except that this time the physical economy is in *much worse* shape. Italian Senator Oskar Peterlini, in his speech to an *EIR* seminar in Rome, draws out the demographic implications for Italy of the global financial breakdown, notably the crisis in pensions. Mohd Peter Davis, a biotechnology researcher in Malaysia, tells how the globalized free-trade system blocked highly promising technologies that could have given the nation food self-sufficiency—and how LaRouche's New Bretton Woods system could quickly restore that potential. See also the fascinating analysis in *International* by St. Petersburg correspondent Roman Bessonov, on the effects in Russia of the post-Communist *schisis* of free-trade ideologues intertwined with former KGB operatives.

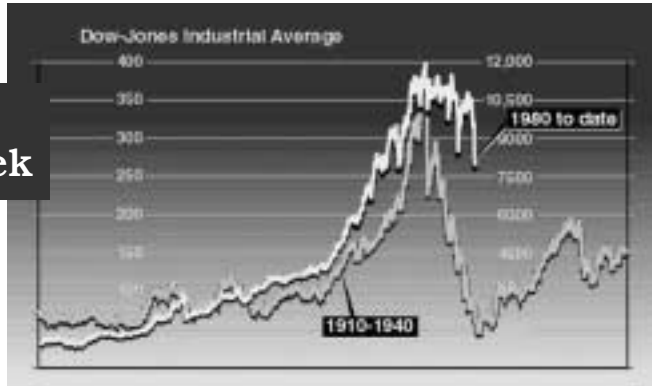
The economic breakdown, as *EIR* has shown, is fueling the drive for war on the part of the Anglo-American "utopian" faction. See our reports in *International* on Israeli Prime Minister Ariel Sharon's war crimes against the Palestinians, and the push of the "Wolfowitzers" in Washington for war against Iraq, even before Fall.



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Stock markets are down some 50% from their peaks in 2000, back to their 1997-98 levels, but carrying half a decade's more debt, leverage, and speculation. How far and how fast we fall, is largely a matter of actions taken, or not taken, on fundamental economic policy. The future of mankind depends on those people who respond to the crisis by reexamining the axioms which caused them to be deluded, and by figuring out why Lyndon LaRouche could see so clearly, what they did not.

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## Two Years Into the Worst Financial Crash in History

by John Hoefle

With the worst financial and economic collapse in history now playing out with thinly veiled hysteria in the daily media reports, it is useful to remind your neighbors that Lyndon LaRouche told them it was happening long before it made the pages of the *New York Times*, and that what is happening is the tragic culmination of a process—economic, political, and cultural—which has been playing out for three decades.

As we go to press, the Dow Jones Industrial Average has dropped 1,677 points (18%) in 11 trading days, falling below the level it hit in the aftermath of Sept. 11, to levels not seen since the panic of 1998. As dramatic as that plunge may be, however, falling markets are but a reflection of a deeper and much more ominous process, the sharp decline of the physical economy of the United States, and the world. The real economy has fallen out from under the markets, which have been artificially propped up by accounting tricks, enormous and unpayable debt loads, and mass delusion on the part of the markets and the public.

Reality is now breaking through the delusion. Some people respond by closing their minds and asserting that the market will come back, “because it always does.” A more extreme version of this neurosis is the type who views the market slide as an opportunity to buy, forgetting that the “buy low and sell high” philosophy of J.P. Morgan and his parasitic peers made them rich not because they could read the markets, but because they could manipulate them. Then there are those who respond to the crisis by reexamining the axioms which caused them to fall under the spell of the delusions, to figure out why Lyndon LaRouche could see so clearly what they did not. It is the latter group upon which the future of mankind depends.

### The Shape of Things To Come

We are now two years into the worst market crash in world history, with the major stock markets already down some 50% from their peaks in 2000. The markets are now back to their 1997-98 levels, but carrying half a decade’s more debt, leverage, and speculation. In market terms, we have crossed the peak and are now headed down the back side of a very steep mountain. How far and how fast we fall, is largely a matter of actions taken, or not taken, on fundamental economic policy. As long as the Bush Administration and the Federal Reserve maintain their Hooveresque “the economy is fundamentally sound” stance, we can expect sharp plunges, punctuated by futile attempts to bail out fictitious and unsalvageable market values.

A graphic example of how fast the markets can fall is the sharp plunge in the Dow from a high of 381 in September 1929, to the low 40s in June 1932, a fall of some 90% over two years. The Dow didn’t break 100 points again until mid-1933, and did not rise above 300 points until early 1954.

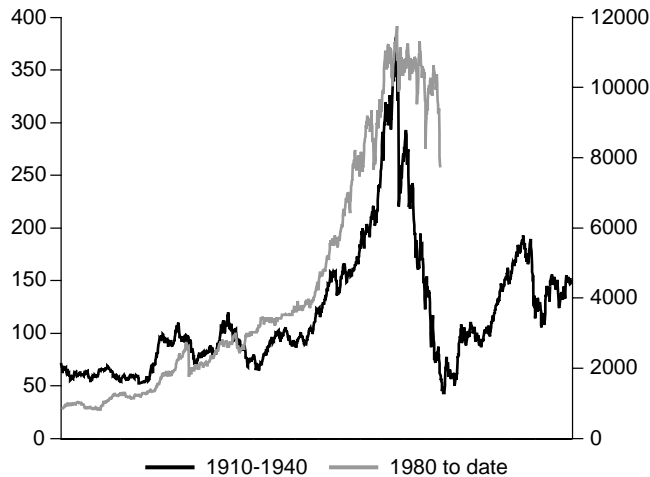
The rise and fall of the Dow since the 1980s bears a striking similarity to the period of the Great Depression, as can be seen in **Figure 1**. This was produced by matching up the peaks in 1929 and 2000, using weekly closings. The run-up in both periods, reflects the process shown in LaRouche’s Typical Collapse Function triple curve, in which financial aggregates rise hyperbolically to the point they become unsustainable, and collapse (**Figure 2**).

A similar process can be seen in the rise and fall of WorldCom (**Figure 3**), whose stock soared in the late 1990s and then plunged back to earth in the largest bankruptcy filing ever.

This sharp rise-and-fall curve can be seen in numerous other stock market indices, corporate stock charts, and other

FIGURE 1

**Dow Jones Industrial Average, 1910-1940 vs. 1980 To Date**

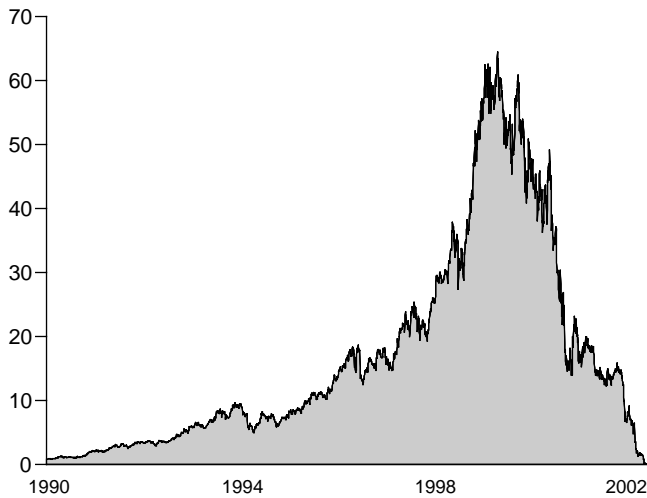


Source: Dow Jones.

FIGURE 3

**WorldCom Closing Stock Price**

(\$ Dollars)

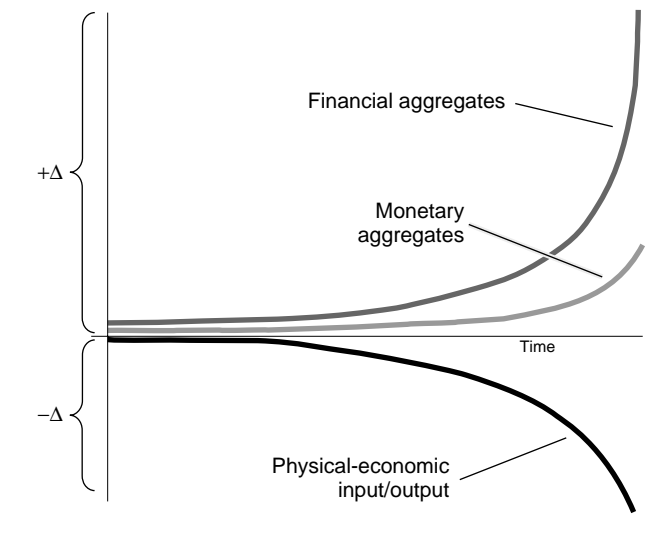


Source: Yahoo! Finance.

economic statistics, though it is often disguised by statistical manipulations and fakery. The pattern can already be seen in the stock prices of the energy pirates and the telecom and computer companies, and is nearly fully formed at semi-industrial companies such as General Electric and some of the big financial institutions. Absent the implementation of

FIGURE 2

**A Typical Collapse Function**



LaRouche’s emergency policies, it is the shape of things to come for the United States and the world.

The comparison between now and the Great Depression can only be taken so far, however, because the danger is much greater now. Not only is the bubble relatively much larger than it was then (the Dow increasing by a factor of five in the two decades leading up to the 1929 peak, versus a factor of 15 in the current period), but a much smaller percentage of the population is engaged in farming and manufacturing, and a much higher percentage lives in cities, where they are much more dependent upon urban services and distribution chains. The population is also culturally less prepared to handle the hardships that would flow from a full-scale economic crash. The potential political and cultural breakdowns following a crash could rapidly lead to a new Dark Age, particularly in the cities.

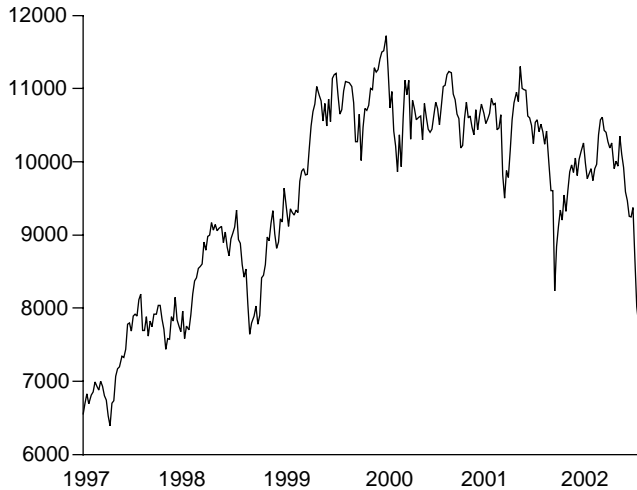
**Vaporization**

The rise and fall of the global stock markets since 1997-98 can be compared to the volcanic eruption of Mount St. Helens, where the top of the mountain simply vaporized; in the case of the market, trillions of dollars of market capital have disappeared. This process is reflected in the Dow Industrials (Figure 4), the S&P 500 (Figure 5), and the Wilshire 5000 (Figure 6), all of which show a similar peaking curve. The process is more pronounced in the S&P 500 and the Wilshire 5000, which are significantly broader indices than the 30-stock Dow.

In recent years, the Dow has become more of a psychological manipulation tool than an economic index, as old-economy companies were cast out and replaced by “New Economy” entertainment, information, and services firms. Today’s

FIGURE 4

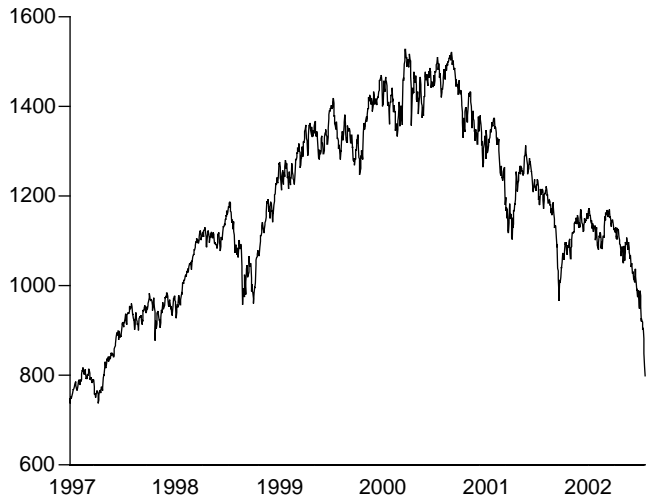
**Dow Jones Industrial Average, Weekly Closes 1997-2002**



Source: Dow Jones.

FIGURE 5

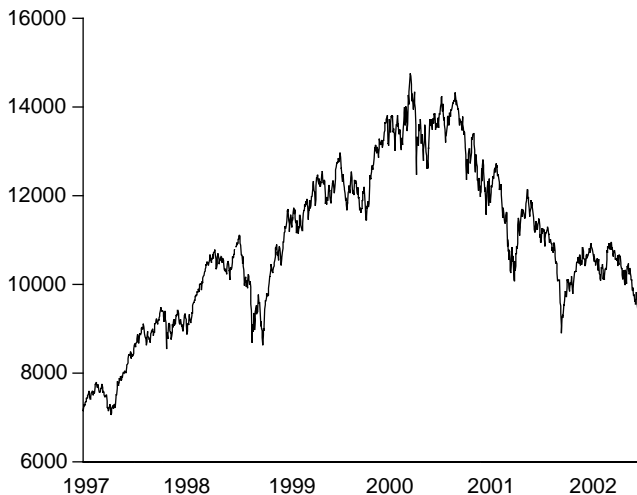
**S&P 500 Daily Closes, 1997-2000**



Source: Yahoo! Finance.

FIGURE 6

**Wilshire 5000 Daily Closes, 1997-2002**



Source: Wilshire Associates.

Dow includes such “industrial” titans as derivatives giants J.P. Morgan Chase and Citigroup; American Express; computer firms Microsoft, Intel, IBM, and HP; Walt Disney Co., Wal-Mart, Home Depot, and McDonald’s. Even the firms which do have industrial components have large financial operations; General Electric, for example, makes about half

its profit from its financial operations, including a sizable derivatives business.

Because it contains just 30 stocks, the Dow is also relatively easy to manipulate, and the Plunge Protection Team has intervened with increasing frequency when sharp declines threaten to escalate into major panics. Though its actions are semi-secret, the Plunge Team’s interventions are easily spotted by the classic “V” pattern in which the market plunges during the morning, then suddenly rebounds sharply during the afternoon.

Such interventions can be effective in dealing with anomalous events within an otherwise sound system, and can even provide a temporary boost during a systemic decline, but no amount of financial stimulus can prevent a systemic collapse when the economic underpinnings of the physical economy have crumbled. There are larger forces at work than can be dealt with by Federal Reserve Chairman Alan Greenspan’s bubble-blowing apparatus, especially since the money thrown into the bubble is looted from the underlying economy, making the bubble less supportable with every intervention.

**Wall of Money**

The nature of Greenspan’s dilemma can be seen in the sharp run-up in the markets in the 1997-2000 period, which itself is the result of an attempt to save the system in 1997. In early 1997, British fund manager Tony Dye issued warnings of an imminent disaster in the global derivatives markets, warnings which coincided with reported but downplayed reports of derivatives problems at National Westminster Bank.



Dye's warnings echoed those of LaRouche, who had warned since 1993 that derivatives speculation would indeed blow up the system.

In the over-the-counter derivatives markets, it is relatively easy to keep giant derivatives disasters hidden, because no one knows unless the counterparties tell them. Other market participants and the regulators might find out in short order, but the public is rarely told, especially when the problem is serious. Still, actions taken in the wake of a crisis can provide tell-tale signs.

In the case of the derivatives crisis of 1997, the tell-tale sign was the mid-1997 emergence of the so-called "Asian crisis," which was actually a currency-warfare attack on the Asian Tiger economies by Anglo-American financial interests. In typical form, the bankers were attempting to postpone their own bankruptcy by stealing from the Asians. This assault continued into 1998, targetting one Tiger after another, generating billions of dollars in loot and sending funds fleeing to the relative safety of the U.S. financial markets. The result can be seen in the rise of U.S. stock markets during the period.

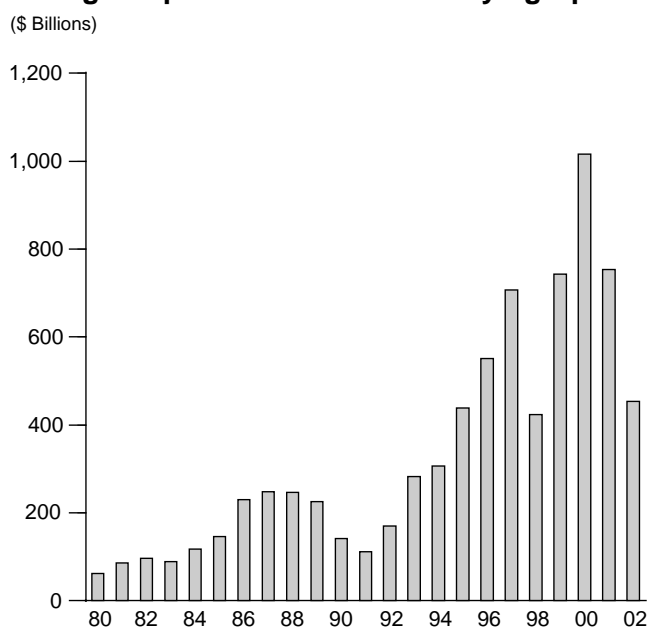
The game came to an abrupt halt in September 1998, when looting-target Russia caught the markets off-guard with a default on its GKO bonds and a devaluation of the ruble. The prospect of a sovereign default—the "debt bomb" policy advocated by LaRouche—sent the financial markets into panic, with investors fleeing speculative paper in favor of more secure U.S. and German government bonds. This, in turn, caused many derivatives speculators to hemorrhage money, with the markets moving in the opposite direction from their bets. Long-Term Capital Management, the giant Nobel Laureate hedge fund, went bankrupt and was bailed out by the banks at the urging of the Fed. Many other derivatives players, some considerably bigger than LTCM, were also grievously wounded.

In response, Greenspan and his central banking peers launched what speculator George Soros later called the "wall of money," flooding the markets with liquidity and promises, and a cover-up of the extent of the damage. Only later would the players admit what LaRouche said at the time: that the global financial system came within a hair of melting down in 1998.

It was this "wall of money" approach, combined with a liquidity injection under the guise of preventing potential Y2K problems and a regulatory blind eye to "creative book-keeping," which led to the sharp rise in U.S. financial markets from late 1998 into early 2000.

The attempt to bail out the system in 1997 led to the blowup in 1998, at which point another bailout was launched which blew up in 2000. Since then, global markets have plunged, major corporations have collapsed, pensions and retirement funds have evaporated, and the financial system is disintegrating. But don't worry, because a bailout is in the works. After all, the markets always rebound, don't they?

FIGURE 7  
Foreign Capital Inflow Into U.S. Drying Up



Source: Bureau of Economic Analysis, U.S. Dept. of Commerce.

## Systemic Crisis

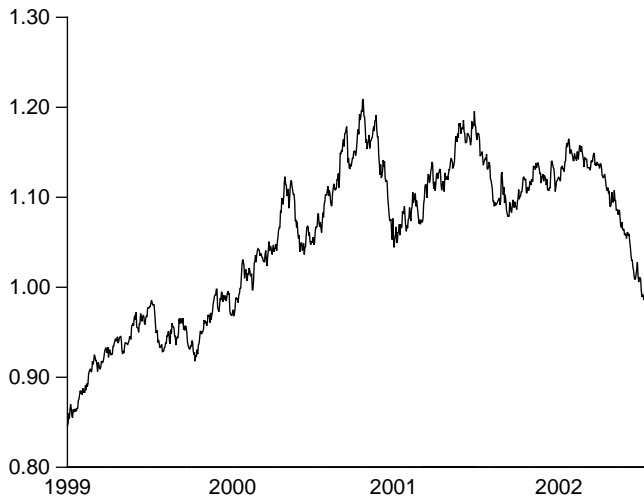
The U.S. stock market bubble was actually a global phenomenon, financed in part by huge flows of investment capital into the country. Money poured into the United States during the go-go 1980s, though that flow ebbed a bit when the U.S. banking system went under (the Fed secretly took control of Citicorp and arranged shotgun marriages for the big banks) after the real estate market collapsed. To save the day, the financiers unleashed the derivatives market, unpayable debt was rolled over, and financial deregulation escalated. Changes in the tax codes allowed money that previously would have been paid in taxes to instead be gambled in the markets, and corporations used money that should have been invested in their business activities to support their stock price. The bubble soared, but the physical economy suffered, as health care, education, transportation, goods production, and research and development were all choked back in order to feed the bubble.

As the bubble grew, the cash poured in, but that process abruptly reversed after the market peaked in 2000 (Figure 7). The decline in U.S. stocks led to a decline in the inflow of foreign capital, which in turn further depressed stocks. This process was ameliorated by the strong dollar, because the rising dollar increased the profits of foreign investors as the markets rose, and reduced their losses as the markets fell. However, in 2002, the weakness of the U.S. economy has caused the dollar to fall, including a sharp fall against

FIGURE 8

### Dollar Falling Against the Euro

(Euros per Dollar)



Source: Wall Street Journal.

the euro (**Figure 8**).

The process defined by a falling stock market, a falling dollar, and reduced foreign capital inflows spells doom for the U.S. financial bubble, and when the United States falls, the world falls with it. Add to that the outbreaks of this systemic disease in Japan, Argentina, Brazil, Turkey, and other nations, including growing problems within Europe, and you have a prescription for disaster.

### Sinking Banks

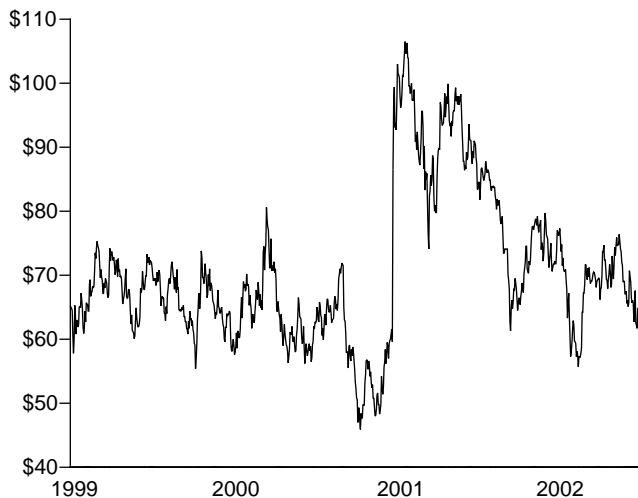
In all the corporate disasters breaking out in the United States, two names keep cropping up with uncanny regularity: J.P. Morgan Chase & Co. and Citigroup. Both were major lenders to Enron, and according to a report by the U.S. Senate Permanent Subcommittee for Investigations, both banks were active participants in Enron's fraud, using offshore affiliates to help Enron disguise loans as energy trades. Both banks lent heavily to the energy-pirate and telecom sectors, and are undoubtedly facing losses in the billions of dollars as those sectors vaporize.

J.P. Morgan Chase is the result of the acquisition of J.P. Morgan & Co. by the bigger Chase Manhattan. The deal, which closed on the last day of 2000, has been an absolute disaster as measured in ordinary—and therefore misleading—market terms. The market capitalization of the combined Morgan Chase is now less than that of Chase alone on the day before the merger, with Morgan (or at least its equivalent value) having simply vaporized (**Figure 9**). This is not surprising, as it was likely a bankruptcy at Morgan,

FIGURE 9

### J.P. Morgan Chase Vaporizing Market Capitalization, 1999-2002

(\$ Billions)



Source: Yahoo! Finance.

and perhaps Chase as well, which led to the takeover of the aristocratic Morgan by the commoners at Chase.

The merger only bought a few months. Indications are that Morgan Chase blew up in mid-2001 and was secretly taken over by the Fed, similar to the way Citigroup's predecessor, Citicorp, was in 1989. During the fourth quarter of 2001, Morgan Chase combined its two lead banks, Chase Manhattan Bank and Morgan Guaranty Trust. As part of that process, \$125 billion in assets and \$7 trillion in derivatives simply disappeared from the combined banks' books, suggesting major financial problems. Still, with \$24 trillion, Morgan Chase has more derivatives than any other bank in the world, and more than enough to make a spectacular explosion.

Citigroup may be under Fed control as well, as rumors of major derivatives losses circulate. Citigroup is the result of the 1998 takeover of Citicorp by Travelers Insurance, creating what is now the largest bank in the United States, with just over \$1 trillion in assets and \$9 trillion in derivatives. On July 18, Saudi Prince Alwaleed bin Talal, Citigroup's largest individual shareholder, said that he had invested another \$500 million in the bank, raising his holding to \$10 billion. Alwaleed, a nephew of Saudi King Fahd, obtained his initial stake in the bank shortly after the Fed took it over in 1989 and began arranging a bailout. The latest cash infusion raises suspicion that Alwaleed is performing a similar service for Citigroup.

Not to be left out is Bank of America, whose \$620 billion in assets puts it third behind Citigroup's \$1 trillion and

Morgan Chase's \$713 billion. Bank of America's \$10 trillion in derivatives puts it solidly on the hot seat in any financial crisis, and it has also loaned heavily to bankrupt companies. Rumors are flying that Bank of America has applied to the Fed for a secret bailout.

If the Fed winds up running the three biggest banks in the country, who's going to bail out the Fed?

Mutual funds, pension funds, and insurance companies are also big holders of stocks and have been hard hit by the decline. There's a lot more damage out there than has been admitted so far, and the hemorrhaging is continuing.

### Pompous Pundits

Those tempted to listen to the siren calls of "recovery" and "sound fundamentals" emanating from the canyons of Wall Street and the nation's capital would do well to recall the comforting assurances given by the pundits and politicians in the period immediately before and just after the crash of 1929:

"Stocks prices have reached what looks like a permanently high plateau. . . . I expect to see the stock market a good deal higher within a few months," Yale economics professor and Hoover adviser Irving Fisher said on Oct. 17, 1929.

"The industrial situation of the United States is absolutely sound," Charles E. Mitchell, chairman of National City Bank of New York (a predecessor of Citigroup), said in early October 1929. "I know of nothing fundamentally wrong with the stock market or with the underlying business and credit structure," Mitchell added on Oct. 22, 1929.

Even after the 13% drop on Black Monday, Oct. 29, 1929, the pundits were urging the public to stay in the market. "This is the time to buy stocks," said market analyst R.W. McNeel on Oct. 30. "This is the time to recall the words of the late J.P. Morgan . . . that any man who is bearish on America will go broke. . . . Many of the low prices as a result of this hysterical selling are not likely to be reached again in many years."

"Financial storm definitely passed," banker Bernard Baruch cabled Winston Churchill in mid-November.

"I see nothing in the present situation that is either menacing or warrants pessimism," Treasury Secretary Andrew Mellon announced on the last day of 1929.

"I am convinced we have now passed through the worst . . . and shall rapidly recover," President Herbert Hoover stated on May 1, 1930.

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## The Usefulness of Nepad for Africa

by David Cherry

"You are the masters of your continent! . . . My brother Mandela, my brother Mbeki, forgive! My brother Mugabe, forgive the whites! They are now poor. . . . You are free. We are bigger than them. We are mighty!" That was the kernel of an impromptu intervention by Muammar Qaddafi—to thunderous applause—at the founding meeting of the African Union, in Durban, South Africa, on July 8.

One of the elements of truth in Qaddafi's words, is that the Anglo-American powers are not as all-powerful—and Africa is not as helpless—as they seem in the illusions of many Africans.

A thoughtful Nigerian columnist addressed the problem of these illusions in relation to the New Partnership for Africa's Development (Nepad), a plan of African Presidents to get aid and investment from the developed countries, in exchange for policies of privatization, austerity, and politically good behavior (see *EIR*, June 14, 2002). Referring to the failure of the Group of Eight (G-8) summit on June 26-27 to offer Africa any real help via Nepad, Dr. Tajudeen Abdulraheem wrote in the Kaduna, Nigeria *Weekly Trust* on July 19, "I am not sorry they [the African Presidents] did not get the check. If they had gotten anything substantial, they would not be amenable to reason and to engagement with various anxious stakeholders who have been either very critical or cautious about Nepad."

Among the numerous African Presidents in the "very critical or cautious" camp are Zambia's Levy Mwanawasa and Namibia's Sam Nujoma. At a press conference on July 4 in Windhoek, Namibia, Mwanawasa, in a spirit akin to Qaddafi's, said of Nepad, "We must do everything we can do, to develop this continent. We must respect our sovereignty and not expect outsiders to do it for us."

Against this is the widespread view typified by an utterance of Mwanawasa's neighbor, President Benjamin Mkapa of Tanzania. Mkapa's complaint about Nepad is that "the rich North should stop the rhetoric and start delivering on their promises," as he told the Society for International Development in Dar es Salaam, Tanzania, on July 5. Mkapa, however, seems to be unaware of the depth of the economic crisis that affects the advanced-sector nations as well; for example, that the United States has debts of \$32 trillion in combined government, corporate, and household debt, compared to a Gross Domestic Product of \$10 trillion, and that about 72% of U.S. GDP goes to service that debt.

## HIV/AIDS Could Collapse the State

But in one way, Mkapa is right. Because Africa is unlikely to be able to deal with the AIDS pandemic on its own, in time to prevent the utter collapse of society. The Prime Minister of Mozambique, Pascoal Mocumbi, is already warning, “We could face the collapse of the state.”

At the G-8 summit in Canada, the African Presidents arrived with their Nepad proposal of 205 points. Buried in the document is Point 125, which states, “One of the major impediments facing African development efforts is the widespread incidence of communicable diseases, in particular HIV/AIDS, tuberculosis, and malaria. Unless these epidemics are brought under control, real gains in human development will remain an impossible hope.” The G-8 responded with their own document, the Africa Action Plan, which includes a less categorical, but still pointed, passage: The consequences of AIDS “stand to undermine all efforts to promote development in Africa.” Neither side, however, sought to make this fundamental point the basis of discussion.

Stephen Lewis, a Canadian who is UN Special Adviser on AIDS, said in an interview with *AllAfrica* shortly after the summit, “None of these summits means anything unless they are undergirded by dollars. . . . The suggestion of [an additional, annual] \$6 billion, pretending that it is new, is in fact an illusion. The \$6 billion is warmed-over money, previously announced in Monterrey and on other occasions. . . . The \$6 billion figure is pathetic. Abysmal. . . . 2.3 million lives are being lost to AIDS every single year in Sub-Saharan Africa alone.”

The reader, however, must climb a higher hill than Lewis occupies. The G-8 powers should be acting on the basis of an actually scientific view of the guaranteed interaction of the billowing HIV pandemic with the take-down in their own countries of hospitals, routine medical care, and public health and sanitation infrastructure: Once they are helpless, AIDS will take them, like a thief in the night. Their witchdoctors’ condoms and other *muti* won’t save them. This scientific view dictates massive investment *now* in a program of optical biophysics to discover the vulnerabilities of the HIV virus, as U.S. Presidential pre-candidate Lyndon LaRouche first proposed in the 1980s. It also dictates massive investment in, and encouragement of African and Asian development to deal with the poverty co-factor of AIDS stressed by LaRouche, and in recent years, by South African President Thabo Mbeki—poverty, ill health, and poor nutrition degrade immune systems.

That is, the G-8 powers, even if only in their own self-interest, would have the elimination of AIDS and the development of Africa as an object of passionate concern. In attacking AIDS, they would solve the problem that Africa probably cannot solve. Why isn’t this happening?

The problem with the G-8 powers is not the absence of resources. Even with the U.S. debt crisis and the financial

collapse now under way, there are still some resources. The disability of the West is in its own illusions—illusions that have rubbed off onto some African leaders. The greatest danger of the illusion in the United States and elsewhere that permitted this to come to pass, is that money is the same thing as wealth. What is money, if it doesn’t represent physical goods or capability? The financial bubble mentality of recent decades, preferring illusion to reality on all subjects, permits the West to imagine that the AIDS pandemic “can’t happen here.” Now, the financial collapse presents a chance to return to reality.

## Nepad Encounters the African Union

Despite the absurdity of the G-8 summit, South African President Mbeki, in his weekly letter in the online *ANC Today* on June 28, declared that the summit “signified the end of the epoch of colonialism and neo-colonialism,” and said that “the decision of the developed world to enter into a new partnership with Africa was expressed in concrete form.”

But much of Africa does not agree. How could it? Is the International Monetary Fund about to change its spots? Did the summit mark the suspension of Anglo-American efforts to tell Africa who should exercise power in Zimbabwe, Zambia, Madagascar, and Kenya? Did the United States desist from trying to manipulate Nigeria into leaving the Organization of Petroleum Exporting Countries?

To crown it all, just after the summit, the British oligarchs, through their mouthpiece, the South African Institute of International Affairs (the local equivalent of the New York Council on Foreign Relations), declared that they had hoped that South Africa would take control of Africa and run it to suit them (a reference to what they hoped Nepad would be), but South Africa had fallen short. Above all, it failed to impose its will on Zimbabwe by threat of force—and the oligarchs would now have to do it by other means. Thus, Nepad exposed!

The institute’s message was delivered in the form of an address by its deputy chairman, Moeletsi Mbeki, President Mbeki’s younger brother—a cruel irony—to the Foreign Correspondents Association of South Africa. Before the apartheid era, Moeletsi Mbeki said, “South Africa was an important player on the world stage. Under the leadership of [British agent of influence Prime Minister] Jan Smuts, South Africa sat in the inner war councils of the Allies during both world wars. . . . When South Africa rejoined the community of nations after the demise of apartheid in 1994, the world [the oligarchs refer to themselves and their allies thus] therefore had great expectations of the government.” These expectations have now been abandoned, Mbeki said.

The African Union (AU), first conceived by Qaddafi, was founded in Durban, only days after the younger Mbeki spoke, in early July, to replace the Organization of African Unity with an organization that has a program. The Nepad organiz-

ers had declared Nepad to be “a project of the African Union” many months ago, and the AU’s first chairman is Nepad’s leading protagonist in Africa, South African President Mbeki. Yet Qaddafi, at a reception for Mbeki in Tripoli before the summit, had called Nepad a project of “former colonizers and racists. . . . If there are common benefits, we are ready. There is no problem. . . . But we will not be tricked easily. Africa is a giant which has woken up and broken its shackles.” His vision of the AU is one of an aggressively independent and self-determining Africa—unlike Nepad, once its rhetoric is stripped away—even seeing Africa as a single nation. “We must invest in it and build roads, so we have a powerful economic space rivaling Europe and China,” he told Libya’s Parliament on July 19.

Which outlook prevailed in Durban? Apparently, neither. The crucial Assembly of Heads of State commenced on July 8. That day, Qaddafi’s proposal to increase the size of the Nepad Heads of State and Government Implementation Committee from 15 to 20 was adopted. It was an important decision that shifted the balance of power.

South Africa, meaning President Mbeki’s faction, “has lost a titanic battle to rapidly transform the newly launched African Union into a formidable machine that would police errant nations and kick-start the continent’s economic revival,” wrote the *Financial Gazette*, a pro-British Harare, Zimbabwe daily on July 11. The summit “had been expected to crown reform-minded South African President Thabo Mbeki’s ascendancy to the leadership of a result-oriented united Africa,” it said. “Diplomatic sources said the first deadly blow against the reformists’ agenda was delivered on Monday when Libyan leader Muammar Qaddafi’s proposal to increase the number of representatives on the implementing committee of Nepad from the original 15 to 20 was adopted. By increasing the number, analysts said countries such as Libya and Zimbabwe, which would have been left out of the committee because of governance issues, were now likely to sneak in through their regional dominance.” But Qaddafi’s vision does not seem to have gained dominance, either.

### Africa Must Industrialize

There can be no doubt that Nepad has made itself useful by provoking an all-African debate on important issues. One particular voice, not present at the G-8 summit or the founding of the AU, stands out. It is the almost child-like voice of an old man—child-like only because he freely says what others have been taught to forget. Rev. Clement Janda, outgoing general secretary of the All Africa Conference of Churches, said in an interview in Nairobi in mid-July, that the only way forward for Africa is through industrialization. Janda is an Anglican clergyman from Sudan. Africa has the resources, both human and material, he said. He blamed Africans for a propensity to look to the West, Japan, and elsewhere for finished goods, and for not taking the issue of industrialization

seriously. The wheel has already been invented, but “we must learn to produce it ourselves,” he said, according to the African Church Information Service (ACIS) on July 15. In recent years, Janda has been outspoken that the West must help by “uprooting the debilitating debt burden.”

This is what LaRouche has taught these many years. This is the implication of LaRouche’s 1981 book, *Stop Club of Rome Genocide in Africa! Critical Comments Appended to the Lagos Plan of Action*, with its emphasis on how the productive city is built. But for most Africans, “Africa must industrialize” is a “hard saying,” because their ears are attuned only to the UN lexicon, in which the word “industrialization” has been replaced by “poverty reduction”—channeling resources and suitable employment to the poorest. But “poverty reduction” cannot change the productive geometry. It cannot even live up to its name by reducing poverty on a large scale. Only industrialization can do that.

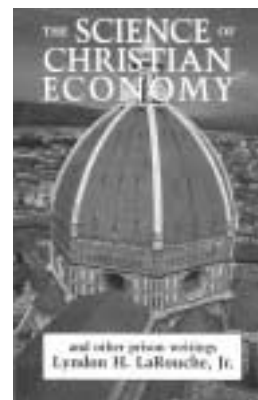
Janda’s view, wrote the ACIS, is that he considers “the new move to inject life into Africa’s economy through Nepad as not genuine and realistic, noting that it was likely born out of the fear by the West about the new African Union. He felt this was to counter the threat posed by the Union to the developed world as it [Nepad] was orchestrated by the West.”

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# Italian Senator Shows The Plight of Pension Funds

*Senator Oskar Peterlini made this contribution to a July 2 EIR seminar on a New Bretton Woods monetary system, held in an auditorium in the Italian Parliament and keynoted by U.S. Democratic Presidential pre-candidate Lyndon LaRouche. Subheads have been added; the graphics are supplied by Senator Peterlini's office. We have used a selection of his graphs; see article p. 4 for graphs on the global crisis, which are similar to those he used in the first part of his speech.*

Good evening to everyone. First of all, I would like to welcome Lyndon LaRouche to Italy, and thank Paolo Raimondi, who organized this event, and Dr. Galloni, who preceded me.

I would like to present some images which bring together what we have heard. I intend to give a summary of the crisis of the financial markets; then to speak about the demographic development which has caused the necessity of pension reform; and then to speak about the motion which we presented in Parliament in order to find the right solution to these problems.

Let's take a look at what has happened in these markets. The period which you see here is the five-year period, with the increase—with difficulty—in the years 1998-2000, the peak in March 2000, and then the descent and tremendous fall around Sept. 11. There was hope of a recovery, but then we again saw large falls. What we are looking at is a group of 500 companies on the European Bloomberg Index. We see the same type of movement on the Dow Jones index, with a rapid rise after 1998, when everyone bought stock.

The prices are determined by the demand from institutional funds and also from small investors, who at first saw a fall in the state bonds which had previously paid well, and thus moved on to telecom stocks, and then on to others.

We can see that the trend is one of continuous increase, to the point of going much beyond the real values of these stocks, with price/earnings ratios of 26 and even 50. That is, I buy a stock at a price 50 times what it earns; thus, I would have to wait 50 years to pay back the price of that stock. This graphic regards the United States; it's the Standard & Poor's 500, one of the best-known indices (250 of the stocks are American, and the rest are from around the world). We see the same increase.

In the past, we talked about differentiating, or diversifying a portfolio among various markets, so that if America goes down, then we hope that Europe rises. Here we see a perfect

correlation: Europe follows right behind America and behaves exactly in the same manner. The most perfect rise and incredible dive we see here is the Nasdaq, which is made up of the technology stocks, with the great dream of development which would never end, from cellular phones to the Internet, to everything that had an e- in front of it. We see a continuous increase, to the point of the crash, back to the same level as before the increase.

## 'Nowhere To Invest'

Besides Asia and Russia, the Argentine market is the one most in crisis, with a consequent danger of contagion of the rest of Latin America, starting with Brazil. This is an index of Argentinian stocks, in dollars and in [Argentine] pesos. The big crash took place, above all, in bond titles, since the peso has lost over 70% of its value.

Now I will show you a graphic which is very well-done and shows the movements of the market from 1925, before the 1929 crash, all the way up to 2001. The lowest line is inflation; the largest line indicates the movement of U.S. government bonds. This shows that you are not safe investing in bonds, because you see that you are barely able to maintain their real value: It's difficult for a pension fund to invest only in these issues, even if they are considered the safest.

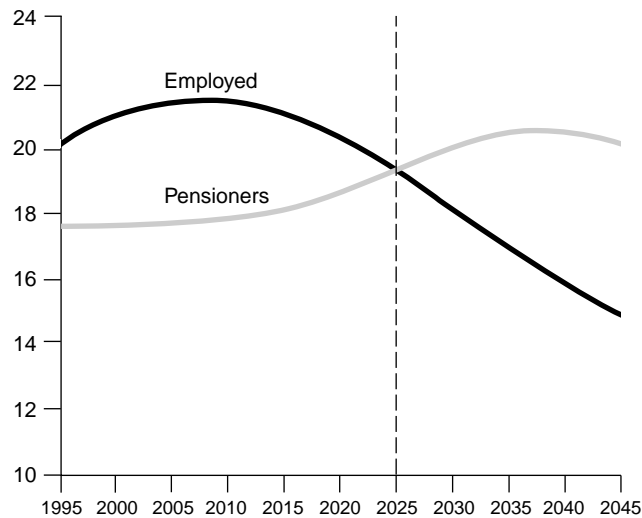
It must be said that, as Argentina demonstrates and as LaRouche demonstrated in his historical *excursus*, the fall of the currency also involves a fall in bond values, because the safety of nominal values is broken. This also happened in Italy when, more than once, inflation caused state bonds to fall, which brought the pension institutes to their knees, because they had invested in these bonds.

So, there's the question of where to invest. These blue and green curves show the stock values of small and large companies (the small ones do better). We see the crash of '29, when the stocks lost up to 70% of their value within only a few months. Then we see that the stocks rise again, and that the stocks rise more than bond issues. Then we see the dive in 1973 after the oil crisis. There is a recovery after that. Participation in stocks means participation in companies, houses, machines, and in factories which create development.

The problem is: Be careful of overvaluation, because if I buy a stock at a price higher than it's worth, it can't work any longer. Let's look at the same graphic over a span of 200 years: a dollar invested from 1801 to 2001 does the following: With gold, I lose money; with state bonds, I make \$275; with

FIGURE 1  
**2025 Scissors Crisis for Pensions**

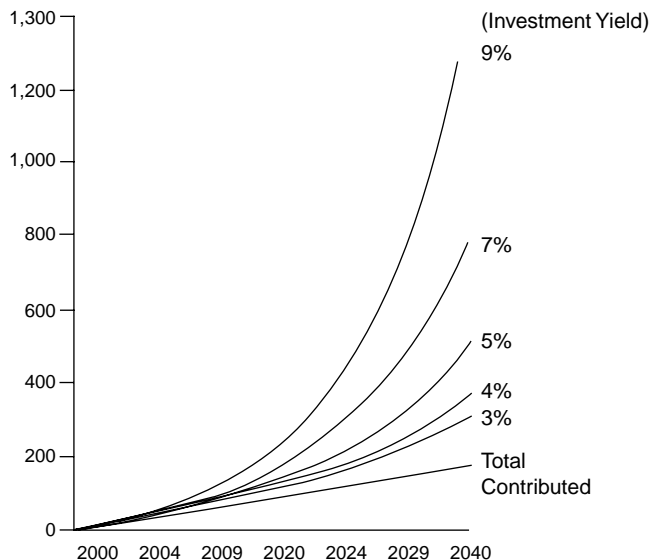
(Workers Compared to Pensioners, Millions)



Source: Oskar Peterlini, *To Plan the Future*, 2000.

FIGURE 2  
**Projected Growth of Pension Contributions**

(Thousands of Euro)



bonds issued by private companies, I earn \$800; and with stocks, the earning is up to \$600,000.

We see the annual returns, which fall in the periods of war and the oil crisis, etc.

### The Pension Crisis

Up to today, the pensions have been supported by the following mechanism: The people who work pay for the people who are retired. In the past, the system was very stable because there were many young people compared to the elderly. Now, we have seen a large reduction in births, and the group of young people is smaller. This statistic illustrates the number of children per woman of childbearing age, the rate of fertility. Italy, together with Spain, has the lowest fertility rate in the world, with 1.19 children per woman of childbearing age. This means that the rate is much lower than in Ireland, which is almost double, but also than in the Nordic countries.

This is a lowering of the number of youth, and thus of the workforce, slightly ameliorated by the number of immigrants (this would be a point to discuss at length).

We see how life expectancy has grown, that is, median age expectancy. We have a minimum in ancient Greece, where the median was 18 years (infant mortality was very high); in ancient Rome, it was the same; and we see it take off at the beginning of the 1900s, as the average lifespan grows together with great discoveries such as penicillin, the revolution in medicine, in surgery, etc.—to reach the level of about 80 years (with 5 years more for women than for men).

This means that there are fewer and fewer youth, and more elderly (**Figure 1**). This dark curve is the sum of pensions, which is growing, while this is the sum of workers, which is contracting. It is estimated that by 2025, the number of workers will be equal to the number of pensioners [in Italy], and later there will be fewer workers than pensioners.

This is unsustainable, because we have seen that the system is based on the fact that the youth support the elderly. Already now, 33% of every salary is paid to INPS [Italy's national pension institute], a third of the salary, between the employee and the employer; this amount will have to increase to 50%. For Italy, the OECD figures show that further on, up to 70% of the population will be retired. It's not sustainable.

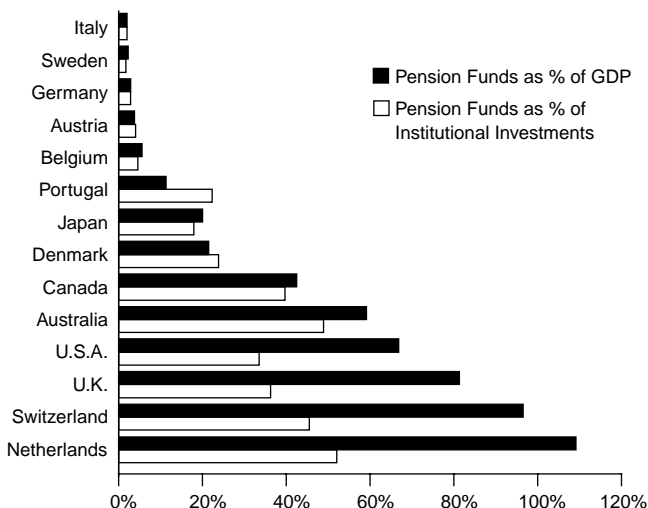
Therefore everyone—not only Italy—developed the idea of pension funds; that is, that in the future there will be more than one pillar on which to base one's retirement. Pension funds accumulate capital in order to invest it, obviously, in the markets, bonds, real estate, and in general in capital markets. What we see in this graphic (**Figure 2**) is that the average worker who makes 1,000 euro a month and contributes 2,500 [annually] to the pension fund, develops about 100,000 euro of his own contributions in 40 years, with the final sum depending completely on how much that fund earns: with 3% return he gets 274,000 euro and with 4%, 80,000 more, which with 7% would be 700,000.

This is to emphasize how important it is to invest well, which means also increasing risk. Here we see the percentage pension funds comprise in world stock values (**Figure 3**).

FIGURE 3

### Size of Pension Funds in Principal Industrial Countries in 2000

(Percent of Value)



Source: From data of Organization for Cooperation and Security in Europe.

The highest are in the Anglo-Saxon countries—the U.K. with 75%. How much money is invested in these pension funds? Italy has just begun its reform in this sector, and the new funds have collected 3 billion euro. There were already the old funds, and thus together there are 32 billion euro. Not much, compared to the euro-zone all together, in which there are 500 billion euro invested in pension funds. And the entire euro-zone is only 5% of the OCSE zone, in which 10,000 billion euro are invested in pension funds.

### Essential Action Now by Governments

This means that the system must survive, or everything will fall apart. If we are not able to maintain a financial system, then things will truly fall apart, because gold doesn't earn anything; in a balanced portfolio, real estate can't be more than 10%, because it's difficult to manage; with bonds there is the risk of currency drops, or of not keeping up with inflation. The large demand that comes from the world of pension funds is that of *stability and rules on the financial market*, and a strong realignment of the sector, involving all countries.

It's not possible that a world which is so advanced in the technological sector, leaves financial markets alone, in which not only large speculators (who make money in any case), but also small investors, workers, invest in pension funds, without clear and transparent rules which can prevent the scandals which have taken place.

This is the strong demand. And it is the strong demand which, thanks to LaRouche, we are able to make, not only in

Italy but also in other countries. The Italian Parliament has also been involved in this movement. Thus, I am proud to have presented the motion, from which I will read the opening lines:

The crescendo of international financial and banking crises beginning in 1997 with the crises in Asia, Russia, and Latin America, up to the more recent crash of the New Economy in the United States, to the gigantic Japanese banking crisis currently under way, and the bankruptcy of Argentina, cannot but worry the populations, leadership, companies, and investors, since this is not a series of isolated situations, but rather the manifestation of a crisis of the entire financial system, which is characterized by out-of-control financial speculation; the worldwide financial bubble has reached the level of \$400 trillion (\$140 trillion of them in the U.S.A.) compared to a world GDP of about \$40 trillion, and this gap has been growing, especially in the recent years.

This motion, which was initiated by the International Civil Rights-Solidarity Movement, was initially presented in the Senate by the Autonomies Group (this may be a positive aspect, because we are a small group, but one which is not caught up in the opposition between the two political sides) and has collected nearly 50 signatures of authoritative Senators, among whom are Andreotti, Salvi, Treu; and from the House, Brugger and Boato, and also Benvenuto, Maccanico, Ramponi, Biondi, Nesi, Melandri and more than 40 Representatives. We need everybody's support because everyone is involved here—not only the Enron employees who saw their company and their pensions lost, since in America, companies sponsor and guarantee pensions, so that if the company goes, so does the pension. (Fortunately, in Italy, this mistake has been avoided.) The crisis concerns all of us who have invested in the financial world, through pension funds, for example.

Therefore, the motion we presented first addressed the Argentina crisis, calling for strong intervention, and then it formulated the main request:

Regarding the crisis of the entire international financial and monetary system:

- to carry forward, in every aspect, the request for a complete revision of the role and the policies of the IMF;
- to take the specific initiative of proposing the convocation of a new international conference among heads of state and government, like the conference held at Bretton Woods in 1944, with the aim of founding a new international monetary system and taking those measures necessary to eliminate the mechanisms which have led to the creation of the speculative bubble and the systemic financial crash, and to begin programs of reconstruction of the world economy.



# Wall Street Takes a Hit in Peru, As Anti-Privatization Spreads

by Valerie Rush

Peruvian President Alejandro Toledo was forced to bow to the inevitable and dump his Cabinet on July 12, in the wake of mass protests against a merciless privatization policy which was the foundation of his government. In addition to his Interior Minister Fernando Rospigliosi, who had been forced out weeks earlier, Toledo accepted the “irrevocable resignations” of Prime Minister Roberto Dañino, Foreign Minister Diego García Sayán, and, most importantly, Economics Minister Pedro Pablo Kuczynski (a.k.a. PPK).

This trio, despised by the Peruvian population, spoke explicitly for the international banking interests which toppled the nationalist President Alberto Fujimori at the end of 2000, and put Toledo into office for the express purpose of looting Peru blind. Indeed, PPK’s appointment to the Economics Ministry had been a key condition imposed by the banks in exchange for their support for Toledo’s Presidential bid. Ever since assuming his post, PPK had boasted that ruling the economy was his domain, and he had undertaken as his primary mission an accelerated pace of privatizations in mining, energy, and agriculture, in particular, designed to generate \$700 million in revenues this year in order to cover the severe government budget deficit caused by skyrocketing debt payments, collapsing production and, consequently, diminished tax revenues.

PPK’s privatization mania caused this year’s May Day celebration to turn into a 48-hour general strike against the government’s privatization of the Mantaro Hydroelectric Complex, the largest in the country. Protests hit the North over plans to sell off the Talara oil refinery, while agricultural producers in the nation’s central region declared an indefinite regional strike over the dumping of subsidized food imports on Peru’s markets. Union protests against government economic policies began to hit Lima, as well.

But PPK’s fate was sealed on June 19, when President Toledo was forced to reverse the privatization of two state electricity providers in the South, Egasa and Egesur, in the face of civic strikes which had convulsed seven southern provinces for six days, and had begun to win sympathy mobilizations in the North as well. Although the government had ludicrously denounced the protesters as “a handful of extremists and violent malcontents” and imposed a 30-day state of

emergency in the area, Toledo’s attempt to deploy soldiers against the strikers backfired when the military—whose heroes have ironically been the targets of political witchhunts by the Toledo government—refused to deploy. Unable to enforce his threats, Toledo buckled, and signed a pact actually reversing the already-announced sales of Egasa and Egesur.

Wall Street was furious, and J.P. Morgan sent a warning that the privatization reversal “was a negative surprise for the markets, but our hope is that in the short term, President Toledo and his Cabinet will correct what we could call a lapse.” But Toledo’s approval rating in the polls was rapidly plunging toward 10%, which forced him to try to stem the political hemorrhaging by purging PPK and his cohorts from the Cabinet, despite a post-election promise to a handful of New York bankers last July that Kuczynski “will stay until the last day of my administration.”

PPK and company were replaced by figures with a more populist tinge, but these new faces will do little to solve Toledo’s problems, as long as he remains pledged to the same free-trade globalization policies demanded by his sponsors on Wall Street. In fact, newly named Economics Minister Javier Silva Ruete immediately told the press that, while privatization might not be openly pursued for now, “there are many ways to sell public companies. . . . There are principles that we are going to maintain.”

## Protests Echoed Continent-Wide

It is adherence to those same neo-liberal dogmas by nearly every one of the governments of Ibero-America which is igniting protests everywhere, and threatening the stability of the entire continent. The policy of the Bush Administration has kept up its blind, ideological insistence on the mantra of “privatization and free trade,” which has only worsened the situation.

For example, Treasury Secretary Paul O’Neill will travel to Brazil and economic basket-case Argentina at the beginning of August, where he will inform both nations that they can expect no mercy (or money) from Washington, Wall Street, or the International Monetary Fund. Argentina is now in the throes of its worst depression in memory, as a result of IMF strangulation conditionalities. And Brazil has a real

foreign debt approaching \$500 billion, the largest in the world, which is only months, or perhaps weeks, from a total blow-out.

In mid-July, the U.S. State Department's Assistant Secretary for Western Hemisphere Affairs, Otto Reich, toured Argentina, Brazil, and other Ibero-American countries, to deliver the same message.

This "damn the torpedoes" lunacy emanating from official Washington, has provoked more politically savvy elements in the United States to begin to ring the alarm bells, urging the Bush Administration to wake up, before it is too late. They are particularly concerned over Lyndon LaRouche's growing influence in Ibero-America, in the face of the economic maelstrom pulling the continent under, as recently reflected in the U.S. economist and Presidential pre-candidate's extraordinary visit to Brazil (see *EIR*, June 28, July 5, and July 26).

Exemplary of the nervousness is a column appearing in the *Miami Herald* of July 14. Written by the *Herald's* Latin America commentator, Andrés Oppenheimer (who is closely identified with the Washington, D.C. think-tank Inter-American Dialogue), the column takes the form of an imaginary State Department official's advisory to U.S. Secretary of State Colin Powell. Latin America "is in serious trouble," warns Oppenheimer. According to a recent poll, "a majority of Presidents in the region are below the 30% popularity rate that pollsters consider necessary to lead effective governments." Oppenheimer names among these Presidents, Argentina's Eduardo Duhalde, Bolivia's Jorge Quiroga, Colombia's Andrés Pastrana, Ecuador's Gustavo Noboa, Peru's Alejandro Toledo, Uruguay's Jorge Batlle, and Venezuela's Hugo Chávez. He says the continent's political parties "are equally discredited," and urges that Washington must "de-emphasize our calls for more privatizations and government cuts," among other things. Otherwise, he warns, "Latin America is becoming a fertile breeding ground for messianic dictators."

The same nervous line is echoed by *New York Times* reporter Juan Forero, in a July 13 article which presents the Peruvian civic strikes that toppled PPK, as exemplary of a groundswell of resistance in Ibero-America to "the decade-old experiment with free-market capitalism." Forero reviews the growing "revulsion with market-led market orthodoxy" in countries from Peru to Paraguay, from Brazil to Bolivia, from Ecuador to Venezuela, and cites one worried New York analyst, "Perhaps we have come to the end of an era. That we are closing the door on what was an unsuccessful attempt at orthodox economic reforms at the end of the '90s."

These critics, however, urge little more than a re-packaging of the same failed policies. Oppenheimer, for example, can merely advise a "refocussing" of U.S. policy on "greater exports and open trade," "more active public diplomacy," and "democratic political solutions . . . that can assure more effective governance." Like the new faces in Toledo's Cabinet, such "advice" only promises more of the same.

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## The Other Security Risk

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# Drug Shortages Plague United States

Part 1, by Linda Everett

While the attention of U.S. officials is focused on stockpiling drugs in the event of a biochemical terrorist attack, millions of Americans experience the real problem: their lives and health are imperilled by shortages or inaccessibility of essential and commonly used pharmaceutical drugs. Federal government officials joined the American Society of Health System Pharmacists, the American Medical Association (AMA), the American Hospital Association, and high-level representatives of the pharmaceutical industry July 12, for a closed-door meeting on what can only be called America's other national security risk—the growing shortages of critically needed hospital drug products and childhood vaccines.

This is the first of several articles about the complex causes and impact of this crisis, which has at its core the profit-driven "shareholder values" of the pharmaceutical industry, the most lucrative industry in the country, with profit margins in 2000 four times those of the average Fortune 500 companies. Major drug manufacturers are key to the shortages of scores of life-saving drugs, everything from hemophilia medicines to certain surgical anesthesia and antibiotics. Their policies are endangering every sector of the population, from the youngest to the oldest—no matter what their financial means.

### Overcoming Scourges of Nature

This crisis results from an unbridled "free market" largely outside the purview of the U.S. Food and Drug Administration—one whole department of which is now targeted for privatization, thereby worsening the problem.

Given Democratic Presidential pre-candidate Lyndon LaRouche's proposed financial reorganization, the United States has the capability to trigger an explosion in pharmacological and biomedical discoveries as part of an overall scientific/high-technology-oriented "arsenal of democracy" (see the LaRouche in 2004 campaign's Special Report, *Economics: At the End of a Delusion*). Infrastructure production for new pharmaceutical manufacturing plants is necessary, along with new and continual upgrading of existing plants, and can be financed by low-interest government credit. In combination with entrepreneurial investments, this can assure production of "unprofitable" drugs, like vaccines and "orphan" drugs (those dropped because the lives of only a small number of people depend on them) without which this

country cannot function.

The government's own investments in research and development in breakthroughs (this research contributes now to some drug multitis' lucrative profits), in conjunction with a parity payment system to assure financial return on research, development, and manufacturing investments, can reassert the country's commitment to overcome the scourges of nature. That's what the battle, at its core, is all about.

Today, the drug companies' patent and other policies loot billions of dollars annually from state and Federal programs, retiree health plans, and the general population.

Government regulation, we are told, will "stifle" these companies' R&D efforts. But, a new Families U.S.A. study found that eight of the nine publicly traded companies that market the most used drugs to seniors, spent a total of \$45.4 billion in 2001 on marketing, advertising, and administration, and only \$19.1 billion on R&D. In 2000, Merck and Co. netted 17% in profits, but spent only 7% on R&D. In 2001, the chairman of Merck received \$40.5 million in compensation with \$93.3 million in stock options, while the CEO of Bristol-Myers Squibb received an obscene \$74.9 million in compensation—at a time when health insurance companies are raising premiums by up to 45%, citing high prescription drug costs.

The United States is slipping back to an era when millions were sickened and thousands died of communicable childhood diseases. Immunization against measles, mumps, diphtheria, whooping cough, and influenza, had been one of the great public health victories of the past century. As a result of the nation's immunization program, millions of cases of disease, disability and death have been averted. Billions of dollars have been saved; hospitalizations have been dramatically reduced. Smallpox and polio have been eliminated.

### **Childhood Immunizations Threatened**

The Centers for Disease Control and Prevention (CDC) recommends that children be immunized with 11 different vaccines before entering school—but, because of the current shortages of 8 out of 11 childhood vaccines, the CDC has restructured its immunization schedule to fit the shortage.

At a February 2002 CDC conference addressing the crisis, the AMA warned that the shortages are "rocking the foundation of preventive medicine." For over a year (two years in some cases), acute vaccine shortages existed for MMR (measles, mumps, rubella); invasive pneumococcal-conjugate vaccine and pertussis (whooping cough); and chicken pox (varicella), diphtheria, and tetanus. The shortage of a few of these vaccines is easing, but they are available only on a restricted basis.

Recent medical studies warn that the only way the nation can assure its continued success against these dangerous diseases, is through continued high rates of vaccination. Yet, doctors are now forced to turn away children needing vaccines. If children miss the needed doses, we face a major

public health threat at a time when millions of Americans are losing access to health care.

Consider the growing number of teens, adults, and elderly who carry pertussis (whooping cough) bacteria and are exposing unvaccinated infants. Experts believe that the bug has outsmarted vaccines used to control it for decades, or the bacteria circulating today are different than those circulating in the past.

The reasons for drug shortages are several. There are some legitimate manufacturing difficulties (live organisms used to produce vaccines or biologics do not always grow as needed), but the other causes are, failure to retool plants; misjudging the "demand" for vaccines; insufficient stockpiles; manufacturers who fail inspections by the Food and Drug Administration; and consolidation of the drug industry. Companies stop production of a drug when it is no longer highly profitable to them. Wyeth-Ayerst Laboratories decided to stop manufacturing the tetanus-diphtheria vaccine and Wydase, a drug used on newborns and surgery patients, because the profits weren't worth the costs of upgrading the company's facilities. At the time, its CEO was paid \$27,008,927 a year with \$81,847,567 in unexercised stock options.

The Federal government purchases 52% of vaccines used in the United States, at a negotiated price—now often called too low by drug producers. In 1967, vaccines were made by 26 manufacturers. Today, there are only 12, of which four are large pharmaceutical companies.

One proposal to end the shortages is to activate a 1993 Institute of Medicine plan for a National Vaccine Authority which would oversee the production and distribution of vaccines and monitor the country's needs. A government-owned vaccine-manufacturing plant would supply government-produced vaccine when private manufacturers don't. But, as we'll show in future reports, the scope of this crisis is much, much broader.

Consider the current shortage of 39 critical drug products that hospitals need every day. That list has steadily grown—along with perils to patients. Last year, three patients in California contracted bacterial meningitis after receiving a contaminated medication that was compounded as a substitute for an injectable corticosteroid not now available. All three died as a result.

If a drug company drops production of a medication needed for your well-being, and if there is no other manufacturer willing to take up production of it, you are out of luck. There is no resolution of that crisis without reversing the last three decades of post-industrial, free-market policies.

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# National Food Self-Sufficiency Planning: The Case of Malaysia

*Providing for a national food supply, under today's conditions of rapidly worsening financial chaos, and economic breakdown, is a matter of foremost importance. The "free trade" institutions (IMF/GATT/WTO), now collapsing, forbade both national food reserves and the goal of national food self-sufficiency itself, decreeing that nations should depend on "access to world markets." In opposition, agriculture specialists have worked on technologies to build up national food output capacity.*

*Mohd Peter Davis, Lecturer in the faculty of Veterinary Medicine, Universiti Putra Malaysia, Selangor, Malaysia, is calling for a concerted drive for food self-sufficiency in Malaysia and other nations. Davis, who was born in Britain, is an agriculture specialist with wide experience: He trained in Britain in biochemistry, worked in animal husbandry in Australia, and has been active for many years in Malaysian agriculture. This year, Davis co-authored a policy paper, "Food Production for Malaysia During a Collapsing World Economy" (with Makhdzir Mardan), presented in March in Kuala Lumpur, to a Conference on "Bio-Industry: The Future of Malaysia" (see box). Mr. Davis is working on a book with the same focus.*



*Malaysia held off the 1997-98 "Asia Crisis" with capital and currency controls. Now Mohd Peter Davis, agronomist and lecturer at Universiti Putra Malaysia, has presented a Malaysia Bio-Industry conference with a food national self-sufficiency plan, against the global economic collapse. In the background is LaRouche's Triple Curve "Typical Collapse Function."*

*On June 22, EIR's Michael Billington and Marcia Merry Baker discussed with Davis, his experience as a scientist on three continents, his agricultural planning, and his proposals for Malaysia. Excerpts from that interview, and Davis' recent paper, follow.*

**EIR:** You have been stressing that the onset of global depression is an urgent reason for acting on expanding national agriculture output toward food self-sufficiency. In fact you say that for Malaysia—a nation of 22 million people—this task can be usefully viewed in the context of the model of the World War II Japanese occupation, when Malaysia had no outside access. Why do you see it that way, and what are your proposals?

**Davis:** Self-sufficiency in food has been the long-term objective of the Malaysian government. Every five years they come up with a Malaysia plan. We are now on the eighth Malaysia plan, and every single one comes up with the idea of self-sufficiency. But when you start looking at it, in fact, we are becoming less and less self-sufficient, despite all of the aims and the requirements in the plans.

This struck home in 1997, in the last recession, the crash of the Asian economies. Food imports started to increase dramatically, due to the devaluation of the currency in 1997. Suddenly, the Malaysian currency—even though we had pegged it to the U.S. dollar, it became about 3.8 ringgit to the dollar from having been at 2.5 to the dollar previously. So all of the imports suddenly became much more expensive, and it literally began to hurt. The economic downturn affected exports and all of that.

We are at the stage now where the import bill for food is over \$12 billion per year. To put this in context, exports from the oil palm industry—Malaysia's golden crop, this has really put Malaysia on the map of using palm oil—that industry only produces \$17 billion per year in exports. So our full food import bill now is almost wiping out all those tremendous gains that we have made. Forget those exports, we've got to do so much work. We have to transform the country, but now we're squandering it all on this food import bill.

So, we are now paying the price, really, of the neglect of a policy that has been stated, but has never really been seriously enacted. We've gotten further and further behind.

TABLE 1

## Malaysia's Food Self-Sufficiency, Without Imports or Exports

Carbohydrates	
Rice	70%
Cereals	5%
Animal Proteins	
Milk	1%
Eggs	5%
Meat	4%
Fish	100%
Fruits and Vegetables	
Fruits	90%
Vegetables	45%
Other	
Oils	100%
Sugar	5%
Tea, Coffee	100%

Source: "Food Production for Malaysia During a Collapsing World Economy," by Mohd Peter Davis and Makhdzir Madan, Universiti Putra Malaysia, March 2002.

**EIR:** You have provided charts, with rough estimates by food category, of how import dependent Malaysia is for food and livestock feedstuffs (see **Figure 1**). What has been your experience in this? What are your recommendations?

**Davis:** In the field that I was involved in, that is, before I got into my current housing studies, when I first came to Malaysia, I helped set up a prototype sheep industry in the country. Traditional agriculture is extremely difficult to do in Malaysia for producing animals, because we haven't got grazing land. Usually with sheep, goats and cattle, you need grazing land. But we are a rainforest country, and any attempt to cut down the rainforests and introduce grazing land is soon doomed to failure, because after a few years, the pressure from the rainforest reasserts itself and it all gets overgrown by secondary jungle.

And so it's hard to get self-sufficient in ruminant animals. It is an extremely difficult task. None of the traditional methods could work, so, when I came to Malaysia, I tried a different approach. I came, really, with some American technology. I was working on a higher degree in biotechnology, and high-pressure steam treatment of woody materials to release the cellulose.

Now, I selected this topic, actually, because I realized that, in Malaysia, there was no natural feed for animals to eat. Without food, without feed, you can't grow animals, and about 80% of the cost of animal production is in the cost of the feed. So, we had to find a replacement feed—traditional grasses and all of that wouldn't work—so I came with these technologies that I had worked on in Australia to break down woody materials, using very high-pressure steam.

The process was developed in North America, using con-

tinuous high-pressure steam process. You put the water in and keep the vessel pressurized at very high steam, and out comes a woody material, in which the lignocellulose bonds are broken, really liberating the cellulose. Normally, cellulose is locked up and it has a concrete-type structure, but this broke that down. I did some of the work on that in prototype machines, and lab-scale models.

It needed about a million dollars. We could have bought the machine quite cheaply. I was in touch with the Americans and Canadians on this, but at that stage of science in Malaysia, it was a joke to spend a million dollars. In retrospect, if we had done it—the technology outfit has since gone broke, I think, but the general idea of it is, that it's a bit like splitting the atom. You have all that energy within the atom, and you have to find a way of releasing it. This technology opened up the same with woody materials. Normally, those materials go back to, not organic nature, but the inorganic cycle of matter; but this way was capturing it for the organic part, instead of keeping it in the inorganic cycle.

Anyway, that wasn't done, so we starting looking around for local feed, and, by great good fortune, a byproduct from the oil palm industry, called palm-kernel cake—it's what is left over when you squeeze out the oil, the natural meal—this was, before I came to Malaysia, found to be almost a perfect feed for cattle. So I picked up on that and, being a lot more interested in sheep, because I had been working for ten years or more in sheep research and production, I took up the palm-kernel cake idea, and we found that this feed could be ideal for growing sheep without any grass. We could grow sheep intensively in sheds, and we could give them this feed, with a few minor modifications for mineral content and all that—you know, a few nutritional problems to fine-tune.

We could breed sheep in these sheds and get them to the market in four months. So there was a tremendous increase in productivity, and we were, at this point, looking into different breeds of sheep, cross-breeding them. There were active programs going on in other research institutes, and so we had this very progressive solution. We got really to the prototype stage of producing sheep. I was doing it with sheep, really, as a model study for cattle, but sheep are a lot cheaper, being small, they are a lot easier to work with. But if you can get it to work with sheep, then you can just transfer it to cattle.

So we had done this pioneering research. It was very practical, live, and very sensible. It was the 1960s-style technology that we were doing. The stuff I had been taught, really, as a student. So we applied all that. Put it all together, and at that stage we were ready to go for big prototype testing. We applied for money to have sheds and to overcome all the other problems, such as heat stress, disease. We got our disease problem down to zero percent!

When we first started, we were losing 10% of the sheep per month. Malaysia had wanted a sheep industry, so they imported 3,000 sheep. It was a politician and a businessman that came up with this idea. There was never a scientist in-

volved. [Their idea was], if you've got 3,000 sheep in the country, then natural selection would leave a few, and we'd breed from them with "super-sheep." But, of course, that was wrong, and they all died. It was a stupid experiment, and any scientist would not even look at it. That's not the way to do it.

I came to Malaysia at that time, starting as a lecturer in animal science. I had inherited these sheep, donated to our university. The remainder had been farmed out to all these farm institutes and universities. They soon started to die at the rate of about 10% per month. People were trying to do experiments with them. You can't do experiments with dying animals.

Then we had to do real rush emergency things. So I drew on my Australian experience then. Australia is a land of sheep, having built a whole economy on sheep. I'd worked with a research institute there of very practical scientists. I was able, within weeks, to say what was necessary. I was given all these animals and left alone to do it. It was a very tough job.

We had to get them into housing. It takes some of the toughest sheep in the world to withstand the Australian outback, but when they came to Malaysia, they just absolutely died right away from all the tropical diseases that were never encountered before—the fact that we have a wet and humid climate. Sheep like hot and dry. There was perpetual disease, compounded by the problem of poor nutrition from available grasses. They were suffering heat stress. All of these combined problems, was a real emergency, but we were able to save these animals. Over the next eight years, we had solved all of the problems. We succeeded in transforming that disastrous situation into one where we could get a highly productive lamb market.

**EIR:** What period was this?

**Davis:** This was about six years ago, just before the ["Asian" financial] crisis. It was at the height of the boom, really. Malaysia by that time was booming. We had an early recession in the late 1980s. By then it was climbing out of that, and it was boom-time in Malaysia—fantastic building—the whole country was a building site. I had never seen so much development. Every time you'd wake up, there was another building and housing estate, and all that.

**EIR:** That was already a year into the World Trade Organization—started in January 1995—and there was tremendous pressure building internationally to distort domestic farm programs in line with so-called "free trade" in agriculture.

**Davis:** That's interesting to know, because the policy that was coming up here [in Malaysia] was an unwritten policy. It centered around the concept that agriculture was a sunset industry.

**EIR:** People aren't going to eat in the computer age.

**Davis:** That's what happened. Things were very rough. All of our funding was cut. I had to change my focus. That's why

I'm now in housing. . . . Malaysia said, "We are an advanced country now, we'll let the poor countries feed us. We'll pay for it with our microchips." And, of course, Singapore was producing enough microchips to drown you.

Then we started all the debate about "food security" because as scientists, we were appalled by this. Myself, I was putting forward these programs. My colleagues were putting forward similar programs for our cattle industry. We were at the point of really breaking through and getting prototype industries set up. If we had been allowed to do it, we would be halfway to there by now.

With animals, given the general reproduction time, it takes about a 20-year program, really. . . . Even with the most advanced techniques, but you still can't speed up the pregnancy time.

**EIR:** So, this is dead now, the program?

**Davis:** Dead, killed. Everything.

Just one thing more about the livestock, which I didn't mention: My wife and I—my wife is an agricultural researcher—we wrote a paper about seven years ago, where we looked at this palm-kernel cake, the byproduct from the old palm industry, which is good for feeding the sheep. We did the analysis of it, and we found that there would be enough of this palm-kernel cake *to create a completely self-sufficient animal feed industry, for cattle, sheep and goats, i.e., that Malaysia could be completely self-sufficient.*

All that feed was going to Europe because of high prices, so that completely undermined the industry, where people were beginning to set up the preliminary steps to an industry, backyard farming and all of that, but it would have gotten better. All of that was killed by economics. The companies said, "Why should we bother with animals, when we can get good money just with quick return?" . . . But in this paper, we put forward the proposal that if you used this feed here in the country, we could get ten times its value, compared with selling just the raw materials, by putting it through animals, then getting the fleeces, and all the other downstream industries and products that would be spun off.

This didn't cut any ice at all, either. We warned in that paper, that one day the Europeans would stop buying the palm-kernel cake because the market was purely artificial. This feed is now becoming available at about half the price of what it was before, and it is beginning to look attractive.

With the collapse in the world economy, we'll have our chance to pursue that.

**EIR:** What about the parallel story, for expanding output of carbohydrates—rice, and others?

**Davis:** The only carbohydrate we produce is rice. Rice is perhaps the only one that we are efficient at. We are 70% self-sufficient in rice, and this is done the proper way. It used to be done by Kampong farming techniques—you know, village farming techniques—but now that has been taken over in

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*There are a great number of frustrated professionals. You know, people that want to go ahead, make progress, and getting unemployed. They are going to come naturally to the LaRouche movement, but when they come, we've got to be able to get them thinking. It's really the Roosevelt "Re-Build" project.*

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designated areas, and is being carried out with proper scientific foundations and with oversight from the authorities. And that can be expanded—even in a depression, I think—that can be very quickly expanded to full self-sufficiency in rice.

But the cereal groups—the flour, the maize that we need for bread and other forms—all of that is imported. In Malaysia, we are not able to produce corn. You can raise it in the wet-dry tropics, but you can't do it in the humid tropics. You need a long, hot Summer for the kernels to ripen, and everybody says—and I referred to the expert on this, in my paper on food self-sufficiency—that no matter what you do, you can't produce maize here. But, of course, she has come up with an alternative, which is sweet potatoes.

I've taken it one stage further by saying, "Right, this is the crop that we must go for, and mass produce it."

But, in all of these things, you have to get past not only the early science stage. And last week, there was a big development: The government has passed a bill saying that the research organization, called MARDI (Malaysian Agricultural Research and Development Institute), will allow the scientists now to take it all the way to commercialization, with farmer-entrepreneurs.

In the past, the research organizations do the research, and then they leave it for industries to pick up. But, they don't pick up.

**EIR:** So, this will all be government-sponsored?

**Davis:** The government will sponsor it now all the way through. This is what is needed. . . . We don't have the class of entrepreneurs that we need. It's just beginning actually, of people picking up an idea and following it through, from the research organizations. It means that the government has to do much more. The recognition of this, really, by this new act of Parliament last week, is recognition that the government has to take the lead. It can't just rely on industry to pick it up. . . .

It's the American way, you know. The original researcher makes a scientific breakthrough discovery, and then he follows that through, right through production, setting up companies; because he's the one that drives it. Those are the people who drive it. The ones that just pick up the invention, are just in it for quick profit. And, of course, there's a long lag between the initial discovery and actually making any money.

**EIR:** During the recent decades of so-called "free trade," what would happen is that the major cartels, whether it's Monsanto, Cargill, or the others, would move to control the food and agricultural innovations—what gets developed or not. These cartels have even altered patent law in the United States, to make demands for sweeping patent rights to such things as bio-engineered crop traits and methods. So your new Parliamentary act in Malaysia is strategically very significant for being in opposition to that kind of mega-multinational control.

**Davis:** It's come out of the blue, actually. I've only just heard about it, but I said to myself, "Ah, at last, this is a very good move, because lots of our inventions might be taken up." It opens up a lot of possibilities.

**EIR:** It goes to the very core of the general collapse of the world economy. . . . And, of course, linked to that is the whole question of developing infrastructure—all of these things have been largely dropped globally, but especially in the United States. In this light, it is valuable to have your first-hand review of food projects, and what really did and didn't happen to them; because usually, we hear only the false propaganda—for many, many years, from such agencies as World-Watch, and its director, Lester Brown, which say, "Well, we've exceeded the possibility of new technology in food and agriculture. We are overpopulated."

The very idea of national food self-sufficiency, as an idea, was literally disallowed, that is, prohibited in the tenets of the 1995 World Trade Organization. It had been debated in 1986, at the founding meeting of the "Uruguay Round" of the old General Agreements on Tariffs and Trade, that is the old GATT under the United Nations. They met in Punta del Este, Uruguay, where they made agriculture their leading concern for what they called "reform." They said, it is wrong for any nation to try for self-sufficiency, in fact, you should not even have national food reserves or contingency stocks.

As you worked in Britain, then Australia, and then you went to Malaysia, did you personally see this shift? Would you comment on that?

**Davis:** We all got contaminated by this, through the Club of Rome, you know, the "limits to growth," and panic that we are overpopulated, and all these limit projections, including claims that we were running out of food, with risks of mass starvation.

## New Agriculture Policy For Malaysia

*Here is the summary of the March 2002 paper, "Food Production for Malaysia During a Collapsing World Economy," by Mohd Peter Davis and Makhdir Mada, of Universiti Putra Malaysia, presented at a Conference on Bio-Industry: The Future of Malaysia, March 25-26, in Kuala Lumpur.*

The agricultural issues raised in this paper come from the rather late realization by the authors that the world economy, which has resorted to printing paper money for the last 30 years, is now entering the final and dangerous stage of disintegration and collapse. The Argentine economy has collapsed under a heap of debt. Japan, the world's second largest economy, may well be next, threatening to collapse the American economy and with it, the entire world economy. The worst-case scenario for Malaysia is that commercial imports and exports based on currency, will cease, similar to the Japanese occupation of Malaya. Under these conditions, Malaysia can only produce half its food. The authors in the present paper have suggested possible strategies for minimizing food shortages. We have no monopoly of wisdom on these issues and wish only to open a serious and mutually beneficial debate with all sectors of society.

Our suggestions include the *simultaneous* adoption of the following new policies:

**Proposal 1:** Defend Malaysia's chicken and pig indus-

tries by guaranteeing supply of 1 billion ringgits imports of animal feeds. **Action:** Barter trading with ASEAN neighbors, China, India, Australia and New Zealand by exchanging palm oil, petroleum, natural gas, etc.

**Proposal 2:** Secure Malaysia's supply of frozen beef by feeding cattle in Australia with Malaysian palm-kernel cake. **Action:** Oil Palm Companies to consider venturing into Australian cattle feedlots and shipping back the beef to Malaysia.

**Proposal 3:** Expand rice production from the current 70% self-sufficiency level to 100%. **Action:** Improve irrigation and mechanization and expand the eight existing granary areas.

**Proposal 4:** Establish sweet potato as a second source of carbohydrate for humans and as a replacement of maize grain for the chicken and pig industries. **Action:** MARDI to serve as main consultants for large-scale sweet potato industry established on waste sandy soil in Kelantan and Terengganu.

**Proposal 5:** Free school meal packets, providing half the daily nutrient requirements, for school children and the needy. **Action:** Dieticians, food scientists and food manufacturers to devise and produce palatable biscuits from sweet potato, ground nuts and other high-protein sources, and palm oil and vitamin fortification. Distributed directly and freely to schools and communities using Government channels and finance.

**Proposal 6:** Development of new agricultural systems for urban agriculture, small-holder farming and commercial farming. **Action:** Government and Industry to provide ample fast-track research funding for novel food producing systems, especially new food sources such as jungle fowl.

We didn't realize until years later that it was a conscious policy. At the time, we got caught up in it, but even then, it wasn't taken all that very seriously. In a country like Australia, where you've got a tiny population, it's always been a battle, literally, to survive, for the population, so they've always had this policy of "populate or perish." The thinking was that unless we populate this continent, we are doomed.

And, then this stuff comes along from the Club of Rome about how we are overpopulated—well, this didn't cut much ice with Australians. I, obviously, got involved in things like social responsibility in science and all that; and I read a lot of this, saying, either, "depopulate or perish," or, in the next breath, "depopulate or else." We saw this really as a kind of mailed fist, really that somebody is behind this, but we didn't really know who, so it didn't cut much ice.

**EIR:** In your experience, did needed science projects, in par-

ticular, those focussed on the needs of the developing sector, prove to be virtually impossible to get funded? Even when there was money available for scientific development?

**Davis:** This first happened when I was in England, where I worked for nine years with this company, Pfizer, an American company—a very, very progressive company, reflecting the American intellectual tradition. They developed teramycin, which was used globally, as bacteria became drug-resistant to penicillin. This was a big breakthrough.

But there was a big change in the early 1960s. I left there in 1968, but a few years before that we were developing a lot of programs in biochemical research, and brought in a lot of young, fresh graduates, and they were setting up these programs on tropical diseases, to develop drugs against tropical diseases.

They were really dedicated scientists. They had just got to the stage of setting up all these screening tests for drugs to



treat diseases, such as sleeping sickness, when there was a change in the board management of the Pfizer-U.S., which controlled the worldwide operation. The next day, they said, “All of this research has been cancelled.” Just overnight, one change in the top management. The reason was, they said, that even if we came up with a miracle cure for sleeping sickness or other tropical diseases, the poor countries could not pay for it, so what is the point in doing it?

**EIR:** What they called that in GATT-speak, was to say, “There will be *no effective demand*,” meaning people can’t pay for it. It’s like AIDS today. That captures the character of the 1960s, and the paradigm shift, doesn’t it?

**Davis:** This was about 1965. So this, of course, sort of shattered my belief, because all the scientists I worked with saw this as a very progressive period, post-war period. We were entranced to seek to change the world. We saw all the fantastic benefits of antibiotics, and there was popular support for these efforts; and then, suddenly, there was a change of thinking, and they revealed their true colors, that they were just in it for the money.

From then on, I grew up. I realized the scientists that were making the breakthroughs changed the world. And the companies themselves were doing it to get rich. That’s when I went out to travel the world, traveling overland from England to Australia. What I saw—and especially in the Third World—the problems, health problems I saw, I know could all have been solved by this science. So it was a big shock. What was stopping all this science from being applied? What was stopping sensible agricultural projects?

Then it dawned on me: These people don’t want this to happen. You realize this is the whole class conception of society—they versus us.

**EIR:** It’s not so much class distinction, as it is that in 1974, Henry Kissinger chaired a committee which issued the National Security Study Memorandum 200, which laid out, as America’s national security policy, to contain and restrict population growth as essential to secure U.S. free access to the raw materials of the developing countries.

**Davis:** And in 1974, we were disgusted in Australia with the idea of the intent to use food as a weapon, and then it was enacted in 1975!

**EIR:** In 1974, Henry Kissinger went to the World Food Summit, representing the United States—not Earl Butz, the Secretary of Agriculture, from Purdue University. Butz was pushed aside, and Kissinger went to the World Food meeting in Rome, and made a speech, with crocodile tears, about the world. He said, *we*—meaning the people behind him from the City of London and Wall Street, “we care about who eats, just leave it to us,” with his secret NSSM-200 memorandum, naming 13 countries that were to be suppressed.

So, your personal experience spans the shift.

**Davis:** They want to see mass starvation, do they?

**EIR:** You mentioned that back in 1971, when you saw Nixon take the dollar off the gold-reserve standard, you said at the time that this was going to be the beginning of the end, which is something that LaRouche is famous for having predicted. How did you happen to have that perception, and how did it go across with your associates?

**Davis:** It didn’t go across at all well, but there was no LaRouche movement around then, in Australia; I wish there had been. We got it through the student radicals, socialist movement. I think the analysis came from England, I think, from the Socialist movement there, on the collapsing world economy, and by that time I was involved in all these environment groups, social responsibility and science. I think that analysis came through, and papers started to be published, and they were full of it. And there was anti-Americanism. Even until recently, I couldn’t see anything good coming out of America, but we didn’t know the solution.

There was some idea that somehow the working class would wake up one morning and take over, but that’s not how it works. Looking back, all that it did was to destroy all the scientific initiative. We missed out on that golden opportunity. We lost them all.

**EIR:** The collaboration among all those who have experience and training, whether it’s in agronomy, dairy science or livestock, animal husbandry, and so on, is needed now, as part of a mobilization towards a new, just national-interest system—what Lyndon LaRouche is calling, a “New Bretton Woods.”

**Davis:** I’m quite optimistic here, even though there’s total ignorance, at least seemingly, among top political circles as well. But the country [Malaysia] has the capability to close ranks and it can move fast, as it did in the last crisis, the Asian economic crisis, when Prime Minister Mahathir suddenly changed policy against the IMF pressure, and suddenly pulled a master stroke, which saved us. The man is capable of great and sudden changes for the better. He is a great commander, a man of action in battle. I think that our function is not to cause antagonism, but to say, these are the policies that are in the national interest, and I think they can be adopted and people can get behind them.

There are a great number of frustrated professionals. You know, people that want to go ahead, make progress, and getting unemployed. They are going to come naturally to the LaRouche movement, but when they come, we’ve got to be able to get them thinking.

It’s really the Roosevelt “Re-Build” project. I realize I’m not thinking big enough. For example, we should think about a “Tennessee Valley Authority” type project for the poorer, East Coast states in Malaysia: eliminate rural poverty, address the poor soil problem. We have to give these young professionals the hope that this can be done.

## Sharon Orders a Massacre And Prepares for War

by Dean Andromidas

An Israel F-16 jet dropped a one-ton bomb on an apartment block in the Gaza Strip, killing 16 people, including 4 infants and 7 small children, and wounding 145 others on July 23. This massacre was ordered by Prime Minister Ariel Sharon, who called the operation “a great success.” It is the prelude to launching a larger war in the Middle East.

The Israeli “targetted assassination” of Hamas military leader Salah Shehadeh, the official reason for the attack, is nothing more than a pretext. Sharon’s aim, with the backing of a powerful faction in Washington led by Deputy Secretary of Defense Paul Wolfowitz, is to launch a war in the Middle East that will not only target Iraq, but also pretty much all of the Arab governments, including the Palestinians, Syria, and even Jordan and Egypt. A strike against Iran’s nuclear reactor at Bushehr is also on the agenda.

A senior Israeli intelligence source said, that Sharon’s latest massacre got the green light from Washington. He pointed out that only hours before the attack, Sharon’s three closest aides were in Washington meeting U.S. National Security Adviser Condoleezza Rice and Secretary of State Colin Powell. These advisers included the chief of the Prime Minister’s office, Dov Weissglas, who is also Sharon’s personal attorney; Gen. Moshe Kaplinski, who is Sharon’s military adviser; and U.S.-Israeli businessman Arie Genger. Genger is Sharon’s link to his most important financial backer in the United States, the organized crime-linked Meshulam Riklis.

Intelligence circles are pointing to two factions among the hawks in the Bush Administration. One faction—headed by Wolfowitz, whom one source describes as “an Israeli secret agent”—wants both a war against Iraq and Sharon’s war against the Palestinians, Jordanians, and Syrians. The other

faction wants a war against Iraq, but without unleashing Sharon. With this latest assassination, the stage is set for a bloody retaliation by Hamas, which then acts as the pretext for Israel launching wide-ranging military operations. These sources are convinced that in the shadow of a U.S.-led attack on Iraq, Sharon will “ethnically cleanse” the West Bank and Gaza of Palestinians, and attack Syria, Jordan, and Egypt.

### Timing Is Perfect

Sharon ordered the bombing in Gaza precisely at the point that strenuous international efforts were being made to organize an Israeli-Palestinian cease-fire. According to media reports and Arab sources, hours before the bombing, Hussein al-Sheikh, West Bank Secretary General of Fatah, the main faction in the Palestine Liberation Organization, had just approved the final draft of a declaration by Fatah’s militia, Tanzim, for an unconditional, unilateral cease-fire. The draft was also approved by Marwin Barghouti, the Tanzim leader who is currently sitting in an Israeli jail. Hours before the Shehadeh’s death, Hamas spiritual leader Ahmed Yassin announced that he was prepared to negotiate a cease-fire. Shehadeh, as commander of the military wing of Hamas, would have been the one to implement it.

The efforts toward a cease-fire were confirmed by a statement from the Russian Foreign Ministry, which said that the air strike came “precisely at a time when the official representatives of Israel and the Palestinian Authority had renewed their dialogue on security issues.” European Union foreign policy chief Javier Solana gave a similar assessment, saying, “There were indications as well that a possible end to the suicide bombings could be reached.”



*Israeli Prime Minister Ariel Sharon (center) and U.S. Secretary of Defense Donald Rumsfeld (left), at the Pentagon in 2001. Sharon's assassination of Hamas military leader Salah Shehadeh is backed by a Pentagon grouping that wants war not only against Iraq, but against most of the Arab world as well.*

An editorial in the July 24 Israeli daily *Ha'aretz* made this very point: "The timing of the operation also raises questions. There were indications in recent days that for the first time in many months, there was a chance for progress toward a ceasefire. There was a flurry of political activity in Washington, New York, and European capitals as well as locally, with representatives of the Palestinian Authority. According to some reports, there was reason to hope that Fatah was planning to issue a unilateral declaration of an end to the terror attacks. There was also progress toward an understanding between Fatah and the rejectionists, under which the latter would also cease their fire. . . . In that light, there is no choice but to question the wisdom of the approval given by the Prime Minister and the Defense Minister to an assassination, when the circumstances of the mission itself and the wider political circumstances would inevitably dash those efforts toward peace."

In that issue of *Ha'aretz*, Gideon Samet made the same point, but more strongly: "The facts are accumulating and threatening. Despite media spins and lies, Sharon has no intention of moving toward any tangible agreement with the Palestinians. He approved Shehadeh's assassination after a rather unusual statement by Sheikh Ahmed Yassin . . . about readiness [brokered by the Saudis] to cease attacking Israel if it leaves the West Bank cities."

### **Sharon 'Plunged Us Into Bestiality'**

Sharon ordered the attack, in order to perpetrate a massacre, just like he ordered the Lebanese Phalangist

militia into the Sabra and Shatila refugee camps in Lebanon in 1982 to massacre thousands of helpless refugees, according to Israeli commentator Ari Shavit, writing in the July 25 *Ha'aretz*.

Shavit wrote that the bombing "was not a successful military operation (as the Prime Minister claimed); nor was it a mistaken military operation (as some commentators argued). On July 23, 2002, just after midnight, the State of Israel deployed an F-16 fighter airplane and a one-ton bomb in order to carry out the first terrorist attack it has perpetrated in years." Shavit, who is no peacenik, wrote, that the bombing was an act of terror, because it "was the result of a direct, deliberate, and conscious decision by the Prime Minister of Israel to drop a one-ton bomb on a residential neighborhood." Shavit concludes that this attack "raises serious questions about the mental world of the man who is in charge of our fate. This week, Sharon plunged us deep down the slippery slope of bestiality. He sullied the justice of our war and blurred beyond recognition the moral image of the country he was called upon to protect."

This issue was also brought up by Haim Ramon, a member of the Israeli Knesset (parliament), chairman of its Foreign Affairs and Defense Committee, and a contender for leadership of the Labor Party. He laid blame directly on the government. "The central error was that we used weaponry that anyone involved in the decision-making process should have known could harm innocent people living in the area. . . . I have no doubt that it knew of the risks of carrying out the operation using a one-ton bomb at the time that it made

the decision, and despite this it took the risk.”

Zehava Gal-On, the pro-peace Meretz party faction leader, was more blunt. “A nation cannot behave like a terrorist organization; it cannot employ techniques of a terrorist organization. There must be certain standards informing our actions,” he said. “What is the wisdom here? At the very moment that it appeared that we were on the very brink of a chance for reaching something of a cease-fire, or diplomatic activity, we always go back to this experience—just when there is a period of calm, we liquidate.”

Ahmed Tibi, an Israeli-Arab member of the Knesset and sometime adviser to Palestinian Authority President Yasser Arafat, told news agencies that President George Bush is “morally responsible” for the air strike.

The Palestinian reaction was dramatic, with 100,000 people—10% of the entire population of the Gaza Strip—attending the funerals of the 17 victims. The chants included, “The blood of martyrs will not be lost,” and “The Palestinian people will avenge these crimes.” Hamas spokesman Abel Aziz Al Rantissi warned, “Hamas’ retaliation will come very soon, and there won’t be only just one. . . . After this crime, even Israelis in their homes will be the target of our operations.” This is what Sharon wants, because a chance for a cease-fire is now nowhere in sight.

## War on Three Fronts

It would be a mistake to think the Shehadeh atrocity was aimed only at sabotaging yet another effort to end the conflict. Sharon is preparing for the U.S. attack on Iraq, which will be his opportunity to launch a three-front war against the Palestinians and Jordan to the east, Syria in the north, and Egypt in the south. The Israeli Army is fully deployed in the West Bank, where it has occupied all the major cities. From here, Sharon can destroy the Jordanian regime, simply by pushing the Palestinians across the Jordan River.

By inflaming the situation in the Gaza Strip, Sharon hopes to attack the area with full military force, as he has done in the West Bank. He already tried this, following Operation Defensive Shield last April, but was prevented at the time by U.S. and European pressure. Whenever the next Hamas attack is launched from Gaza, he will have the pretext to attack. Such a build-up and attack would clearly be seen as a threat by Egypt.

Meanwhile, to the north, Sharon is preparing to strike against Syria. The July 21 London *Sunday Times* reports that Israel has warned Syria that it will strike military targets within Syria the next time Hezbollah attacks Israel from Lebanon. According to this report, three warnings have been delivered to Syria, the latest by Israeli Defense Minister Benjamin Ben-Eliezer, who asked Egyptian President Hosni Mubarak to deliver it to Syrian President Bashar Assad. Former head of Israeli military intelligence Maj. Gen. Amos Malka (Res.) was quoted, warning, “Sooner rather than later we’ll be engaged in a conflict with Syria, unless Syria

changes its attitude. . . . I’m not sure he [Assad] reads the geopolitical map correctly, and he’s taking unnecessary risks.”

The Israelis are planning an attack directly across the occupied Golan Heights for the first time since the end of the 1973 war, which would be an unequivocal declaration of war. It is planning air strikes to destroy a brigade in southern Syria which contains some 100 tanks. This would be followed by an artillery assault and perhaps a few days of occupation with helicopter-borne special forces.

That same week, the United States warned Israel to discontinue its over-flights of Lebanese territory, which have provoked Hezbollah anti-aircraft fire.

Sharon knows that Israel cannot sustain the war of attrition which the conflict with the Palestinians has become. He thinks his only hope is for a 1967-type six-day war, but this time with nuclear weapons. Whereas anything else would lead to a collapse of Israel, a nuclear Middle East war would obviously lead to the destruction of Israel as well.

Sharon’s primary base of support is not in Israel, but in the increasingly powerful war coalition in the United States, whose policy goes way beyond a “regime change” in Iraq; rather, their policy envisions a “Clash of Civilizations.” This is being led by the warhawks in the Bush Administration, as represented by Deputy Secretary of Defense Wolfowitz, with political backing by Republicans led by Sen. John McCain (Ariz.) and nominal Democrats such as Sen. Joe Lieberman (Conn.). On the ground this support is being provided by the so-called “Christian Zionists,” who make up the coalition of Christian fundamentalists and right-wing American Zionists.

The Christian Coalition of America, one of the main umbrella groups of the Christian fundamentalists, is mobilizing for a massive demonstration in Washington in support of Sharon. Planned for Oct. 17, organizers say they expect 100,000 demonstrators. The demonstration is obviously intended to intimidate Congress on the eve of the Congressional elections in November. This same organization mobilized a demonstration last April that numbered 100-200,000. They are circulating a flier in thousands of churches across the United States calling on the Bush Administration to “allow Israel to fight its war on terrorism the way we fought ours in Afghanistan”

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# If U.S. Patriots Defeat the Tory Faction, We Can Stop the Drive to War

*The following is an interview with Lyndon LaRouche by Iran's IRIB Radio, broadcast across that country on July 13-15. The interview was conducted by host Mehdi Gerami Fard via telephone.*

**IRIB Radio:** In our previous interview with you [in March 2002], you compared the U.S.'s policies with those of the Roman Empire, and there is a book published recently by Italian theorist Antonio Negri and American researcher Michael Hardt, *Empire*. How do you compare the U.S.'s policies to the Roman Empire's?

**LaRouche:** Actually, this is more. This is not just the U.S. There's a faction in the United States which came to power after the assassination of Kennedy, President Kennedy, which is called the "utopian faction." Its origins are British, not the U.S. But, of course, there is a faction *in* the United States which is very pro-British monarchy. There is a crowd in the Boston area, in particular, at Harvard University, students of the former professor, William Yandell Elliott, such as Kissinger, Huntington, Brzezinski, and so forth, who are among the best-known exponents of this proposal for a U.S.—or an English-speaking world—new Roman Empire. So, this crowd has been—this was represented in the Nixon Administration, Brzezinski's control over the Carter Administration, and one faction inside the Reagan Administration, the Bush Administration, and elements, of course, such as Al Gore and so forth, within the Clinton Administrations.

So it's a division within the United States, between a patriotic tradition, and what's called the "American Tory tradition." The American Tories, during the post-war period, especially since Eisenhower left office, have been committed to this kind of policy. So in that sense, you can say, that over this period, there has been a long-term trend toward an imitation of the Roman Empire.

**IRIB Radio:** Some believe that the Bush Administration is following the theories made by Zbigniew Brzezinski in his book, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*. Your comments, please?

**LaRouche:** It's the same thing: Kissinger—the same thing. Kissinger's policies are Brzezinski's policies, and those of the RAND Corporation, those of the Olin Foundation, the

various Mellon foundations and so forth. These all have essentially the same policy. Brzezinski is a lackey, he's a mouthpiece—one of the more prominent mouthpieces—for this kind of policy.

**IRIB Radio:** Do you believe in a theory that "no matter which administration takes the power in the U.S., it will go ahead to be the only superpower in the world?"

**LaRouche:** Not necessarily. As I say, there are two tendencies in the United States, from the beginning of the republic. One was a so-called "American patriotic tradition," which is nationalist, that is, it's for a community of nation-states, not an empire. The other faction, which is called the "American Tory tradition," is for this kind of empire.

**IRIB Radio:** French researcher Thierry Meyssan, in his books *The Pentagate* and *The Horrible Lie: The Pentagon Plane Crash That Never Happened*, proved that the Bush Administration was aware of the Sept. 11 attacks and received warnings but did not act to stop it, and that it was not a plane which crashed into the Pentagon, rather it was a missile. Then, U.S. Congresswoman Cynthia McKinney [D-Ga.] accused the government of ignoring the warnings it received before Sept. 11. Your opinion, please?

**LaRouche:** First of all, Meyssan's work is a mish-mash. Some things are true, but many things are untrue. His story about the Pentagon is a fraudulent one, which was obviously passed off on him, and he bought it. Many of the things he says are not trustworthy.

Cynthia McKinney was misled, but she's an honest person. I have a great deal of personal respect for her, but she was misinformed. The United States—the Presidency as such—did not have a warning of Sept. 11. There were warnings of other things, not the air crashes into buildings.

The thing was done by a secret group, and it kept it secret, until they did it. It was a highly sophisticated operation and it was done *force* the Bush Administration to follow the kinds of policies we've seen since, as the policy of so-called war on terrorism, which is actually a perpetual war, to establish a world empire.

**IRIB Radio:** It seems that the U.S. is trying to change the

borders and geographical lines of the Middle East and Persian Gulf countries, and to have the oil and gas resources under its control through the Balkans. What is your reaction?

**LaRouche:** This is an old policy. It was actually started—it first came to the surface, in various forms, during the 1960s. It was introduced permanently by Henry Kissinger, in a secret memorandum called National Security Study Memorandum 200, in 1974, at a time when Kissinger was National Security Adviser as well as Secretary of State.

Now, Kissinger's argument is—for an English-speaking world empire, Roman-style—his argument is, along with people like Supreme Court Justice Scalia, and so forth, a doctrine called "shareholder value." Their argument is, under the tradition of John Locke, the English liberal—their argument is that the English-speaking powers, *own*, rightly *own*, the raw materials of the world. And that the people living in parts of Asia or Africa or South and Central America, *have no right* to these natural resources. Therefore, the United States, together with England, *must*, according to Kissinger and others, must make sure that the populations of these parts of the world do not grow, because if the populations grow, they will use up resources which Kissinger has reserved for the United States in the future.

Second, the raw materials of the world—oil, minerals, and so forth—must be controlled by the United States. The people in those countries have no right to those minerals, according to Kissinger and people who think like him. So this is a policy which is—it's *Global 2000*, introduced under Brzezinski, when Brzezinski was controlling the Carter Administration; it is *Global Futures*, it is mostly the environmentalist movement, which was organized by the British monarchy, on this principle: that the people of the world must not be allowed to increase their populations, nor use the natural resources which sit in their areas.

**IRIB Radio:** So they believe it is not the people of these countries who should control the oil and gas resources, but rather the U.S.?

**LaRouche:** Not the U.S.: It's an English-speaking cabal; it's Australia, it's New Zealand, it's the United Kingdom, some people in Canada—some people in Canada disagree, of course—and it is this faction, the American Tory faction in the United States. They are united in this policy. It's not a U.S. empire, it's an English-speaking empire. That's the theory.

**IRIB Radio:** In his policies, Mr. Bush doesn't pay much attention to the economy: The unemployment rate is increasing day after day, there is a sagging economy, and the dollar has lost its value against the euro. Why should there be such a position?

**LaRouche:** First of all, the President is not the most intelligent citizen of the United States. I think that's well known. I don't think he really knows what he's doing much of the time.

He's a puppet, who's used by people who control him. I don't think he knows what he's doing.

Now, the reality is, that everyone in leading circles, in Europe and in the United States, now knows that the present world monetary and financial system is collapsing. It will collapse. Nothing can prevent it, except a change in the system. Therefore, at this time, many of the military impulses, the aggressive impulses coming from the United States, from the Blair government in Britain, and so forth, these things are impelled by *terror*, knowing that the financial system is about to collapse. For example, we have in England, and in the United States: The biggest source of an imminent financial collapse, is the real estate speculative bubble. Japan's yen may collapse. Many things are going on, which can blow the system out. We can be, in a very short period of time, in a period where the whole international financial system has collapsed. And this is what is driving the rage and fear of the U.S. administration, and many others.

**IRIB Radio:** You mentioned that the U.S. President is not the most intelligent man in the U.S., and there are some people who control him. Who are these persons?

**LaRouche:** This is the American Tory faction—people like Kissinger, the Brzezinskis, the RAND Corporation crowd, the Mellon Foundation, people like that. It's these powerful groups, tied to finance, behind the scenes, who control George Bush as their chosen puppet.

**IRIB Radio:** How do you compare the support of U.S. public opinion for the so-called "war on terrorism," immediately after Sept. 11 and just now?

**LaRouche:** This is typical. You have—the American people behave, often, like the citizens of the Roman Empire. They are governed by what they perceive to be popular opinion, which is orchestrated by mass-entertainment media and things like that.

So, at present, my reading is, that, in the United States, there is a phase-change occurring, the population is moving in the direction of a fundamental change, and the economic issue is bringing it to the fore.

**IRIB Radio:** Considering that the U.S. has withdrawn from the International Criminal Court, the ABM [Anti-Ballistic Missile] Treaty, the Kyoto protocol [global warming], and [given] its one-sided militaristic policies, would European countries continue the support of the U.S. administration or not?

**LaRouche:** Now, the U.S. is right on this one, but for the wrong reason. The Bush Administration is opposed to the Criminal Court, because of the fear that Ariel Sharon could be put on trial, and that's what the pressure is.

But they're right.

The problem is, you can not have an international, supra-

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*I'm probably the only figure internationally, who both knows what the situation is and is willing to speak out publicly. Therefore, my job is to speak out publicly, to get these things on the table. By forcing these issues on the table, we may be able to force the discussion and deliberation which stops these things from happening.*

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national law. You can have, under war-time conditions, you can have war crimes; you can have crimes against humanity, which are like war crimes. Under very special circumstances, you could have international authorities deal with a war-like situation.

But different parts of the world have different axiomatic policies, different conceptions of law, different ideas of legal principle. You can not impose upon them one international law, because they don't agree, in the philosophy of law. They may agree with some things; and therefore, this idea of having a supranational criminal court, I'm opposed to it. I support the use of international law under certain special circumstances, as in the case of war, a defeated nation in war, or in case of crimes against humanity, which is like war. But in general, I do not believe that we can pass over the responsibility of sovereign nation-states, to international bodies. And the problem is, different nations, different cultures, have different fundamental law. We can not impose one law, arbitrarily, on different nations with different conceptions of legal principles.

**IRIB Radio:** What about Sharon?

**LaRouche:** Sharon is not, exactly, a very nice person. He's evil, he's a fascist. His whole crowd, this whole Likud crowd—Netanyahu, Shamir, and so forth—this crowd in Israel are absolutely downright evil. They're comparable to the Nazis. They have great ambition.

But they're being used, by the Anglo-Americans, as a hand grenade, a political hand grenade. You throw a hand grenade against the Islamic world, which is what they're doing.

The idea is to cause *chaos*, to facilitate setting up a world empire. In the process, as leading Israelis have said: That if Israel continues this kind of policy, Israel itself will be destroyed by its own actions. And there are those in the United States, who are called Zionists, who generally are gangsters—that's their qualification. And they are, of course, a controlling influence over Israel, particularly over people like Sharon. They are a factor. But they are not the real factor. They are a tool being used by certain English-speaking powers, like a hand grenade being used against an adversary. You throw it, you support it by throwing it, and you expect it to explode in your enemy's camp.

**IRIB Radio:** What do you think of the possibility of an attack against Iraq or Iran?

**LaRouche:** There is a faction in the United States, around George Bush—not as a thinker, but as the instrument—who are presently absolutely committed to an attack on Iraq. This is the so-called ideologues.

The military are not against an attack on Iraq, but they are against it at this time, because they think it's insane. They're not against the attack in principle, they're against the attack from a practical, military standpoint. But the lunatics, such as Wolfowitz, Perle, and other lunatics in the Bush circle, these people are actually determined—so is Lieberman in the Democratic Party, and so is McCain in the Republican Party—actually committed to this.

And the danger is, despite the fact that Europe, in general, is opposed to it, the danger is that they might actually do it. *They can not win that kind of war.* They can cause chaos, which is worse than war, but they can't win it. But they may do it anyway. They're insane.

**IRIB Radio:** What do you mean, they can't win?

**LaRouche:** Because if you go into that kind of war, as people in Iran will understand from their experience of the Iran-Iraq War, there are certain kinds of war which can not be intrinsically won. Especially religious war: You can never *win* religious war, wars among religions. Because wars among religions do not stop, they go on until they burn out, like a forest fire that burns out. The effect of starting such a war is a wave of destruction which, in the case of Israel—. Look, Israel is sitting among Arabs, they're next-door neighbors. How can you use weapons, effectively, against an enemy who is in your own territory? How can you go into other countries with a limited population, and do the same thing, by doing horrible damage with large-scale weapons? You can not win the war. You can start chaos—and it would be chaos, that would destroy the Israelis, just as chaos destroyed much of Europe.

You had a period of religious war in Europe, from the time of Henry II of England through essentially Richard III of England. You had a period of religious war, led by the Hapsburgs, from about the time of 1511 until 1648, in Europe, which was stopped by the Treaty of Westphalia. We've had experience with religious war. We've also seen the war in

Vietnam, and similar kinds of wars. These kinds of wars should not be started, and can not actually be won. They can destroy, but they create chaos, and ultimately chaos will have effects upon the world at large.

**IRIB Radio:** What are the ramifications of adopting such a policy by the U.S.?

**LaRouche:** Enough about the U.S. The Israelis have Iran targeted, as I think everybody knows. The threat is, immediately, that Israel has three German-made submarines which are equipped with cruise missiles. These cruise missiles carry nuclear warheads. Israel is the third nuclear power in the world.

Israel is crazy. Unless it's stopped, it is capable, under people like Sharon and the people behind him, of launching an attack on Iran, as well as on Iraq. This is a danger. It's a danger I think we have to be very much concerned about. I think Europe is concerned about it, others are concerned about it. We've got to stop it. But it *is* a danger.

**IRIB Radio:** What do you think will happen?

**LaRouche:** I think we're at a point, where it is very difficult to say what the reaction will be, because you get to certain points in history where you have turbulence, chaos. You don't have a very clear, consistent line.

The United States is now in the process of blowing up, internally, politically. We are on the verge of the collapse of a giant mortgage bubble. We have other financial problems. These financial crises, which are not ignored by the people, the American people generally, are causing a phase-change in politics inside the United States right now. You can not project, no one can predict exactly, what U.S. policy will be, six months from now, or even three months from now, because the intervention of a major financial blowout, internationally, will change politics, worldwide, immediately.

**IRIB Radio:** What about the new Roman Empire?

**LaRouche:** It's just a form of insanity. As I often said to people—I was in Italy recently—who, naturally, with their knowledge of the Roman Empire, understand this, immediately: Is that the United States, together with the British monarchy, and the Australians and the New Zealanders and some Canadians, have decided to create a world Roman Empire with a Nazi-like force, which is their military policy. The problem they have is, Rome started its empire when Rome was at the height of its power. These evil idiots have launched an attempt to consolidate a world empire at a time when the Roman Empire is at its end, not at its beginning. So, the very historical circumstances are against them. They can cause chaos; they could never establish a secure empire. It's too late for them.

The danger to civilization is chaos, a homicidal chaos. The danger is a Dark Age. The United States and people in it, can not win this kind of war they're projecting. *They are*

*insane.* But they can cause chaos. My concern is to try to save humanity from that chaos.

**IRIB Radio:** What do you think their goal in the region is?

**LaRouche:** They do intend to seize the oil. They do intend to seize natural resources. They do intend to cause wars among different currents in Islam, and other groups. They intend to do that, and that is an immediate danger, that's an immediate prospect, which we have to recognize and deal with.

**IRIB Radio:** Some believe that if there are some countries to be attacked, because they are not democratic, it should be Jordan, Saudi Arabia, or Egypt.

**LaRouche:** These nations are targeted; they know it, I know it, other people know it, Europeans know it. Europeans are cowardly.

My problem, as a political figure, is I'm probably the only figure internationally, who both knows what the situation is and is willing to speak out publicly. Therefore, my job is to speak out publicly, to get these things on the table. By forcing these issues on the table, we may be able to force the discussion and deliberation which stops these things from happening.

**IRIB Radio:** But they are going ahead.

**LaRouche:** In a sense, that's happening, but I don't think that's the only story. I think the United States can be changed. Because what you see on the surface now is not the American people, nor is it our tradition. And if we can awaken our tradition, as we have with Franklin Roosevelt and so forth in the past, we can deal with this, and end it. But that's the danger.

**IRIB Radio:** Some say that the Roman constitution was more valuable than others at that time, and that that was the reason for the creation of the Roman Empire. Is the U.S. Constitution more valuable than others now?

**LaRouche:** Well, the U.S. Constitution is, but the U.S. Constitution is not observed by the leading circles in the United States. The Roman constitution was not a good constitution; it was an evil one. As a matter of fact, the Roman constitution was the basis for the evil of the Roman Empire, contrary to what some people teach. The United States Constitution, on the contrary, is against what the Roman Empire represents, and against what this crowd today, in Washington today, represents. My attempt is to force the restoration of the application of the Constitution, especially its Preamble, on the present situation. If we could do that, if the Constitution were reactivated, in that situation, we would not have these problems.

**IRIB Radio:** Thank you, Mr. LaRouche.

**LaRouche:** My best wishes to you and your associates. I hope we meet sometime soon.



# Sharon's Collective Punishment: A War Crime

by Dean Andromidas

No protected person may be punished for an offence he or she has not personally committed. Collective penalties and likewise all measures of intimidation or of terrorism are prohibited.—Article 33, Geneva Convention IV Relative to the Protection of Civilian Persons in Time of War; August 1949

Under Prime Minister Ariel Sharon, Israel is worsening its record of committing the worst war crimes of the new century. UN Secretary General Kofi Annan on July 19 warned Israel against the policy it has now launched, of “collective punishment” and forcible deportation of the families of wanted Palestinian fighters; these actions are defined as war crimes. Even the U.S. State Department weakly protested the policy on the same day.

While diplomats dither, 2 million Palestinians are the victims of a humanitarian catastrophe which constitutes a Class A war crime. Israel is openly violating Article 33 of the Geneva Convention, an article explicitly drafted to prevent a repeat of the horrors of Nazi-occupied Europe during World War II, where civilian non-combatants were victimized as part of a policy of “collective punishment.” While no one can condone the bombing of civilian targets by Palestinian militants, the Geneva Conventions are clear.

## Curfew Is Mass Murder

Since June 19, when the Israeli Defense Forces launched “Operation Determined Path,” the IDF has imprisoned nearly 2 million Palestinians throughout the West Bank, imposing a continuous curfew, brutally enforced at gunpoint.

Dr. Mustafa Barghouti, of the Union of Palestinian Medical Relief Committees, told *EIR*; “The curfew is having a drastic effect on every aspect of life throughout the West Bank. All business are paralyzed. Doctors cannot go to their hospitals, lawyers cannot go to their offices, people who have jobs cannot get to work. . . . Universities are paralyzed, the health system has collapsed. We had one of the highest rates of vaccinations at 96%; it now is below 35%. This curfew is creating a humanitarian disaster. This constitutes collective punishment. One can only explain it as an attempt to destroy the social and economic life of an entire people.”

The fact that, on July 16, a Hamas cell was able to attack a bus just outside a heavily guarded Israeli settlement, killing eight people, and that the next day, two suicide bombers could

strike in the central bus station in Tel Aviv, demonstrates that the curfew is not an effective military policy. Opposition to it is broad among reserve and retired IDF officers and soldiers, many of whom are organizing publicly to demand that Israel withdraw from the Palestinian territories.

The curfews have the direct and calculable effect of causing an increase in the death rate among the Palestinian population, from the causes described by Barghouti, and others. Families of ten or more people are being confined, 24 hours a day, to homes that in most cases constitute not more than 30-40 square meters. Many have the running water shut off or broken. The curfew is only lifted for a few hours at a time every three days. Even in the most maximum-security prisons of modern nations, such conditions as this curfew are imposed only during special lock-downs. On June 21, an Israeli tank in Jenin fired on citizens in the market place who thought the curfew had been briefly lifted, and were buying food: A woman and three children were killed.

Beyond creating mass psychological terror, there is also mass murder. People are not being massacred, but pushed into a slow death like the poor Jews in the first two years of the Warsaw Ghetto, before SS Gen. Jürgen Stroop was given the order to destroy it. Under current curfew conditions, *no* Palestinians—not even emergency medical workers—are allowed on the street, which means that medical services have been suspended. Within any given 96-hour period, babies must be born at home, heart attacks and other medical emergencies must go unanswered, cancer patients cannot receive their chemotherapy.

The economy has been brought to a halt. Because of these curfews, the dwindling number of bread winners have not been able to work for several weeks. Workers cannot go to their factories, storekeepers cannot go to their shops, nor can farmers go to their fields.

## West Bank Locked Down

Lock-down curfews have been placed on all the largest concentrations of population in the West Bank: Nablus, with a population of 261,340, under curfew since June 21; Jenin, population 203,026, under curfew since June 19; Qalqiliya, with 72,007 people, under curfew since June 22; Tulkarm, with 134,110 people, since June 19; Bethlehem's 137,286 people under curfew since June 19; Ramallah's population of 213,582 locked down since June 24; and Hebron's 405,664 residents since June 25. In addition, the villages of Tubas and Arab have been under curfew since June 25, and the village of Beitunia since June 19.

The first seven cities constitute the West Bank's principal governates, and are the commercial and civil centers which supply essential services, including health and education, to the surrounding towns and villages. Thus even those villages not under curfew are being punished as well. Furthermore, these major cities are all under siege, surrounded by Israeli troops. They have been turned into ghettos, from which Pal-

estonians need passes to leave or return. Those who try to leave are forced to spend hours on long lines in order to pass the checkpoints.

According to an emergency appeal of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), which provides food and other services at Palestinian refugee camps, the humanitarian conditions in both the West Bank and Gaza have fallen to levels “unprecedented in 35 years.” Because of the massive destruction caused by Israeli military operations in attacks on Palestinian refugee camps during Operations Defensive Shield and Determined Path, UNRWA has called for an emergency \$172 million over and above their normal operating budget.

Responsible for 19 refugee camps throughout the West Bank, UNRWA provides food aid for over 600,000 refugees. During curfew no food can be distributed, and even when the curfew is lifted for a few hours, permission from the local Israeli military commander is not assured. UNRWA workers, many of whom live in the occupied territories themselves, are also subject to the curfews and often cannot get to work. UNRWA sources report that although mass starvation is not occurring, the “situation is extremely hard.”

Similarly, the UN World Food Program has made an emergency appeal for \$18.2 million, having spent its entire 2002 budget for Palestine. It reports that, because of the “collapse of the local economy and a dramatic fall in average incomes,” because of the Israeli security operations, 620,000 Palestinians on the West Bank alone need food aid. In Hebron, 100,000 people, 25% of that city’s population, need food aid. In Jenin, 45,000—25% of the population—and 50,000 people in Nablus, need food aid.

### U.S. Ambassador Highly Critical

Israel came under criticism from an unusual source: U.S. Ambassador to Israel Daniel Kurtzer, whose boss, President George W. Bush, calls Ariel Sharon “a man of peace.” Kurtzer, an Orthodox Jew who cannot be accused of “anti-Semitism” by his Israeli right-wing critics, strongly criticized Israel’s occupation policies. Kurtzer gave a July 9 speech in Tel Aviv entitled “The Economic Dimension of Peace,” quoting the few crumbs from President Bush in favor of easing economic conditions in the West Bank, to present how bleak Palestinian conditions are.

“Initial findings from a USAID-funded study indicate that malnutrition among Palestinian children, defined as the stunting of growth or abnormally low body weight, is rising,” Kurtzer said. “A large percentage of children under five and women of childbearing age suffer from anemia. The United Nations Office for the Coordination of Humanitarian Affairs



*Under the Israeli Defense Forces’ “lock-down curfews” clamped on the whole West Bank since June, even this life-threatening transport of ambulance patients—here, through a roadblock in Surda, with a long line waiting behind—is no longer possible. Emergency workers are locked down 24 hours a day with everyone else, and the seriously ill or wounded die.*

reports that approximately 2 million Palestinians, or 62% of the population, are considered ‘vulnerable,’ meaning that they have had inadequate access to food, shelter, or health services. This figure is 25% higher than only six months ago.

“The World Bank now estimates that unemployment in the West Bank and Gaza is about 50% and rising. As would be expected, poverty rates have exploded. The World Bank estimates that 50-60% of Palestinians now fall under the poverty line—defined as an income of \$2 a day. According to a very conservative UN estimates, GDP in the West Bank and Gaza fell 33% last year. No figures are available for 2002, but there is no question that GDP has plunged still further. Clearly this is a population in great risk. . . . The curfews and closures, and the inability to move between towns and cities, are making life very difficult for the average Palestinian.”

Since Kurtzer was quoting a State Department Agency for International Development (USAID) funded study, the Bush Administration knows that if the Sharon government is not forced to lift the collective punishment, the situation will deteriorate further, until Israel is in violation of the “Convention on the Prevention and Punishment of the Crime of Genocide,” of 1951. This convention is as clear as the Geneva Convention’s Article 33, cited above. Article 2 of the Genocide Convention states: “Genocide means any of the acts committed with the intent to destroy, in whole or in part, a national, ethnical, racial or religious group, such as: a) killing members of the group; b) causing serious bodily or mental harm to members of the group; c) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part.”

# 'Regime Change' in Iraq Begins in Turkey

by Muriel Mirak-Weissbach

A steady stream of defections from the party and the government of Prime Minister Bulent Ecevit, which peaked in mid-July, has threatened to destabilize Turkey, a country considered crucial to the United States' planned military operations against Iraq. The claim issued by those leading the stampede out of Ecevit's government, is that the Prime Minister's failing health is paralyzing the administration, and that he must step down. Pressure on Ecevit, exerted especially by Ismail Cem, his former Foreign Minister, who bolted, forced the Prime Minister to agree in mid-July to call early elections for November.

Ecevit then seemed to backtrack on July 20, when he said he wanted to remain in power, and hold elections only in 2003 or 2004. At that point, Devlet Bahçeli, head of the Nationalist Action Party, the biggest party in the governing coalition, threatened to pull his forces out of the government if Ecevit tried to stay in power beyond the Nov. 3 date tentatively set for the elections. Bahçeli stated, that this could "invite a crisis situation," and pointed to the danger that a \$16 billion International Monetary Fund bailout package could be jeopardized by it.

Other "issues" being debated in the context of the Turkish crisis, include reforms required by the European Union for entry (including abolition of the death penalty) and reforms demanded by the International Monetary Fund. Ecevit again bent under the pressure, and again promised to call early elections in November. However, when the Parliament was recalled from recess to vote on the date for the polls, government parties boycotted the session, leaving it without a quorum.

## Iraq Is the Real Issue

So much for the official account. In reality, the crisis which has gripped Ankara, has less to do with the Prime Minister's health, than with his firm opposition to allowing Turkey to be dragged into the war against Iraq. Ecevit has repeatedly expressed his principled rejection of any plan to use military force against Saddam Hussein. Most recently, even in the midst of the political turbulence on July 21, Ecevit warned in a TV interview, that the United States was making a big mistake in believing it could easily topple the Iraqi government. Saying "President Bush is a friend of

Turkey," and therefore, that it was a "duty to make our concerns known," he reiterated his position for the umpteenth time.

It is no coincidence that the sparks started flying in Turkey, just as Deputy Secretary of Defense Paul Wolfowitz descended on the country during a regional tour of "consultations" about the Iraq campaign. Wolfowitz held a July 17 press conference in Ankara, after two days of meetings designed to armtwist Turkish military and political officials into support for the U.S. war. Wolfowitz, known as the leading "utopian" war-monger in Washington, was explicit in stating U.S. conditions for Turkish compliance. "As President Bush emphasized," he said, "the Iraqi regime, hostile to the United States and supporting terrorism, is a danger that we cannot afford to live with indefinitely. Turkey stands to benefit enormously if Iraq becomes a normal country," he added.

This apparently referred to monetary enticements made by Washington to Turkey, whose economy is undergoing a terminal crisis. One major component of the economic woes Turkey has faced, is the breakdown in trade with neighboring Iraq, since the sanctions were imposed on Baghdad in 1990. Turkey estimates it has lost about \$40 billion in the process.

Wolfowitz reportedly also promised Turkey that the United States would not support the formation of an independent Kurdish state, which could arise out of the chaos of a war in Iraq. The Turks fear that U.S. support for Kurdish minority populations in northern Iraq would incite Kurds living in Turkey.

But there was much more to Wolfowitz's visit than what he stated to journalists. According to well-placed Turkish political sources, and at least one press outlet, what Wolfowitz actually did went far beyond the normal carrot-and-stick approach. In short, he plotted to bring down the Ecevit government, because of the Prime Minister's known opposition to war plans.

## \$36 Billion 'Only With Mr. Dervis'

The report provided to *EIR* by Turkish political sources, defines the defections from Ecevit as part of an "American plot against Iraq." The scenario recounted, which has been picked up in one paper only, *Milli Gazete*, and has not been denied, goes as follows:

Wolfowitz took part in a secret meeting in the Istanbul villa near the Bosphorus, of Mustafa Koc, who is acting head of executive committee of the powerful Koc Holding. With Wolfowitz and Koc at the July 14 meeting were several others: Kemal Dervis, a former deputy head of the World Bank, who was appointed as economics minister, from outside the parliament, on U.S. "recommendation"; Mehmet Ali Bayar, chairman of the Democratic Turkey Party, former chief of the mission of the Turkish Republic in New York; Robert Pearson, U.S. Ambassador to Turkey; David Arned, U.S.

chief counsellor to Turkey; Aldo Kaslowski, deputy head of the Turkish Businessmen and Industrialists Association (TUSIAD); Cem Duna, member of the executive committee of TUSIAD; Bulend Ozaydinli, coordinator general of Koc Holding; Cem Boyner, a well-known businessman; and others.

The participants expressed certain concerns about Iraq. Wolfowitz then presented the U.S. offer. He said that the U.S. government was prepared to make a \$36 billion economic package available to Turkey, in exchange for its support in the Iraq operation. The package was presented as a way of helping Turkey solve its problems, giving people some prosperity, and helping the government win the coming elections. Wolfowitz spoke as if such a package could be made available only with Kemal Dervis, whose position in a prospective government he thus strengthened.

When Wolfowitz was asked about the details of the package, he answered that the funds would be split up into various parts: \$15 billion would be cash (\$5 billion as credit, \$10 billion as war reparations); \$10 billion in the form of new equipment/armaments; and \$11 billion, in debts and interest payments written off. It is interesting in this light, that J.P. Morgan announced in its 2003 report on Turkey, that Turkey would need approximately \$15 billion in the year 2003, and that if Kemal Dervis were in charge, he would not have any problems in finding the money.

Dervis met the following day at the Ankara Hilton with Marc Grossman, about the details of the operations. This was kept secret until leaked by *Milli Gazette*.

Thus, the general plot was to have MPs from Ecevit's Democratic Leftist Party (DSP), leave to form the New Turkey Party (in imitation of British Prime Minister Tony Blair's "New Labour") under the leadership of Ismail Cem, which indeed happened. Then the Nationalist Action Party (MHP) of Bahceli would be lured into leaving the coalition. The MHP was calling for early elections and threatening to leave the government otherwise. Then, a new government would be formed by Ismail Cem and his New Turkey Party with Mr. Yilmaz's Motherland Party (ANAP) and Mrs. Tansu Ciller's True Path Party (DYP). This prospective government would be supported by the pro-American Mr. Tayyip Erdogan's Justice and Development Party. The only opposition left would be Mr. Kutan's Felicity Party (Saadet Party), and Ecevit and close associates. The new government would support the American attack against Iraq.

If this reading of Wolfowitz's mission is accurate—and events in the wake of his visit conform to the scenario outlined—it means that the U.S. war plan for Iraq is on the front burner. Furthermore, if Washington's "regime change" policy is imposed in Ankara, it will unleash massive social and political destabilization, even before the first bombing raids begin. The only way such a scenario can be thwarted, in the view of informed sources inside the country, is through early elections to reshuffle political forces.

# Dark Attacks Against LaRouche in Germany

by Alexander Hartmann

As Ariel Sharon is pursuing his war drive against the Palestinians, and as an American attack against Iraq is looming, the activities of the violent anarchist-fascist "Antifa" scene in Germany have been geared up. The LaRouche-associated Civil Rights Solidarity Movement (BüSo), which is campaigning for a peaceful co-existence of Israelis and Palestinians and is opposed to the forces demanding war on Iraq, is being targeted for brutal attacks by the autonomist thugs, self-styled "anti-fascists," whence the "Antifa" nickname. On July 9, an information booth of the BüSo at Humboldt University in Berlin was attacked and destroyed by four masked men, who identified themselves as members of the Antifa gangs.

Opponents of Sharon's actually fascist policies, especially in Germany, are being targeted as "anti-Semitic" by the gangster-like Anti-Defamation League of B'nai B'rith (ADL) and its affiliates—using the Antifa gangs as storm-troopers, as in the attacks on the BüSo. The day before the July 8 attack, the ADL's Abe Foxman was in Berlin to address a conference sponsored by the Organization for Security and Cooperation in Europe (OSCE) on anti-Semitism. He charged, "Only 60 years after the Holocaust, European leaders and citizens seem largely disinterested when confronted with anti-Semitism."

## Anti-German Drivel

The "anti"-fascist mobilization started in April, when the Washington-based Middle East Media Research Institute (MEMRI) created a branch in Berlin. MEMRI was co-founded by "former" Israeli military intelligence officer Yigal Carmon, and Meyrav Wurmser, a leading neo-conservative at the Hudson Institute and the American Israel Public Affairs Committee, both also based in Washington, D.C. Carmon is a high-ranking Aman (military intelligence) professional on "private" assignment in Washington, who first attracted public attention in Israel and Washington by lobbying against the Oslo Peace Accords. Wurmser, a scholar on Zionist fascist Vladimir Jabotinsky, now heads the Middle East desk at the Hudson Institute. Her husband, David Wurmser, works nearby at the neo-con premiere think-tank, the American Enterprise Institute, one of the central organizations of the Clash of Civilizations faction.

MEMRI-Berlin was founded just in time to create a media food chain for the orchestrated anti-Semitism debate used to silence German criticism of Sharon's Israel. In the context of

the last three months' preparations for a new war in the Middle East, MEMRI has become a war-time propaganda operation. Its Berlin office is being run by Gutz Nordbruch, a frequent contributor to *Jungle World*, a rag circulating in the leftist milieu in the German capital.

On May 10-12, there was a three-day conference at the Humboldt University, under the headline "Es geht um Israel" ("Israel Is at Stake"). The conference was sponsored by the "Berlin Alliance against IG Farben," an umbrella organization for numerous "anti"-fascist groups and grouplets from all over Germany. One of the mouthpieces of this "Alliance" is the leftist Berlin rag *Bahamas*. Among the speakers at the conference were Horst Pankow and Jürgen Elsässer, writers for *Konkret* magazine, founded in the 1970s by the widower of convicted Red Army Faction terrorist Ulrike Meinhof. Other participants came from Freiburg, Germany, Vienna, Tel Aviv, and Paris. The conference ended with a May 12 rally in Berlin, where some 500 Antifa demonstrators denounced "Islamic fascism." They screamed slogans supporting Sharon and the Israeli Defense Forces, like "IDF in Ramallah—That Is the Antifa!"

The conference was only the beginning of their mobilization. A few days later, *Bahamas* issued an invitation to an event which slammed the "left," for not supporting Israeli Prime Minister Sharon's murderous policies, and for daring to criticize his war crimes: "We have to distinguish between anti-Germans, who, in growing numbers, rally under the blue-and-white flag of Israel to demonstrate against the Palestinian terror; . . . and an academic left, which has deconstructed the idea of solidarity so much, that anything can be expected from them—except solidarity with the *State of Israel*."

The events' organizers, who also went by the name "Anti-German Communists/Berlin," condemned the ongoing Berlin rallies for Middle East peace as being "calls for the mass murder of Jews on Earth Day," and aimed this charge against all who opposed Sharon's war policy, including Pope John Paul II, German-Arab Society President Jürgen Möllemann, and most international leaders and organizations.

How far they go in their anti-German drivel, was demonstrated by *Jungle World* editor Elsässer, who coined the slogan "no tears for Dresden," praising Royal Air Force Gen. "Bomber" Harris for leading the fire-bombing of Dresden—not a military target—during World War II, which killed tens of thousands of German civilians, many of whom were refugees, within a few days of the war's end.

## Intelligence Assets

The origins of the Antifa scene go back to murky intelligence operations during the 1970s and 1980s, involving a seemingly contradictory mixture of elements of Anglo-Amer-



Part of an "Antifa" squad in an earlier attack on LaRouche movement activists in Germany—this one in Heidelberg, in 1994.

ican, Soviet, East German, and Israeli secret services. Of special significance have been the ADL in the United States and the "Association of the Persecuted of the Nazi Regime" (VVN) in Germany. The VVN was funded, and fed with black propaganda material, by the East German Communist secret police, Stasi. During the 1980s, it was involved in repeated slander operations against LaRouche and his collaborators.

Following the collapse of Communist East Germany, a good part of the entire VVN operation was taken over, and is run today, from the Vienna "Documentation Archive of the Austrian Resistance," which maintains close contacts with the ADL and its affiliates in Europe. It is known that some 500 million deutschemarks were laundered from the business empire of the collapsing East German Communist regime, controlled by its Secretary of State Alexander Schalck-Golodkowski, into the coffers of the Austrian Communist Party. The business relations of this East German network to Western intelligence services came to light with the exposure of Oliver North's Iran-Contra Affair, in which Schalck-Golodkowski was involved. After reunification, the German government tried unsuccessfully to recover these funds.

The reconditioning of the Antifa scene with an extreme "anti-German" belief structure, goes back to the period of German reunification a decade ago. It was deployed in the post-1989 Anglo-American-Israeli black propaganda campaign which claimed that a reunited Germany would become the "Fourth Reich." In very similar terms, anti-German polemics were spewed at the time by British Prime Minister Margaret Thatcher's Secretary of Trade, Nicholas Ridley, and by the authors of a putative "Red Army Fraction" letter, claiming responsibility for the Nov. 30, 1989 assassination of Deutsche Bank CEO Alfred Herrhausen.

# U.A.E.'s Economic Humanism Builds a Modern Nation

by Muriel Mirak-Weissbach

“Wealth is not money. Wealth lies in men. This is where true power lies, the power that we value. They are the shield behind which we seek protection. This is what has convinced us to direct all our resources to building the individual, and to using the wealth which which God has provided us in the service of the nation, so that it may grow and prosper.

“Unless wealth is used in conjunction with knowledge to plan for its use, and unless there are enlightened intellects to direct it, its fate is to diminish and to disappear. The greatest use that can be made of wealth is to invest it in creating generations of educated and trained people.”

These are the words of Sheikh Zayed bin Sultan Al Nahyan, ruler of the Emirate of Abu Dhabi, and president of the federation of the United Arab Emirates (U.A.E.). With this concept of economics, which is in direct contradiction to the fundamental axioms of liberal economics, based on monetary profit, Sheikh Zayed has overseen the development of the U.A.E., from a desert inhabited by small numbers of Bedouins, to a thriving, modern economy with a fast-growing, cosmopolitan population. During the same period, roughly, in which the economies of the “advanced sector”—Western Europe and the United States—were decomposing, under the blows of deregulation, globalization, and the frenzied stock-market speculation, the relatively tiny economy of the U.A.E. developed by leaps and bounds.

## A Short History

The countries joined in the federation known as the U.A.E., were historically sheikhdoms, ruled by families, whose economies were based on simple agriculture, fishing, and raising livestock. In 1820, Great Britain began to play a role in the area, by signing a series of truces with the ruling families, in order to safeguard British shipping. The “Trucial States,” as they became known, felt British influence, until 1968, when Britain announced it would abandon its protectorate commitments east of the Suez Canal, which it completed in 1971. In that year, the seven Trucial States of Abu Dhabi, Ajman, Al Fujayrah, Dubai, Ras al Khaymah and Umm al Qaywan, joined together to form the U.A.E. and declared their independence, as did Bahrain and Qatar.

The crucial factor triggering economic change in the region, was the discovery of oil, first in Bahrain in 1932, then in Qatar in 1939. It had been found in Iran in 1911, and was

developed in Saudi Arabia in the 1930s. By contrast, the two leading oil producers of the emirates, Abu Dhabi and Dubai, discovered and developed oil only in the 1960s. Following British disengagement, most of the countries in the region moved to take over the oil concerns, which became state-owned.

Sheikh Zayed bin Sultan Al Nahyan, born in 1918, was named after his grandfather, Sheikh Zayed bin Khalifa, who had ruled the emirate for an extraordinarily long time, from 1855 to 1909. As a young man, the later Sheikh Zayed spent a long time in the desert with Bedouin tribesmen, during which he learned a great deal about falconry, camel breeding, and above all, the vital role of water in human existence. In 1946, he was chosen to be the ruler’s representative in the Eastern region of Abu Dhabi, around the oasis of Al Ain, which consisted of nine villages based on agriculture. Sheikh Zayed organized improvements in the water supply, by having the ancient underground water channels or *falajes* cleaned out, and developing new ones. Soon, Sheikh Zayed developed a city plan, and started what was to become a large-scale reforestation program, which, in the meantime, has made Al Ain an area dominated by greenery.

With the discovery of oil, major financial resources became available, which made possible Sheikh Zayed’s vision of transforming the desert land into a modern country, like those he visited in Europe during a trip in 1953. In 1966, he became ruler of Abu Dhabi, and in 1971, following the establishment of the U.A.E., he was elected its President, a position he has held until the present.

## Natural Resources at Man’s Service

Following his fundamental concept, that the wealth of a country lies not in material riches, or in raw materials resources per se, but in its educated labor force, Sheikh Zayed allocated the increasing oil revenues to the development of basic infrastructure, for transportation, electricity, education, and public health. In 1973, it was decided that the government of Abu Dhabi, which had the greatest share of oil and gas resources of all the U.A.E., would take a controlling share of the former, and total ownership over the latter.

With these resources, basic infrastructure has been built up, allowing for the population to grow from 250,000 in 1971 to 3.3 million in 2001. A large part of the working population

has been made up of expatriates who came from Asia and all over the Arab world, due to the lack, initially, of a skilled labor force in the country. Sheikh Zayed's commitment has been to develop the native population, into a modern labor force, convinced of the economic, social and moral importance of productive labor: "Work is of great importance, and of great value in building both individuals and societies. The size of a salary is not the measure of the worth of an individual. What is important is an individual's sense of dignity and self-respect. It is my duty as the leader of the young people of this country to encourage them to work and to exert themselves in order to raise their own standards and to be of service to the country. The individual who is healthy and of a sound mind and body but who does not work commits a crime against himself and against society.

"We look forward in the future to seeing our sons and daughters playing a more active role broadening their participation in the process of development, and shouldering their share of the responsibilities, especially in the private sector, so as to lay the foundations for the success of this participation and effectiveness. At the same time, we are greatly concerned to raise the standard and dignity of the work ethic in our society, and to increase the percentage of citizens in our labor force. This can be achieved by following a realistic and well-planned approach that will improve performance and productivity, moving toward the long-term goal of secure and comprehensive development."

The approach outlined here, includes gradually progressing from a society with basic infrastructure, to one with advanced agriculture, to an industrialized state. When one visits Abu Dhabi today, one sees this process under way, as the capital city is a thoroughly modern metropolis, with elegant, high-rise buildings, designed with an Islamic touch, for housing as well as business offices. Government programs like the Sheikh Zayed Housing program, set up in 1999, provide interest-free loans for lower-income citizens. Another program, the Abu Dhabi Department of Social Services and Commercial Buildings, financed the construction of 6,000 buildings with 93,000 apartments earmarked for citizens, who can repay their financing over a long term. A third program provides funds for loans for citizens to build their own homes. Such programs are not restricted to the capital, but cover the entire country.

A similar approach has been followed for the construction of energy and water infrastructure, the latter based on extensive desalination plants, to provide the water required for domestic, industrial and agricultural use. The vast expanses of green throughout the capital, testify to the attention paid to this vital resource.

Abu Dhabi, as characteristic of the U.A.E., is a striking example of how raw materials resources can be invested, not in palatial estates, but in the physical economy of a country, beginning with the infrastructure required to develop a modern, educated population.

## Mexico in Crosshairs Of Human Rights 'Mafia'

by Rubén Cota Meza

Former Mexican President Luis Echeverría Alvarez (1970-76) appeared before the Special Prosecutor for Past Political and Social Movements on July 2, and again on July 9. Echeverría faces charges of "genocide," "forced disappearance," and "abuse of authority," for his alleged responsibility for the bloody events of Oct. 2, 1968, when demonstrating students were killed in Mexico City's Tlatelolco Plaza, and of June 10, 1971, when paramilitary gangs attacked demonstrators near the city's Zócalo square.

Simultaneous with Echeverría's appearance, the Mexican daily *Reforma* interviewed Argentine guerrilla Enrique Gorriarán Merlo in his jail cell at Villa Devoto; he is serving a life sentence for the killing of 39 people in the Jan. 23, 1989 attack on the La Tablada military barracks, carried out under Gorriarán Merlo's orders by the Movimiento Todos por la Patria (All for the Fatherland).

Three days later, on July 5, the prisoner's daughter, Adriana Gorriarán, met with Mexican Foreign Affairs Secretary Jorge Castañeda, who immediately delivered to Mexican President Vicente Fox a letter in which she reveals alleged illegalities in the arrest of her father, which was carried out in Mexico, in October 1996. Gorriarán's lawyer Rodolfo Yanzón declared that both Jorge Castañeda and Fox himself have already pronounced on the alleged illegality of the arrest, but that "we want an explicit and formal statement by the Mexican government."

Evidently, both the *Reforma* interview with Gorriarán Merlo and Castañeda's meeting with Gorriarán's envoy, were pre-arranged by the Foreign Secretary himself.

Trying and jailing heads of state and officials of former governments, along with retired or active duty military officers, on the one hand, and freeing terrorists who took up arms against those governments, on the other, is the chosen vehicle—flagrantly seen in Peru as well—of the international financial oligarchy to finish off the sovereign nation-state itself.

### MSIA Leader: Nation Is Target

Marivilia Carrasco, president of the Ibero-American Solidarity Movement, collaborators of Lyndon LaRouche in Mexico, issued a statement on July 10, noting that "such events do, in fact, merit a serious 'truth commission' inquiry, capable of confirming, for example, that on Oct. 2, soldiers not only did not receive orders to shoot at the demonstrators,

but that they themselves were the victims of sniper fire, which led the soldiers to believe that the students were shooting at them, at the same time that the students believed that the soldiers were firing at them, thereby creating the conditions for the bloody provocation, in which the victims—including soldiers—numbered in the dozens, and not in the hundreds or thousands that the ‘black legend’ on 1968 proclaims.

“But those behind this suit are far from interested in establishing such truths. In this trial, they seek to put the nation-state itself in the dock of the accused, using methods of psychological and political warfare that have been conceived and designed by the globalist Anglo-American intelligence apparatus bent on putting an end to the very concept of the sovereign nation-state itself.

“Furthermore, to implicate members of Mexico’s previous governments and the Armed Forces in this way, as they are also doing in Peru, only serves the renewed offensive undertaken in the wake of Sept. 11, by the Anglo-American utopian faction which is promoting the perpetual war of a ‘Clash of Civilizations.’ Such a strategy adopted by the George W. Bush government, presupposes the disintegration of sovereignty, of the Armed Forces, and of patriotic policies around the world. The means of achieving such objectives may please certain anti-government elements of the ‘left’ and ‘right,’ but they obey a higher and malevolent global strategy in which these right/left forces are mere puppets.”

### **Continent-Wide Operation**

Ten days after the maneuvers of Gorriarán Merlo and company in Mexico, it was reported that the Inter-American Human Rights Court (IHRC) will reopen the case of New Yorker Lori Berenson, sentenced in Peru to 20 years in jail for her involvement with the bloody Tupac Amará Revolutionary Movement (MRTA). Berenson was captured red-handed, preparing to blow up the building of the Peruvian Congress, with the plan to take hostages who would then be exchanged for imprisoned leaders of the MRTA. The IHRC’s review of the Berenson case comes three months after U.S. President George W. Bush visited Peru, mocking his own war on terror by seeking clemency for the American terrorist.

Also in Peru, on May 13 a Lima court issued arrest warrants against 11 members of the Armed Forces of that country who, on April 23, 1997, had participated in the “Chavín de Huántar” rescue operation, during which they recaptured the residence of the Japanese ambassador in Peru and freed the 72 hostages that the MRTA was holding prisoner there. This effort to jail members of the Armed Forces, and to create the conditions for freeing MRTA terrorists, was driven by George Soros’ “human rights” minions in Peru; the same who, until a few days ago, were central figures in the Alejandro Toledo government.

The Mexican Foreign Minister is delighted to be part of the imperial court, and shamelessly boasts of his collaboration with the globalizers’ strategy of doing away with the sover-

eign nation-state. In a July 12 article in *Reforma*, he wrote: “Mexico’s international commitment to human rights and to democracy has also helped open up spaces, so that the Fox government can clarify . . . the abuses of power perpetrated in past decades under cover of supposed ‘reasons of state’. . . . In particular, advances have been made through the work of the Special Prosecutor in charge of revisiting the events of 1968 and 1971, as well as of the repressive processes of the ’70s and ’80s, for the purpose of clarifying crimes against humanity that have historically distressed the national conscience.”

### **An Inquisitorial ‘Truth Commission’**

The political apparatus behind these suits, comprised of the activists of Jorge Castañeda’s future Presidential campaign, do not agree with the establishment of a special prosecutor’s office. What they want, rather, is an inquisitorial “truth commission” which is totally autonomous from the state, controlled only by themselves and their network of non-governmental organizations (NGOs). On July 9, a prominent member of this gaggle of NGOs, Joel Ortega, said, “Fox should prepare a mechanism, like a Truth Commission, that will punish the crimes of previous regimes, because by taking the legal route, a great achievement by society could end up a pyrrhic victory.” Ortega is a former activist of the Mexican Communist Party, and currently a promoter of Castañeda’s Presidential candidacy.

Similarly, the Foreign Affairs Ministry sponsored an International Seminar on Truth Commissions on July 18, at which the ministry’s human rights undersecretary, MariClaire Acosta, made the intentions of this network explicit. She declared that the decision to establish a special prosecutor’s office “is based on the conviction that the adopted mechanism is irrelevant,” but that the efforts undertaken by the Citizens Committee in Support of the Special Prosecutor’s Office “will turn it into a kind of truth commission.”

Acosta has, for three decades, been one of the most dedicated agents of the “human rights” multinational headed by Amnesty International and Soros’ Human Rights Watch/Americas. The so-called Citizens Committee in Support of the Special Prosecutor’s Office is headed by the notoriously corrupt former leader Salvador Martínez de la Rocca, alias El Pino.

Paz Rojas, president of the Association for the Promotion and Defense of the Rights of the Chilean People, who supported the “theoretical” work on the truth commissions for the seminar sponsored by Castañeda and Acosta, went after the heart of the issue, which is national sovereignty. He declared that “the main limitation of the Special Prosecutor’s Office is its dependency on the state,” given that the Truth Commission “must be absolutely autonomous from governments,” because if crimes against humanity are going to be analyzed, “the only one responsible, according to international law, is the state.”



## LaRouche Interviewed: U.S. Like Roman Empire

*The July 19-26, 2002 issue of the Russian weekly newspaper Vek ("The Age") contains an interview with Lyndon LaRouche, in which the American economist and Presidential pre-candidate addresses the systemic nature of the current world financial crisis, and indicates the way out. The interview is posted in the electronic edition of Vek ([www.wek.ru](http://www.wek.ru)), and in the print edition, under the headline, "Lyndon LaRouche: 'The Fate of the Roman Empire Awaits the U.S.A.'" It is the lead article in the economics section of Vek online.*

*The questions of Vek journalists Stanislav Stremidlovsky and Galina Borzikova all dealt with aspects of the global economic collapse, that are of burning concern in Russia. Vek is a widely read publication, founded in 1992, and known for its attention to economic developments. Here are excerpts of the interview.*

**Vek:** The American economy is being shaken by scandals around financial abuses by major corporations, like Enron, WorldCom, and Xerox. What is behind these scandals? Are they a coincidence, or do they reflect a general tendency?

**LaRouche:** The corruption is systemic; it is intrinsic to the present U.S. economic system as it has degenerated, at an accelerating rate, over the course of 1966-2002. The change was from an economy based on the principle of a physically productive national economy, toward an imperial consumer society, echoing the moral degeneration of Rome from about the time of the close of the Second Punic War.

My widely circulated "Triple Curve," illustrating the divergence among U.S.A. financial, monetary, and physical-economic aggregates over the interval 1966 to the present, corresponds to the moving-average of trends to date. The 1995-2002 statistical reports purporting to show U.S. net growth, were all fraudulent. The system has now entered a terminal phase, and is ripe for a total collapse of the system in its present form. Thus, the system has entered a "boundary layer," an interval of accelerating turbulence, like a shock-front. The waves of bankruptcies merely express the bankruptcy which has been prevalent among U.S. firms and real-state interests during the recent seven years.

**Vek:** British analysts forecast a fall in the exchange rate of the U.S. dollar, which they believe will mean troubles for the world economy. Do you share this opinion?

**LaRouche:** Yes. The world system is now in the throes of an onrushing general breakdown crisis. All European, Japan, U.S.A., and most other currencies are presently falling at accelerating rates. Which one falls the most during any period is an important, but not decisive matter. Obviously, the U.S. dollar is at the brink of a fall, a collapse which is long overdue.

**Vek:** How can an ordinary person protect his savings at the present time? In which currency should one keep accumulated funds—the dollar, the euro, or is there another way?

**LaRouche:** Some persons, chiefly within the upper 1% of U.S. family-income brackets, have prospered because they wisely dumped their investments in financial markets to invest in tangible assets. The rest in the upper 10% of family-income brackets behaved almost exactly as the French fools, during the early 18th Century, who invested in the John Law financial bubble. Those in the lower 80% of U.S. family-income brackets, have suffered increasingly over the entirety of the 1977-2002 interval to date. The imminent collapse of the system will create a condition in which only the intervention of the state could create stability in any economic sector.

**Vek:** Do modern nation-states have the power and the possibility to manage the economy?

**LaRouche:** In principle, yes. Approximately half of the total investment in a sound economy must occur in the form of state-controlled investments in basic economic infrastructure. These must occur either as direct public investments, against tax revenues, by national, regional, and local governments, or as government regulated, but privately owned, public utilities of regions and municipalities. These are matters of the tax and expenditure matters of the state as such.

In addition, the present global breakdown-crisis in progress, will compel the abandonment of the control of finances and monetary affairs by privately owned central banks in the Lombard tradition. The national government alone must issue currency, and regulate the private banking system of the nation through a national bank, as conceived by U.S. Treasury Secretary Alexander Hamilton.

The rest of the national economy, the so-called private sector, should be based chiefly on protected categories of small to medium-sized entrepreneurs in agriculture, manufacturing, and related functions. Such enterprises, on which the larger enterprises depend for partners, require protection against "free market" excesses.

A nation also needs an adopted sense of economic mission, around which economic policy should be shaped.

**Vek:** Is it possible to carry out a monetary reform in the United States? If this happens, at whose expense will it be?

**LaRouche:** Yes. To be successful, the Franklin Roosevelt precedent must be followed. The interest served must be nothing but the general welfare, as Roosevelt recognized this.

# The Murky Dismissal of German Defense Minister

by Rainer Apel

The July 18 sacking of Germany's Defense Minister, Rudolf Scharping, may be for the benefit of anti-Iraq warhawks in the Pentagon around Deputy Defense Secretary Paul Wolfowitz. Scharping, who was opposing a war on Iraq, has been replaced by a German "hawk" who organized the German parliament, the Bundestag, to vote narrowly for the U.S. war in Afghanistan.

Chancellor Gerhard Schröder's announcement came less than 24 hours after news wires had begun running previews of a story in the July 18 issue of the *Stern* weekly, about alleged "irregularities" in Scharping's private finances. The focus of the story was a publicist's payment of 80,000 deutschmarks into a Scharping bank account a few days before he was appointed minister of defense in the new German cabinet at the end of October 1998. The payment was for a book that Scharping planned to publish in 1999.

Scharping's demise is welcome among many, if not most military men, because of his failure to provide the necessary, minimal funds and up-to-date equipment for the armed forces. Earlier in the week, Scharping called off, because of "fiscal bottlenecks," the procurement of a new armored personnel carrier with the project name of Panther, designed to replace the 30-year-old Marder vehicle. But the government members mainly to blame for the fiscal malaise are Schröder and Finance Minister Hans Eichel, who have carved out several billion marks from the defense budget every fiscal year since 1998. Scharping was reduced to being the executor of budget cuts decided by the rest of the cabinet.

## 'Lack of Solidarity' with Washington

But Scharping's failure to convince the military of the "necessities" of the budget cuts, also put him on the list of people whom the Chancellor wanted to remove at the next appropriate occasion. With national elections just two months away, Schröder may have wanted to present a cabinet that would radiate more "efficiency." The timing and orchestration of this abrupt end of Scharping's career, also pose some other questions, however.

Numerous leading dailies, like the *Frankfurter Allgemeine Zeitung*, suspected a hand from inside the cabinet behind the story that appeared in the notorious Anglo-American "leak-sheet," *Stern*. Scharping, after initially sailing along with U.S. Secretary of State Madeleine Albright's Kosovo

War in March 1999, later became critical of NATO military policies in the Balkans. For that, and for his opposition against another Iraq war, Scharping had become a target of the Wolfowitz gang, as early as the transition from the Clinton Administration to the Bush Administration. Had Schröder fired Scharping already then, he certainly would have received applause from the other side of the Atlantic.

Scharping stayed in office, but remained the target of an unabated campaign of media leaks about his "wimpishness." The net effect of all the trans-Atlantic armtwisting was that Scharping never put up any real resistance against a German role in the post-Sept. 11 military missions in Afghanistan, East Africa, and related stationing projects in the Persian Gulf. And he might not have caused real problems, after all, even at the start of a new Iraq war. But repeatedly, his ministry had been the source of "unauthorized" leaks about the Pentagon's next plans, which the Wolfowitz faction read as acts of "obstructionism"—as a "lack of solidarity."

By contrast, Peter Struck, the chairman of the Social Democrats' parliamentary group, who was appointed new Minister of Defense on July 18, might be of use to the Wolfowitzers. Strong opposition in October–November last year against the planned war in Afghanistan was crushed by Struck, with a whole arsenal of political blackmail against dissident Social Democrats. This secured a thin majority of two votes for Chancellor Schröder's "yes" to a German role in the war against the Afghani Taliban, when the Bundestag held a no-confidence vote on the issue.

## German Support Against Iraq?

It is also due to Struck, that there has been no prominent engagement of Social Democrats in an open debate about the consequences of Sept. 11. Efforts by former Deputy Defense Minister and Social Democrat Andreas von Bülow, for example, to initiate a debate among Social Democrats about the military-intelligence cabal aspect, as opposed to the "bin Laden" cover story, have been fought vehemently by Struck and his people. This has forced von Bülow to have his interviews and articles published by journals that are more in the right-wing camp, as journals linked to the Social Democrats were recruited (or, blackmailed) by the Struck group to boycott any such interviews.

Struck proffers "unconditional solidarity" for Chancellor Schröder's "unconditional solidarity with the U.S.A." on all matters related to the "war on the axis of evil." Therefore, if a military strike against Iraq is launched by no later than September or October, Struck will guarantee that the German government supports it. The tradition German role as a huge storage area in Europe for U.S. combat and other military equipment, is crucial for any in-depth operation against Iraq. The major military air bases near Frankfurt, at Ramstein and at Spangdahlem, will be vital to airlift American matériel and manpower from Europe to the Persian Gulf region, via Turkey.

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# International Intelligence

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## ***Hunger Grows as Rice Productivity Declines***

Rice experts from 61 countries met in Bangkok, as the UN's International Rice Commission (IRC) kicked off its 20th session, co-sponsored by the UN Food and Agriculture Organization (FAO). Host country Thailand is the world's largest rice exporter.

"There is an increasing concern about the ability of rice production to meet popular demand in the near future," R.B. Singh, FAO's representative for the Asia-Pacific region, told the opening session. Current rice yields average just over four metric tons per hectare, Singh said. While they continue to improve, the rate of increase is steadily dropping, from 2.3% during the "Green Revolution" of the 1980s (which increased yields by breeding disease, weather and insect resistant strains) to 1.1% in the 1990s. The decline of productivity in rice production contributes to the hunger of 800 million people in the world, every day. Over half the world's population depends on rice as its major daily source of calories and protein, according to the FAO. Rice prices are currently at their lowest level in 20 years.

A potentially revolutionary development, the widespread introduction of "super rice" strains being tested by researchers, could boost crop yields "by 15% to 20% over the best plant types that we have today," said Singh. He predicted super rice could be planted in Asian paddies as early as 2007. *EIR* has reported that super rice could already be in use worldwide, but has been subverted by anti-development interests.

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## ***Breadbasket Argentina Grain Output Plummets***

Argentina's grain production is expected to drop for the 2002-2003 harvest season to between 13 million and 13.8 million tons in the next harvest, season, below the 14 million the U.S. Department of Agriculture estimated in June, BBC reported on July 18.

Output for the 2001-2002 season was 15.3 million, but lack of credit, high export taxes, and increased costs for crucial inputs and services, have taken their toll.

Enrique Crotto, president of the Rural Society (SRA) told *Clarín* that farmers have been hit hard by higher costs for machinery, fuel, fertilizer, seeds, agro-chemicals, and for transportation and insurance. With the peso devaluation, the price for imported components of farm chemicals has dramatically increased. "No modern society can grow without credit," Crotto said. Although some farmers are surviving through barter arrangements, he added, "It is essential that the government immediately resolve the [problem] of the financial sector." Moreover, he added, the imposition of export taxes under the Duhalde government, has meant lost income of \$1.7 billion. Argentina produces about 10% of the world's wheat. In June, the government estimated that the total number of hectares under wheat cultivation was 6.5 million, down from an earlier estimate of 7 million.

In a related blow to Argentina's depression-wracked economy, the Rosario Port Authority announced on July 17 that it is signing a contract for Spain's Tarragona Port Authority to take over the Port of Rosario at the end of August; the Spanish agency will run it for 30 years. Rosario has historically been used for the export of grains, and more recently for wood, auto parts, coal, and containers. However, much of the industrial city's activity has shut down with the International Monetary Fund-induced economic crisis.

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## ***China Readies 'Move South Water North' Plan***

All technical and field preparations for launching the China's great "Move South Water North" project have been fulfilled, announced the enterprise responsible for construction of the central route of the huge water project. The project can be launched at any time, reported the July 22 issue of *Peoples Daily*, citing Vice Minister of Water Resources Zhang Jiyao. "Consensus has been reached on all aspects of the project, includ-

ing priorities, layout, water-pollution controls, water-saving measures, protection of ecosystems, investment shares, and water pricing," Zhang said.

The first step will be enlarging the dam at the Danjiangkou Reservoir in northwest Hubei Province, already the largest man-made lake in Asia. This project, to divert water from water-rich southern China to the arid North—the center of population and China's grain belt—has been under consideration for some 40 years.

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## ***Russia, Iran Re-Affirm Nuclear Cooperation***

Russian First Deputy Foreign Minister Trubnikov, visiting Tehran, said on July 20, that Russia is ready to receive and accept new proposals to build more nuclear plants in Iran. Speaking to press after talks with his Iranian counterpart Mohsen Aminzadeh, Trubnikov said that cooperation on the Bushehr nuclear power plant does not violate international accords, and would continue, reported the *Tehran Times* on July 21. Asked about U.S. President George Bush's criticism of the cooperation, and his attacks on Iran, Trubnikov said, "Russia's stance is clear; we do not accept the U.S. President's view on the 'axis of evil.' Iran has had good cooperation in regional developments generally, especially in realization of peace and campaign against terrorism."

Trubnikov was in India before arriving in Iran. At the end of his New Delhi visit, he stressed Moscow's desire for a trilateral cooperation scheme among Iran, Russia and India, with respect to Afghanistan.

The *Tehran Times'* editorial emphasized the importance of such a triangular relationship, adding that Russia and Iran must also discuss ways and means of preventing a U.S. strike on Iraq. The editorial proposed that Russia persuade Iraq to accept the UN inspectors, to deprive the United States of a pretext. The editorial also stressed the need for Russia to reaffirm its commitment to nuclear cooperation, and to consolidate the "Tehran-Moscow defense cooperation and joint infrastructure development projects."

# Schisis in Putin's Russia

*Roman Bessonov explores the impact on Russia's elites of years of mental splits, which have created susceptibility to geopolitical entrapment.*

I don't feel like integrating into insanity.  
—Alexander Lukashenka, President of Belarus

One of the first events after Vladimir Putin's accession to power in 2000, was very frightening for Moscow's liberal intelligentsia. The wall of the fortress-like building in Moscow's Lubyanka Square, headquarters of the Russian secret police, was decorated with a plaque in memory of long-time KGB chief **Yuri Andropov**—the only head of that Soviet intelligence agency to finish his career as leader of the Communist Party of the Soviet Union (CPSU). The liberal intelligentsia, bewildered, rang the alarm bell. The majority of the population slept well.

Recently, a marble plaque was installed on the wall of 31 Moika Embankment in St. Petersburg, where **Anatoli Sobchak**, the city's first democratic mayor and a fan of the Kirillovichi<sup>1</sup> heirs of the Romanov dynasty, resided "between 1990 and 1998" (the 1997-99 period of his flight to France, to avoid criminal charges, was delicately omitted). The liberal intelligentsia feels relaxed and sleeps well. The rest of the population remains bewildered.

There is really no contradiction between the two events and the two memorial plaques. Inside the intelligence community, that is understood. As for the "broad masses of the population," they are supposed to stay ignorant—their growing dissatisfaction with the leadership of Russia, and its domestic and foreign policy, notwithstanding.

In the late period of perestroika, as the reforms of the last Soviet leader, **Mikhail Gorbachov**, were called, the entire population of the U.S.S.R. was glued to their TV sets in a sort of mass obsession. They were watching the proceedings of the Congress of the U.S.S.R. Supreme Soviet, on the historic decision to annul Article Six of the U.S.S.R. Constitution, the clause that defined the CPSU as the ruling, and sole, political party in the country. Dozens of young parliamentarians launched their careers at that moment, making sure that their pictures were taken standing beside, or arm in arm with, the

famous physicist and human rights activist Academician Andrei Sakharov. They looked so natural, so sincerely committed to the cause of transforming the state, that the TV audience readily bought the fiery speeches of those people who very soon would become governors and mayors, or found new political parties, to introduce that pluralism which was supposed to be the precondition for a decisive political and, espe-



*"Who is Mr. Putin?" The question remains unanswered—perhaps even by President Putin himself. Here, Putin (left) receives German Chancellor Gerhard Schröder, in St. Petersburg, in 2001. When he first came to office, Putin's agenda focussed on restricting the power of the financial oligarchy. But each of his initiatives was thwarted, and the momentum of those early weeks was lost.*

1. Descendants of the Grand Duke Kirill Romanov, senior first cousin of Tsar Nicholas II at the time of the latter's execution. Kirill married Princess Victoria Melita ("Ducky") of Britain, a granddaughter of Queen Victoria, who shared with other members of her family an affection for fascist movements.



*The late St. Petersburg Mayor Anatoli Sobchak, an example of the Russian “schisis”: He launched his career as a parliamentarian by associating himself with Soviet-era dissident Academician Andrei Sakharov; has a mystical affinity for a branch of the Romanov dynasty; became famous for his anti-military rhetoric in 1990; and fled the country in 1997-99 to avoid criminal charges. He was recently honored by Putin with a plaque.*



*The late Soviet Communist Party General Secretary leader and longtime KGB chief Yuri Andropov was honored by Vladimir Putin, shortly after Putin came to power, with a plaque on the wall of the headquarters of the former KGB: a sign of the bewildering contradictions among the Russian elites today.*

cially, social revival. The Interregional Group of Deputies, grouped around the aged Academician Sakharov, included Doctor of Sciences (Law) Anatoli Sobchak, then a professor at Leningrad State University (since renamed the University of St. Petersburg).

This particular parliamentarian became famous for his emotive anti-military rhetoric during the 1990 events in Georgia (when Army units dispersed a peaceful public rally). That episode eventually resulted in the replacement of Dzhumber Patiashvili’s Georgian Communist Party clan by a different one, under then-Soviet Foreign Minister, former Georgian security chief and Communist Party First Secretary **Eduard Shevardnadze**, who returned to power in 1992, now as President of independent Georgia. In early 1991, the “Sakharovite” Sobchak and the Communist Party/police functionary Shevardnadze, along with CPSU Politburo member **Arkadi Volsky**, established the Movement for Democratic Reforms (DDR).

Sobchak also played a key role in the elections of the President of the U.S.S.R. in 1990, taking the floor right before the vote in the Supreme Soviet, to accuse Gorbachov’s only rival, Prime Minister **Nikolai Ryzhkov**, of responsibility for illegal military contracts. His speech was enthusiastically

greeted by the “democratic reformers” as a brave challenge against corrupt Party officials, although the unfortunate Ryzhkov was not a career Party functionary like Gorbachov, Shevardnadze, and Volsky.

These contradictions were overlooked by the ecstatic crowd that cheered the new idols of Democratic Russia, Sobchak’s partners in the Interregional Group. Little did they imagine, that the technique of deploying unverified, but highly discrediting information (*kompromat*, in Russian) for short-term political purposes, would become a tradition in post-Soviet Russia—a tradition initiated by a professor of law!

## Event Number 10

Soon after the strange putsch of August 1991,<sup>2</sup> two persons from the inner circle around Academician Sakharov’s

2. On Aug. 19, 1991, a group of Soviet Communist Party, military, and intelligence officers declared themselves a State Emergency Committee (GKChP) and attempted to take power in Moscow. Soviet President Mikhail Gorbachov was held at a resort in the South. Boris Yeltsin, as President of Russia (within the U.S.S.R.), declared the GKChP illegitimate and rallied a crowd around the Russian Parliament building. With key military commanders supporting Yeltsin, the GKChP crumbled. At the end of that week, Ukraine declared independence. The Soviet Union officially dissolved that Autumn.

widow, Yelena Bonner, arrived at KGB headquarters, demanding files on ranking clergymen of the Russian Orthodox Church (ROC). But an activist in the Democratic Russia movement, which was already factionalized into groups at that time, told me that the real purpose of those persons' visit to Lubyanka was to acquire files on themselves, and their former work as agents of the organization housed there.

In the Autumn of 1991, a St. Petersburg newspaper published the transcript of a conversation between Mayor Sobchak and a KGB department head named **Anatoli Kurkov**, taped on the very day of the August putsch. The two men were discussing something they called "event number 10." No explanation followed. In early 1992, now retired KGB General Kurkov got a job as chief of security at Sobchak's favorite bank, Astrobank, the institution that initiated the creation of the St. Petersburg Free Trade Zone.

The name of General Kurkov was also mentioned by a friend of mine in Tbilisi, in the context of organizing a trip to London around that time for Shevardnadze, who had resigned as Soviet Foreign Minister, but had not yet returned to Tbilisi as President of Georgia. Sobchak, in turn, did a great favor for Shevardnadze, as head of the U.S.S.R. Supreme Soviet "fact-finding" team, whose assembled evidence on the oppression of the 1990 rally in Tbilisi finished the political career of Patiashvili.

The founding convention of the St. Petersburg organization of **Yegor Gaidar's**<sup>3</sup> Democratic Choice Party was held in the Spring of 1994, in the office of Astrobank. At that time, the party's executive committee was headed by banker **Oleg Boiko**, most famous for a debauch he provoked at a Moscow restaurant called The White Cockroach. The security service of Boiko's National Credit Bank, too, was headed by a KGB general—**Gen. Otari Arshba**, who reportedly played a role in organizing separatist warfare in the Abkhazia province of Georgia. (Just recently, *Kommersant Daily* mentioned the name of this same Arshba, as now being engaged in the business of consolidating the stock of Iskander Makhmudov's Yevrazholding, in preparation for a move into international markets.)

Gaidar was recently elected deputy head of the European Democratic (Conservative) Union. None of his Western tutors would fault him for his cooperation with KGB generals. In the global economic arena, this is taken for granted. Nor would the foreign guests and participants in the founding assembly of the Russian Jewish Congress protest against the participation of the aged **Gen. Filipp Bobkov (ret.)**, who had been deputy chairman of the U.S.S.R. KGB in 1991, after a long career as head of the notorious Fifth Directorate, responsible for mind-control. Apparently **Vladimir Gusi-**

3. Former economics editor of the Communist Party journal *Kommunist*, Gaidar became Prime Minister in the first Russian government after dissolution of the U.S.S.R. A follower of Friedrich von Hayek's radical liberal economics, he launched so-called shock therapy with the decontrol of prices on Jan. 1, 1992.



*Mikhail Gorbachov, the Soviet Union's last President. Russians today are drawing a parallel between Putin and Gorbachov: The latter disastrously positioned himself "in between" the two artificially planted tribes of the successors to Yuri Andropov.*

**nsky**, the Russian financial magnate who today is deputy president of the World Jewish Congress, could hardly have launched his career in business without Bobkov's assistance in setting up a U.S.-Soviet joint venture called Infex (Information Export).

These are just a few examples of the close connection between Russia's "official democrats" and experienced KGB generals, who privately described their allies from the newly founded liberal parties as "trashy agents."

### **Andropov's 'Democratic Transformation'**

It was not until 1999, that one of the top figures at the KGB's London station, **Col. Mikhail Lyubimov**, wrote an article describing the entire "democratic transformation" of Russia as a sophisticated operation, masterminded personally by Yuri Andropov. According to Lyubimov's version, the ultimate goal of this operation was to provoke a profound economic and social crisis in the U.S.S.R., in order to make the population suffer, and—in a precise Dostoevskian way—to survive through suffering.

Lyubimov's family did not undergo any serious social problems after he published this revelation. His son is one of the most influential persons in the Russian mass media, and is sometimes mentioned as one of the richest people in the country.

Probably **Alexei Musakov**, a St. Petersburg analyst who



*Eduard Shevardnadze (center) as Soviet Foreign Minister, with President George H.W. Bush and Secretary of State James Baker III, 1989. Shevardnadze, the former Georgian security chief, returned to power in 1992 as the President of independent Georgia.*

reportedly advised Mayor Sobchak before the latter's flight to France, came closer to the truth when he said that (Andropov's) KGB saw itself as the "historical alternative" to the CPSU, because the KGB was capable of taking spiritual lessons from the most intellectual of the Soviet dissidents, whom the KGB would take on as indispensable partners in decision-making.

Until the political ascent of Vladimir Putin, Democratic Choice, renamed as the Union of Right Forces (SPS), described itself as the enemy of KGB and reacted nervously to any reference made to the intimate relations between its leaders and the Service. Brave colonels, who serve in hotspots like Tajikistan or Chechnya and glorify Yuri Andropov's mind and intellectual power, as well as the anti-corruption campaign he failed to complete before dying of kidney failure in 1984, react with the same defensive intonation, when faced with the historical fact that Andropov had some "court anti-communists" among his close friends and intellectual partners—such as dissident philosopher **Mikhail Gefter**<sup>4</sup> and his

4. The teacher and the pupil of this Soviet-era historian, known as Yuri Andropov's favorite dissident, reflect certain important historical continuities. Gefter (1918-94) was a pupil and friend of Soviet political prisoner **Yevgeni Gnedin**, son of **Alexander Helphand Parvus**, the infamous Anglo-Venetian agent who bankrolled the Bolshevik Party during key phases of the Russian Revolution. One of the circle around Gefter in the 1980s, in turn, was **Gleb Pavlovsky**, who went on to style himself as Russian spin-doctor *par excellence* in the 1990s ("game technician," as he puts it) and an image-maker for the Kremlin. Pavlovsky founded the Strana.ru website and heads the so-called Effective Policy Foundation.

torian **Roy Medvedev**. This special relationship between the KGB chairman and the dissidents is likewise neglected both by nostalgic leftist historians and by the George Soros-type of school textbooks, designed for the newly independent—oh, pardon!—"emerging-market" countries.

The brave officers might be well informed, however, of the existence of yet another circle around Andropov—the one represented by **Genadi Shimanov**, author of a proposal to transform the CPSU into the Orthodox Party of Russia. The scholastic debate between the followers of these two circles formed the backdrop of the perestroika-era struggle between "reformists" (then calling themselves "leftists"! ) and "conservatives" (e.g., Pamyat,<sup>5</sup> which was built up on Shimanov's concept). The Pamyat organization, in turn, had in it a large quotient of former dissidents calling themselves "Orthodox," of the "blood-and-soil"

type—but whose training took place not only on Russian soil, but also in certain institutions in the West, such as the Freemasonic lodge in Beyreuth (Bavaria)—where the entrance is decorated by the portraits of David Hume and John Locke—and the Virginia-based Western Goals Institute.

In order to conceal the connections among themselves within their respective reference groups, intelligence officers and public activists (of both the leftist-liberal and Orthodox-conservative types) spent years with a split self. Such a mental split cannot fail to leave traces in each of the partners in that prolonged process of informal partnership.

To appreciate the importance of this phenomenon for the leadership of Russia, imagine two characters from Huxley's *Brave New World*, who have exclusive access to knowledge that is kept from millions of others. They can communicate and cooperate only in their small circle of Alpha people. Now, imagine that one of them is entrusted with a job, in which his responsibility is not merely to receive and channel information, not to establish direct or indirect control, not to manipulate one ignorant stooge against another—but to be able, at a crucial and sensitive period of time, in an unstable political and strategic situation, to address a great mass of people directly, and share with them not "information," but truth, belief, will, and confidence in a common future. A new function, requiring that you understand people and they understand

5. The name of this Russian chauvinist group, which developed during the 1980s with scarcely concealed patronage from Soviet intelligence circles, means "Memory."



*Former Russian Prime Minister Yegor Gaidar, architect of the shock therapy “reforms” after the collapse of the Soviet Union, has his own ties to the KGB apparatus, notably through the person of banker Oleg Boiko—a fact taken for granted by Gaidar’s Western tutors.*

you, without mediation by ambitious government or selfish regional officials. A calling, which cannot rely on sophisticated manipulation behind the scenes, nor on skills in private conversation, but the ability to communicate a clear vision in clear language. These are the elements of *leadership*, which is not equivalent to mere control. To rise to the occasion, would require overcoming this split, collecting the pieces of a broken spyglass in order to achieve a vision of the inherited split, and present a clear view of the future to your people—or else, collapse.

### The Imposed Controversy

In the writings of the late **Metropolitan Ioann** of St. Petersburg and Ladoga, a liberal intellectual finds a lot of shocking definitions which should drive him crazy—primarily, the definition of Jews as the concentration of the harmful and destructive factor in Russian culture, politics, and history, as well as arguments in favor of a number of political figures of the Nazi regime, particularly of Dr. von Scheubner-Richter, a descendant of a Russian German (“Ostsee-German”) noble family. The infamous openly racist Russian National Unity Party developed in St. Petersburg directly under the auspices of the Russian Orthodox Church (ROC) Eparchy where Ioann was based. This did not a bit contradict the “democratic rule” of then-Mayor Sobchak, given his own mystical affinity for the Kirillovichi, the branch of the Russian monarchic dynasty that was recognized by the Nazis in a previous generation.

Besides a detailed history of schisms and behind-the-scenes clashes in the ROC through the four centuries from Ivan III till the Soviet period, Metropolitan Ioann’s writings contain a very specific analysis of the Soviet political regime’s internal contradictions. Ioann identified, beginning in the



*Financial magnate and Putin enemy Vladimir Gusinsky is now deputy president of the World Jewish Congress. His ex-KGB associates include Gen. Filipp Bobkov (ret.), who had a long career as head of the Fifth Directorate, responsible for mind-control. The liberal intelligentsia has not trusted Putin since he jailed Gusinsky for two days—they fear that they may get the same treatment.*

1930s, a split within the Communist Party between “Westernists” (internationalists) and “continentalists” (ethnicians). Surprisingly, the person cited as an example of the second category, which is the object of the author’s sympathy, is not a CPSU official, but an intelligence operative. He is **Capt. Nikolai Khokhlov**, who was deployed in January 1954 to Frankfurt, West Germany, tasked with the physical elimination of a top figure in the anti-Soviet “continentalist” party, the Narodno-Trudovoy Soyuz (NTS, or People’s Labor Alliance), which emerged among Russian emigrés in Germany in the 1930s and closely collaborated with the Nazis during World War II.

Captain Khokhlov did not accomplish his mission: Instead, he repented in public of his Soviet allegiance, and defected. As the late Metropolitan certainly knew, but did not mention (as a true ideologue, with a K.P. Pobedonostev<sup>6</sup> type of obsession with concealing the truth from the people, for the sake of the state), Khokhlov promptly emigrated to the United States. The author was not eager to mention, and probably unhappy to know, that Khokhlov was owned, directed, and materially protected, from the time of his defection, not by “continentalists” at all, but by the Anglo-American, “Atlantistic” intelligence community.

### Long and Chronic Schism

The split in the top Soviet establishment, referred to by the deceased Metropolitan Ioann, was a real process. It had everything to do with the special relationship between the Soviet and British intelligence services, of which the famous

6. K.P. Pobedonostev (1827-1907) was Procurator of the Holy Synod of the Russian Orthodox Church.



triple agent, **Kim Philby**, is the outstanding example.

This internal conflict developed into a chronic discussion at top levels of the Soviet establishment, and splashed out into the mass media under Gorbachov, when notorious “ideological duels” took place between magazines like the liberal-Westernist *Ogonyok* and the ultra-nationalist *Nash Sovremennik*. A major institutional vehicle for pushing this split, which fractured the ranks of the CPSU, was **Raisa Gorbachova’s** Soviet Culture Fund, which was sponsored by the late Soviet intelligence-linked British billionaire publisher, **Robert Maxwell**.

The supervisors of both tendencies, designed to confront each other and, eventually, dooming not only the CPSU, but also the Soviet Union and Mikhail Gorbachov’s own career, were pretty well aware of the game in which they were involved.

Right at the time of Khokhlov’s defection, his superior, **Gen. Pavel Sudoplatov**, was regarded within Soviet intelligence as a representative of the “internationalist” wing, as was Security Minister **Lavrenti Beria**, who, immediately after Stalin’s death, closed the investigation of the anti-Semitic so-called “doctors’ plot.”<sup>7</sup> Beria was soon arrested and executed by **Nikita Khrushchov**. Still, Khrushchov is not regarded as a “conservative” or “continentalist,” but is always characterized with sympathy by the so-called “generation of the [1950s] thaw,” the direct predecessors of the Westernist liberal intelligentsia of Gorbachov’s perestroika.

Thus, the picture of “schism” described by Metropolitan Ioann is inadequate. What he actually describes is a game in which he, too, was involved, and well-manipulated—evidently in order to split the ROC itself. Ioann’s factional heirs have joined their “conservative reformist” efforts with the core “anti-KGB” wing of the ROC, the Russian Orthodox Church Outside Russia, which was founded in exile in 1921 and based abroad throughout the 20th Century.

Russian imagemakers, boasting of their skill at treating millions of human beings as cattle, declared Niccolò Machiavelli to be their idol. Really, they are more Maxwellian than Machiavellian. The splitting of minds is still continued in the Russian establishment, through games and manipulations that prevent the country from moral and physical economic revival.

A victim of mind-splitting technology often recognizes that he has a problem, only when he finds himself amid the ruins of what was once his country, his church, his institution, or his political movement. Sometimes, unfortunately, this does not happen at all—because of a lack of the intellectual effort, needed to free oneself from an ideological trap constructed by a professional with a relevant family tradition of centuries.

“The fate of a ship is often similar to the fate of a man.”

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7. In 1953 a group of physicians, most of them Jewish, was accused of trying to poison Stalin.

This line from a song in a Soviet cartoon film about the battleship *Aurora’s* signal shot during the Bolshevik insurrection in October 1917, could apply to a church, or to an institutional network in a nation—which, due to a combination of circumstances, has acquired some of the major functions of a supreme national theological authority. Such an institutional network is the Soviet/Russian intelligence service, in which Vladimir Putin made his career.

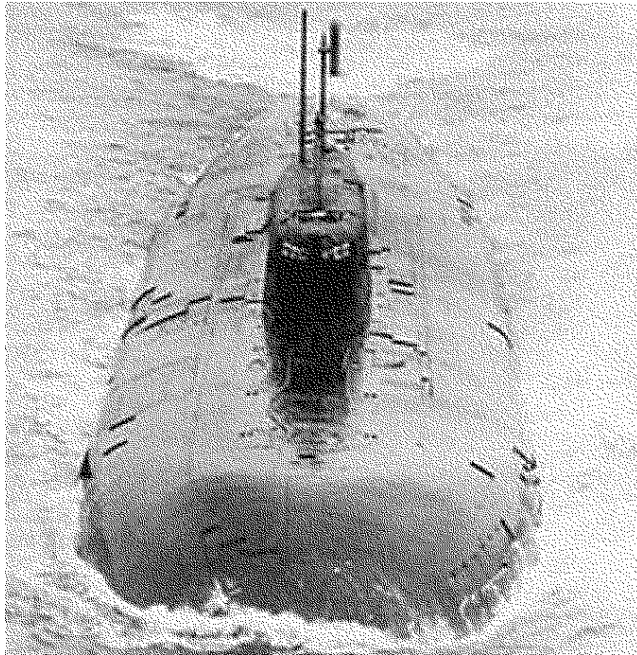
## The Sunken Ship

**Vladimir Putin’s** ascent to power was followed by the emergence of a new kind of TV ideologue, violently anti-American, violently anti-Communist, ostentatiously patriotic, but using a curious would-be positive model for Russia: Chile under the rule of Juan Augusto Pinochet. Typical of these new gurus are the “talking heads” of ORT’s Odnako program, **Mikhail Leontyev** and **Maxim Sokolov**. In 2000, Leontyev’s personal website had a record number of visits, demonstrating that his rhetoric, irrational though it might be, had struck a chord within the population, which was exhausted from the constant humiliation of Russia’s statehood during Boris Yeltsin’s rule and glad to find a firm patriotic alternative to the disgustingly anti-military and pro-Western NTV.

To understand Leontyev’s popularity, it is essential to be aware of the importance of the military tradition throughout the history of the Russian Empire, since the crisis and military defeat of the Tatar-Mongol occupation in the 14th Century. The drafting of peasants into military service for terms of 14 years or even longer, the education of young members of the nobility at higher military schools, but also a close relationship between anti-military thinking and movements for the protection of civil rights, are all deeply embedded in the national psychology. Leontyev’s furious anti-Western rhetoric is perceived by the population in the spirit of a famous maxim, formulated by Tsar Alexandr III: Russia has no allies, except its Army and its Navy. This revival of military thinking in the early period of Vladimir Putin’s rule, closely related to his pursuit of a new campaign against the guerrillas in breakaway Chechnya, laid the cornerstone of Putin’s popularity. It created a sort of myth, which, apparently unbeknownst to Putin himself, restricted his maneuvering room. The steeper the ascent, the more unexpected would be the first slip from the heights.

It happened in August 2000, only three months after Putin’s inauguration, when exercises of the Navy’s Northern Fleet, organized at an unusually high level of mobilization, ended in the horrible catastrophe of the sinking of the *Kursk* submarine.

The catastrophe happened to coincide with the height of the struggle of Putin’s political team against its ideological enemies from Vladimir Gusinsky’s Media Most. It also interrupted a decisive summit of the Commonwealth of Independent States, which was supposed to resolve the problem of



*A Russian submarine of the same class as the Kursk, which sank in the Barents Sea on Aug. 12, 2000, killing all on board. The reasons for the tragedy were never satisfactorily explained. Politically, it was a destabilizing blow to newly inaugurated President Putin, coming at the height of a struggle with his ideological enemies.*

the Caspian Sea basin.

I wonder what went on in the mind and soul of the ambitious young leader when, instead of a scheduled meeting in Sochi with the President of Tajikistan, he had to cancel all his meetings and fly to Severomorsk. What was his own first interpretation of the tragedy? A conspiracy against himself? Personal misfortune? Or, worse, a kind of retribution, addressed not to him alone, but to the whole community of ex-intelligence men, in league with their own “trashy agents” for the sake of political survival—with those who had provided political cover for the real actors, who stripped the Navy, destroying, in particular, most of the military capacity of the Baltic Fleet in Kaliningrad and Kronstadt, with a definite contribution from his own former fellow servicemen?

Mikhail Gorbachov’s will was broken under similar circumstances. The disaster at the Chernobyl nuclear plant was followed by a campaign in the mass media, which he could have stopped but did not. And then came a narrow escape from a global strategic catastrophe, resulting from the collision of a Soviet and a U.S. submarine. The parallel of Putin with Gorbachov, with his disastrous self-positioning “in between” the two artificially planted tribes of Andropov’s successors, figures more and more often in Russian analytical writings.

### **The Last Resort?**

For any political figure, the greatest domestic danger is represented by those who once fanatically believed in this figure and the forces he represents, but have become disillusioned.

sioned.

Putin’s original popular support was centered in the generation of Russians between the ages of 30 and 40, who grew up at a time when the CPSU was already well discredited, whereas the KGB not only was not discredited, but was recognized, often subconsciously, as an alternative to the Party apparatus. Behind these expectations was usually an assumption that the once glorious intelligence community possessed some kind of extensive strategy, subsuming its huge quantity of specific knowledge, which would protect the country against foreign challenges and the population against corrupt officials and oligarchs at the federal, regional, and district levels.

Belief in miracles like that has been very characteristic and very fatal for whole generations of Russians, but it corresponded perfectly to the self-conception of the intelligence community, which really did spend a decade waiting for a political opportunity. In the ten years of post-Soviet history, intelligence veterans have published millions of copies of memoirs and books of fiction, of which some tried to justify the Soviet special services, as such, but many more glorified and exaggerated their own personal morale, capabilities, and merits. Many of Putin’s political supporters, especially among the youth, were brought up on this genre.

### **Failed Initiatives**

Readers of this kind of fiction, however, scarcely imagined the extent of the changes inside the intelligence community. Moreover, Putin’s team, picked mostly from among this very community, encountered difficulties with their own fellow service veterans, as soon as they tried to implement their original agenda.

This initial agenda was largely focussed on restricting the power of the financial oligarchy by a number of radical measures, which were supposed to reverse capital flight and repatriate previously exported funds, as well as eliminate the main “flowerbeds” of traditional corruption, such as the customs agencies and operations involving foreign debts. The very first attempt at an operation against smuggling, however, uncovered the involvement of interests directly related to a deputy director of the Federal Security Service (FSB, successor to the KGB). Shortly thereafter, it emerged that recent cheerful reports about the successful construction of a new port in Leningrad Province were an obvious case of mere window-dressing—and the perpetrator, again, was a top intelligence official. Finally, the attempt to clean out the giant state-owned company Gazprom, by replacing the previous management with one of Putin’s men from St. Petersburg, brought an economic result quite opposite to his expectations.

The declared intention to reconsolidate three of the former KGB’s directorates into a unified police and intelligence investigative service, under the auspices of the Security Council, confronted violent bureaucratic resistance, was postponed and revised several times, and eventually failed. The heavily

funded Center for Strategic Research did not produce any research. The Center for Strategic Development developed a few anti-NATO writings, for which there was no demand on account of “tactical reasons.” A lavishly advertised initiative called the Civic Forum, which was billed as an intellectual “kitchen” for political brainstorming and practical decision-making, turned out to be nothing but a blab shop, and eventually “self-dissolved” out of impotence. The hierarchy of Special Presidential Representatives to seven new Federal districts, which was designed to control the provincial Governors, factionalized internally. The State Council, another special body composed of the same Governors, was convened—but, again, the result of its activity hardly justified the organizing and financial expense.

The person with whom millions of Russians had linked a renewed hope for revival, the “last hope” for many of them, may have not have identified the first and key mistake he made, but he clearly understood that the initiative was being lost, and that he could rely on none of these domestic partners when it came to any serious issue. In a certain way, he needed a Big Brother—not just for the country, but for himself, to feel more psychologically secure.

### Last Resort—Britain

The President’s arrival in Britain in December 2001, with his wife and—very unusual—his two daughters; his private talks with Tony Blair and the latter’s whole family; the sudden revelation of the existence of a Russian-British bilateral “anti-terrorist commission,” hastily established on Sept. 11; speak to the notorious question (it became famous at a Davos World Economic Forum press conference): “Who is Mr. Putin?” It is another matter, whether or not the subject of that notorious question has answered it for himself.

The most striking alogism in the writings of the late Metropolitan Ioann, is his essential hatred for Tsar Peter I, counterposed to sincere adoration for Tsar Ivan IV (Ivan the Terrible)—despite the all too obvious political, cultural, and territorial deterioration of Russia during the final years of Ivan IV’s rule. The clinically paranoid Tsar, having killed his son and heir who had come to him with a proposal for a vitally necessary military move, was hiding in the town of Vologda and writing letters to the British Queen, asking her for asylum in connection with an imagined conspiracy that obsessed him.

This seemingly contradictory historical phenomenon of a “continentalist” becoming irrationally devoted to the “Island Empire” of Great Britain, and destroying his own country in the process, would be seen again. It was evident in the sophisticated and profoundly misanthropic psychology of Yuri Andropov. It was continued in Politburo member **Alexander N. Yakovlev**, the so-called “architect of perestroika.” It was reiterated in the generation of Andropov’s grandsons, who put forward Putin as the best choice of a successor for **Boris Yeltsin**. This last choice of heir (Yeltsin had anointed and dumped several “successors” before), though it was re-



*Russian President Boris Yeltsin (right) and British Prime Minister John Major, in 1993. “For the Romanov dynasty, for the Politburo, for the present Russian establishment, misty Albion remains ‘the last resort’ in case of big problems. Especially when these problems emerge from the personal psychology of a Russian sovereign.”*

lated to the need for decisive action in the war in Chechnya (1999), seemed rather more essentially to have been influenced from outside Russia. The prehistory of Yeltsin’s decision may be traced to 1992, when, in a state of psychological panic right after the defeat of the senior George Bush in the U.S. Presidential elections, Yeltsin raced to London and signed a “historic agreement such as had not been signed in three centuries”—historic, but not made public!

For the Romanov dynasty, for the Politburo, for the present Russian establishment, misty Albion remains “the last resort” in case of big problems. Especially when these problems emerge from the personal psychology of a Russian sovereign.

### ‘In Between’

Perhaps the first surprise for the President’s closest allies was his reluctance to join the attempts by China and some in Europe, to prevent the new Bush Administration’s pursuit of a Nuclear Missile Defense program. This was Putin’s first move toward partnership with Bush in a passive role—toward unconditional support for the so-called “anti-terrorist” campaign in Afghanistan, hospitable reception of U.S. troops in Central Asia and Georgia, and, finally, a special oil relationship, proposed to the United States as an alternative to Mid-east oil.

If such a policy line had been chosen from the outset, at the peak of the President’s popularity, and introduced as a true revolution in foreign policy, the consequences might

have been less painful than they turned out to be. Yes, Putin would have acquired deadly enemies, but he wouldn't have lost the number of supporters he is losing today.

One phrase, pronounced by the President quite recently, has to have struck the readers of KGB memoirs most painfully. After his May-June series of diplomatic meetings in St. Petersburg, Putin said aloud and in public, definitely for an international audience, that Russia “does not lay claim to any special path.” So much for the mystical aura around the name “Putin,” which denotes “*put*”—way, *Weg*, path, road, direction, impetus, solution, salvation.

He was perceived as saying, “No, I am not going to lead you anywhere. You stay where you are. In between.”

Those who have been patiently waiting for him at last to declare his agenda, inherited from his ancestors, teachers, and superiors in the service, hear nothing except liberal phraseology *à la* Gaidar, and see nothing but a number of “survivalist”—at best—policy maneuvers, one concession after another, crowned with the commemoration of Anatoli Sobchak noted at the outset. The liberal intelligentsia, meanwhile, which might have rejoiced at Russia's long-awaited pact with the idealized West, is unable to sincerely appreciate these same moves by Putin. It has not trusted him since the moment Vladimir Gusinsky was packed off to jail for two days, because “this might happen to any of us.”

As a result, any new move by Putin is perceived with suspicion. The conservatives are sure that the deal with the United States will undermine Russia's relations with the Islamic world. The liberals are not opposed to more security from terrorists, and a segment of them agrees that Chechen gangsters should be crushed, but they are not so sure that today's repressive measures will not affect them tomorrow.

So, the head of the state finds himself just somewhere in between, as a fissure in the ground spectacularly expands under his feet. Is it so easy to realize that this split has originated inside himself, as a result of his particular experience of the “schisis” of practice and views, reason and calculations, ambitions and superstitions?

## Split Institutions

Putin's most devoted colleagues demonstrate a kind of split within themselves. The most obvious example is **Dmitri Kozak**, deputy chief of the Kremlin Staff, responsible for the reform of law. On the one hand, he is known as a ruthless promoter of financial and legislative centralization, to achieve an abrupt restriction of the power of “regional barons.” But this very person, at the same time, also promotes changes in legislation, to deprive the prosecution of its supervisory duties and convey them to the courts. Ostensibly, this innovation pursues anti-corruption goals, but it is well known that, at the local and regional levels, judges are far more corrupt than prosecutors. Yet, the deputy chief of staff explains that his motive is devotion to human rights! He may, indeed, be quite sincere. Strict control combined with “human rights” (under-



*Vladimir Putin (right) with U.S. Defense Secretary Donald Rumsfeld, in 2001. Putin is widely perceived in Russia as refusing to give direction to the nation. As a result, any new move by him—such as his efforts to align with the United States under its current policies—is perceived with suspicion from all ideological camps.*

stood abstractly) may be viewed by Putin's fanatics as the real essence of the ideology their new power is making historic efforts to bring about.

Terms like “historic,” “extraordinary,” “unprecedented,” and “unique” are common among the President's loyal men, those who style themselves as “longtime colleagues” or “supporters” of Vladimir Putin. The founding assembly of **Sergei Mironov's** Party of Life was billed by the organizers as an “unprecedented” and “unique event in the history of mankind”! This “unique” entity aspires to the status of “the real Presidential party.” Meanwhile, Yedinstvo, the party that won the 1999 State Duma [lower House of Parliament] elections under Putin's portrait, has merged with its worst enemy, Moscow Mayor **Yuri Luzhkov's** Otechestvo, and is wondering: Are we now considered “unreal”? Or—unreliable? Or—not populist enough? Or—what?

The schisis has gone out of control even in the most controlled fragment of the system of artificial pluralism. In 1999, the Union of Right Forces (SPS) enjoyed a relative (8%) electoral success, by expressing support for Putin. Today, this party's executive chairman, **Boris Nemtsov**, openly expresses not merely non-confidence, but open contempt for Putin, while SPS leading light **Anatoli Chubais** does not

rule in the party organization of his and Putin's native city, St. Petersburg.

A year ago, Russia had one—at least one visible—“party of power,” namely Yedinstvo. Now there are five, including the merger of Yedinstvo-Otechestvo (drifting from “rightist” to “centrist”), plus: the People's Party, the Party of Life, the Soyuz (Alliance) Party, and the Eurasia Party. The youth organization of Yedinstvo, once launched triumphantly as “Putin's Komsomol,” has been practically ousted by “Walking Together,” which was established directly under the auspices of the Kremlin Staff and has already earned the nickname “Sucking Together,” for exceptional servility to the President and any move he makes—servility based, unfortunately, upon plentiful financial support.

The sense of a kingdom without a sovereign, a house without a master, is rising also at the level of the regions. Long-standing criticism of Primorsky Territory **Gov. Yevgeni Nazdratenko**, levelled by the corporate empire of Chubais' United Energy Systems, ended in his administrative replacement, which appeared to illustrate the Kremlin's increased power under Putin. Within several months, however, the local population rejected the President's protégé, and the Kremlin had to swallow the insult.

Each regional election is a splitting headache for the Kremlin—literally splitting, as rival teams, operating in the provinces and striking deals with various economic-financial clans, are linked with particular top officials, each with his own plan for increasing his influence, as well as financial power. The sudden death of Krasnoyarsk **Gov. Alexander Lebed** has opened the prospect of a ruthless clash among financial groups, representing the interests of leading Moscow-based oligarchs, in partnership with Kremlin Staff people. Unlike Primorsky Territory, where the choice was clear, with only two real contenders (one of them a mentally unstable personality), in the Siberian heartland and strategic area of Krasnoyarsk, the outcome is wide open. It is most remarkable that in this case, none of the contenders relies on the President's backing. It has become unprofitable, unfavorable, and unnecessary to refer to the will of the President—whose authority, a year and a half ago, seemed to be unshakable.

### **Putin's Most Serious Electoral Problems**

Ironically, the place where Putin will face the most serious electoral problems in 2004 may turn out to be his native St. Petersburg. This city expected too much from the team it delegated to Moscow, hoping at least to achieve necessary financial support for upgrading the city's infrastructure, which, during Sobchak's rule, either deteriorated or became obsolete; for example, the disgrace of the St. Petersburg international airport, which looks like a pig sty on a second-rate Soviet collective farm. But the heavily advertised federal program for celebrating the 300th anniversary of St. Petersburg in 2003 has stumbled against the prevalent lack of managerial

skills, a vacuum that is quickly filled by private interests eager to “utilize” the federal expenses. For nearly half a year, construction of a beltway around St. Petersburg has been stalled, because **German Gref's** Ministry of Economic Development and Trade, despite Gref's St. Petersburg origin, promoted Moscow construction companies against their local rivals. In the St. Petersburg corporate establishment, the reluctance of the President to intervene was interpreted as evidence of a newly formed relationship between the “St. Petersburg team” and powerful Moscow-based private interests. This disappointment is likely to increase by 2003-04, when the next elections will test the clout of the ex-St. Petersburgers, not necessarily with support from today's St. Petersburgers.

Did he anticipate this threat, during the dedication of Sobchak's memorial plaque, when he explained with a strange tone of self-justification, that his former boss, faced with a new political and—especially—economic reality, had had to make decisions in a law-and-order vacuum, when “it was not clear what to do at all”? Is he going to justify himself in the same way?

While the establishment is in disarray, the legendary “St. Petersburg team” fractured into 7—or is it already 11?—clans and groupings, each with its own narrow grasping interest; while real economic power has been taken over by top figures of the government and the Kremlin Staff, combined with shadowy figures from the unshaken hierarchy of professional crime; while Russia's political influence is barely tangible even in nearby Ukraine; while the KGB-trained Defense Minister is obsessed with how to replace the Chief of the Armed Forces General Staff, but appears unable to do it; while the top ten of the business community are entrusting themselves to the British lords they invite onto their boards of directors, correctly guessing that the President cannot and will not protect them from Transparency International, the Financial Action Task Force on Money Laundering (FATF), and so forth; while the British are able and eager to let Russian businessmen operate in the FATF-free territory of Gibraltar—the conditions for falling into a big geopolitical trap are perfect.

Moreover, the object of manipulation steps right into it, to the extent that he is looking not for practical advice, but for a mystical solution. It is quite a natural development: from KGBism as an alternative to Communism, to the supervision of tribes instead of the development of deserts. Why engineer the turning of Siberia's great rivers, when it is more convenient to turn minds? And, apparently, more secure?

A sweet trap, isn't it? And how immensely difficult it will be, for the leader himself and the whole country with him, to get out of it! Probably harder than escaping from any START III arms agreement, or any International Monetary Fund or World Trade Organization. Because the most dangerous destruction is one that originates in the brain, according to Mikhail Bulgakov, the favorite author of Soviet intelligence.

# Islam: Bernard Lewis' Lie, Abdessalam Yassine's Truth

by David Cherry

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## **What Went Wrong? Western Impact and Middle Eastern Response**

by Bernard Lewis  
New York: Oxford University Press, 2002  
180 pages, hardbound, \$23

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## **Winning the Modern World for Islam**

by Abdessalam Yassine  
Iowa City, Iowa: Justice and Spirituality  
Publishing, 2000  
174 pages, paperbound, \$14.99

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Professor Emeritus Bernard Lewis, of Princeton University, lies about Islam in the same way that Henry Kissinger once lied about Lyndon LaRouche. Sir Henry used to say, "LaRouche does not exist!" This was a statement of policy and marching orders all rolled into one. It was precisely because LaRouche did not exist, that Kissinger personally had to fly to Paris in 1975 to derail LaRouche's initiative for development and peace among the peoples of the Middle East.

For Lewis, the equivalent is that "Only the Islam of the Taliban exists." Lewis tells readers and audiences that they should not be fooled by Iranian President Mohammad Khatami and his call for a dialogue of civilizations, for Khatami is "just like the rest," and is only dissembling. Thus, Khatami "does not exist"; indeed, for Lewis, everything that is good

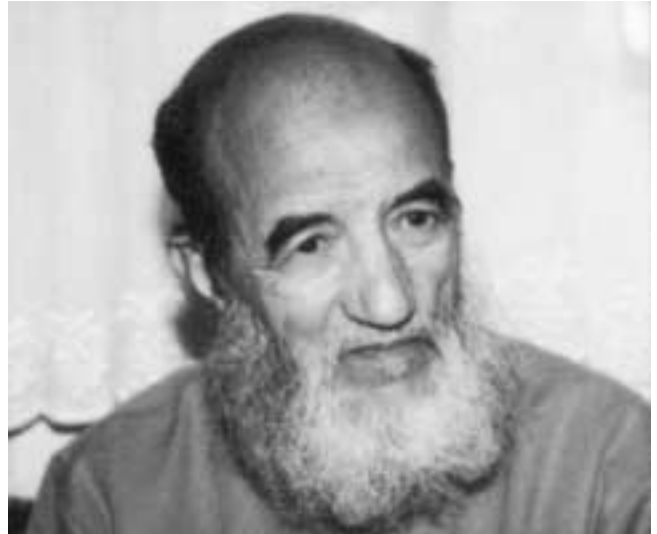
and true about Islam cannot be allowed to exist, for the simple reason that he needs to cultivate an enemy image of Islam to promote his Clash of Civilizations project.

Lewis' trick is to make the lie credible by preserving the appearance of academic objectivity, never showing animosity.

Lewis' new socio-cultural history, *What Went Wrong? Western Impact and Middle Eastern Response*—a *New York Times* bestseller—provides one or two examples of his Big Lie. He writes of the difference between Westernization and modernization of Islam:

The emancipation of women, more than any other single issue, is the touchstone of difference between modernization and Westernization. Even the most extreme and most anti-Western fundamentalists nowadays accept the need to modernize and indeed to make the fullest use of modern technology, especially the technologies of warfare and propaganda. This is seen as modernization, and though the methods and even the artifacts come from the West, it is accepted as necessary and even as useful. The emancipation of women is Westernization; both for traditional conservatives and radical fundamentalists it is neither necessary nor useful but noxious, a betrayal of Islamic values.

This is lying by clever omission. According to Lewis, there are Westernizing leaders of—for example—Egypt, Tunisia, Morocco, and Turkey, on the one hand; and then there are the "traditional conservatives" and the "radical fundamentalists," on the other. But there are no Muslim leaders and



*Clash of Civilizations* “inventor” Bernard Lewis (left) tries to say, in his new book, that Islamic humanists such as Moroccan philosopher and opposition leader Abdessalam Yassine (right) do not exist in the Islamic nations.

movements that use knowledge and judgment (*ijtihad*) to revive the right interpretation of the Koran in the context of modern challenges, and who recognize the necessity to develop the powers of judgment of every individual. For Lewis, therefore, there can be no Khatami, no Abdessalam Yassine of Morocco, no Rashid Ghannoushi of Tunisia, and no Hasan al-Turabi of Sudan.

### **Yassine on Women**

In *Winning the Modern World for Islam*, Abdessalam Yassine writes that the role of the Muslim woman is “to be the pivot of family well-being,” but the character of the woman and of the family itself must change:

This “woman at the hearth” is the opposite of the insignificant and oppressed creature that one sees these days in our societies, stunted by illiteracy and weighted down by unjust macho traditions. *Islam* and its Law and its model for woman have already delivered the Arab woman—during the time of the Prophet—from the abyss of injustice where she suffered martyrdom.

It is urgent to deliver the contemporary Muslim woman, fallen again, perhaps even lower than her pre-Islamic sister, and to draw her up from the abyss of injustice and negligence where she languishes. . . .

Under Islamic Law, Muslim women have the right—a right that backward traditions have confiscated from them—to choose their husbands, not to accept a suitor without conditions (including the condition of not marrying a second woman), to ask for divorce, to

work and assume social and professional responsibilities, and to dispose freely and independently of their income.

A woman’s right to instruction is limitless, as well as her duty to participate in society’s efforts to emancipate itself and to liberate the Muslim nation from the fetters of custom and moral depravity. In other words, she has the right to be a complete human being on her own, worthy, living in propriety!

There are strong similarities to Yassine’s view in that of Tunisian author Rashid Ghannoushi, who refers to the “oppression, degradation, abasement [and] restrictions of [women’s] horizons and roles. . . during the long centuries of decline. . . [in which] woman’s personality was obliterated and she was transformed into an object of pleasure—in the name of religion!” He, too, recognizes the equality of men and women, and hence the right and duty of women to address the sickness of the world.

Hasan al-Turabi of Sudan was one of the first—in the 1960s—to fight for the view that women are fully responsible human beings who are addressed directly by Islam, not through the medium of Muslim men. His *Women in Islam and Muslim Society*, first published in the early 1970s, has been called his most influential work.

### **To Islamize Modernity**

*Winning the Modern World for Islam* is one of many books by a passionate man, whose primary concern is “to make known the message of the Koran: a message of peace

for a violent world, a message of sanity for a directionless world, a spiritual message for an ailing modern world.” The book appears to be Yassine’s first to be published in English translation, unfortunately. His virtue is best conveyed in his questions: “We have been given the unique good fortune to exist; to what are we going to devote that existence? To begin with, what is the point of existence—mine, yours, that of the universe? Where and how shall we invest our lives, our energy, our time, our possessions, and our wisdom, for the greatest return?”

And in his answer: “The physical, moral, and spiritual well-being of humankind is the point of our existence; everything should contribute to its expansion.”

However, he warns the reader “of the condition without which his action, even if effective and useful for Muslims, will have no value for his personal accountability: absolute devotion to God. Vulgar intentions may well accompany an activism that is devoted to some ideological idol or commonplace ambition, but is not with action for God’s cause.” Who from the Christian tradition can read these words without recalling those of St. Paul in *I Corinthians* 13: “And though I bestow all my goods to feed the poor, . . . and have not love [*agapē*], it profiteth me nothing”?

Yassine’s *islam* (submission to God—he consistently uses *islam* rather than Islam) is expressed in his retelling of an incident in the life of Mohammad:

At the time of the Prophet (grace and peace on him!), the Jews of Medina, who incessantly betrayed their covenants with Muslims, were conducting the casket of one of their people and passed before the Prophet, who was seated with his Companions. The Prophet stood up to show respect for the funeral procession, under the astonished eye of the assembly. Questioned about the reason of his gesture, the Prophet explained, “Is it not a soul?” This practical lesson was given to teach us that the dignity of a human being derives from being a human, and no other consideration.

Yassine’s themes are twined about a single, central theme of “islamizing modernity,” a conscious inversion of the familiar idea of “modernizing Islam.” The “modernity” that needs to be won to *islam* is the replacement of God by society “as the principle of moral judgment.” It is “a ‘sacralization’ of the natural law of reason, and a submission to all that this entails,” which he traces to the European 18th Century and the French Revolution. By reason—or more properly mere rationalism—Yassine means rationality not anchored in the law of love, but rather making itself supreme. It finds expression, for example, in the revolutionary violence of Bolshevism and of Hitler, he says, but also in the daily life and non-thought of the mass of ordinary people under the sway of this disembodied reason, who suffer from banality, ignorance, indifference to neighbor, consumerism,

deprivation, and the rest.

Consider the implications of this standpoint for the project of constructing an Islamic state: “[V]iolent revolution and Stalinesque re-education should play no role in the program of Islamist power—no more ‘cultural revolutions’ *à la* Mao,” writes Yassine, “Islamists must understand that they will not come to power with an arsenal of repressive laws, but with a capital of love and energies of sympathy.” What could be more terrifying to the oligarchs of this world and their geopolitical strategists?

### ‘The American System Is Excellent . . .’

Some of Yassine’s sharpest barbs are reserved for democracy. If a society has no moral grounding, he writes, democracy, as a process, is meaningless. Democracy has been “essentially secularist in essence and birth,” he says. He condemns what he calls mere “British ‘due process.’”

If Yassine considers Britain the birthplace of democracy, then the charge is true, but it is not true for the United States’ founders’ writings, their Declaration of Independence and the Preamble to the Constitution. What Yassine really intends is made clearer by what he endorses. Secret-ballot elections, when conducted honestly, are good, he says. A constitution, “as an explicit and interpretative expression of the Law,” is a necessity. The principle of the separation of powers “does not conflict with any Islamic prescription.” Checks and balances are one of democracy’s great assets, he writes. An independent and incorruptible judiciary is important for rooting out corruption, favoritism, and influence peddling. “The American system is excellent” in this respect, he says, for “elected judges are closely observed by the interested population, and they are recalled when necessary without anyone finding fault with the process!” No doubt that is still true, some of the time. “Freedom of expression is one of the most desirable democratic institutions.” Political pluralism is a “natural gift” that an Islamic government should encourage. Yassine emphasizes that the democracy that is *not* tolerable, is the system that is ruled by “the religion of secularism.”

Some will take issue with Yassine, and with all Islamists, on the central question of defining government in terms of a single religion. The European experience was that this inevitably resulted in the pitting of the religion in power, against another. This led to the original American system in which there was agreement on the primacy of natural (God-given) law, with no official recognition of the doctrine of any one faith. Admittedly, this approach has been overthrown, for want of passion and vigilance, by “the religion of secularism,” but that is no argument against its superiority. Indeed, this is the approach taken today in the most populous Muslim country in the world, Indonesia, in its doctrine of *Pancasila*. Nonetheless, a sovereign nation that chooses to make Islam the basis for its government, must not be subjected to attack on that account.



Like other Islamists, Yassine rejects the nation-state as “our prison,” seeing the nation-states of the Muslim world as the creations of imperialism to divide and conquer; without national sovereignty, they were not, in fact, nation-states. Why is it that the same advocates of secular democracy whom Yassine opposes, are on the warpath to pull down all nation-states?

“My intention in this book,” Imam Yassine writes in his epilogue, “is to play upon all registers of human understanding, including sometimes the jostling of direct challenge, in the hope of awakening the heedless and honing a blunted will.” He succeeds. In a remarkable way, this poet shifts from pungent polemic, to reasoned argument, to olive branch, and back again.

### A Badge of Honor

Yassine has clearly earned the “Does Not Exist” badge of honor. And it did not first come in the form of being lied about by Bernard Lewis. Yassine was put under house arrest in December 1989 by a Moroccan government that found its identity in appeasing the Anglo-American powers through Westernization. He remained so confined until his release—without any concession on his part—at the age of 72, in May 2000. His non-violent association, al-’Adl wa’l-Ihsan (Justice and Spirituality), is the most powerful Islamist organization in Morocco, and especially strong in the universities. Although still officially banned, it is now tolerated to a certain degree. Information about its publications and conferences in the Western world is available at [www.JSpublishing.net](http://www.JSpublishing.net).

Rashid Ghannouchi, leader of the Ennahda movement in Tunisia, with an outlook broadly similar to that of Yassine, has suffered imprisonment and exile at the hands of a government of similar identity to that of Morocco.

The treatment of the two leaders makes it easier to understand why similarly oriented American Muslim institutions of national and international importance, based in northern Virginia—such as the Graduate School of Islamic and Social Sciences and the International Institute of Islamic Thought—were recently raided at the direction of the Department of Justice, with staff herded together and held at gunpoint for hours. According to an American specialist in Islam, Muslim institutions that actually might have come under suspicion of ties to terrorism, were not raided.

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# Russia at the Launch Of the Great Game

by Mary Burdman

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### **Diplomacy and Murder in Tehran: Alexander Griboyedov and Imperial Russia’s Mission to the Shah of Persia**

by Laurence Kelly

London: I.B. Tauris Publishers, 2002

314 pages, hardbound, £25; paperbound £14.95

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For 150 years from the early 19th Century, two empires—the Russian on the one side, and the British, and later Anglo-American, on the other—vied for power and influence over vast areas of the Eurasian land-mass. This imperial opposition is known in the West as the “Great Game”—a phrase first used in 1841, by Britain’s Capt. Arthur Conolly (famous for his death at the hands of the Emir of Bukhara, now in Uzbekistan). While the two empires actually never engaged in all-out war, there was plenty of conflict, in the British conquest of the Indian Subcontinent, and the Russian conquest of the Caucasus, the ancient Khanates of Central Asia, and Siberia, up against the borders of China.

The strategic conflicts in Eurasia have not ended. Since the breakup of the Soviet Union in 1991, the United States has been striving to assert economic and military influence in West and Central Asia, as the ongoing—increasingly disastrous—foray into Afghanistan shows. Now, the George W. Bush Administration is increasing its threats against Iraq and Iran.

*Diplomacy and Murder in Tehran*, the first full biography in English of the Russian playwright and diplomat Alexander Sergeyevich Griboyedov, is an account of critical events at the time when Russia was launching its full-scale imperial expansion into the regions Washington is eyeing today. It is also an account of a remarkable generation of Russians, led by the great national poet Alexander Pushkin, who created a revolution in language, literature, and history—although their efforts for republican political revolution were cut short.

### ‘Woe From Wit’

The book starts with a poignant event in Russian political and cultural history. In the Spring of 1829, Alexander Pushkin was travelling in the Caucasus, when he met an oxcart and drovers, who were bringing the corpse of his fellow poet,

Griboyedov, back from Tehran. Griboyedov, author of the play *Gore ot Uma*, translated by author Laurence Kelly as *The Misfortune of Being Clever*, or *Woe From Wit*, had become Tsar Nicholas I's Minister Plenipotentiary to the Shah of Persia (now Iran). Because of his knowledge of Persian language and culture, Griboyedov had risen rapidly in the Russian foreign service, and was one of the authors of the harsh Treaty of Turkmanchai which concluded the Russian victory in the second Russian-Persian war of 1826-27.

During his mission to Tehran to ensure compliance with the treaty (mostly extraction of the final payments of the enormously heavy indemnity of 20 million silver rubles, the equivalent of at least \$250 million today), on Jan. 29, 1829, a Persian mob had invaded the Russian Embassy, and murdered Griboyedov and all but one of the Russian delegation. Griboyedov had just turned 34 when he died.

Pushkin, who had known Griboyedov from St. Petersburg since 1817, would himself die eight years later, murdered at 38 in a duel.

Both Griboyedov and Pushkin were part of the Russian "generation of 1812," which had rallied to the national fight against the invasion by Napoleon Bonaparte. Some of the young veterans of 1812 became the leaders of the failed "Decembrist" uprising of Dec. 14, 1825 against the new Tsar Nicholas I, which was in protest against the system of aristocratic absolutism and serfdom that ruled Russia. They were also a generation which produced great literature, and transformed the Russian language.

Griboyedov was exemplary of that generation. He was born into an impoverished minor noble family and all the problems of that social class. He was very well educated, especially in music, and all his life played the music of Beethoven, Weber, and Haydn, as well as composing his own. All the same, his mother became notorious for engaging in a brutal real estate speculation, in which she used soldiers to extract exorbitant taxes from serfs on an estate she had purchased.

Griboyedov began writing plays in St. Petersburg, the Russian imperial capital, in 1816. He was, like Pushkin and other members of the 1812 generation, inspired by determination to develop the vernacular Russian language—in a country where the aristocracy spoke French—and to study the history of Russia. In such groups as the Green Lamp Society, founded by the later Decembrist Alexander Vsevolozhsky, the members, mostly young military officers, discussed, in secret, the problems of autocracy and serfdom.

In 1823, Griboyedov completed his play, *Woe From Wit*, a sharply ironic presentation of the condition of the Russian aristocracy, written in verse. It was immediately banned by the Tsarist censors, but despite this, the play had what Pushkin called an "indescribable effect" on Russian cultural life. By 1830, after Griboyedov's death, despite the censors, an estimated 40,000 hand-written copies of *Woe From Wit* were circulating, and the play was being read at gatherings in cities and towns all over Russia.



*This sketch of Griboyedov was one of several drawn by his friend and fellow poet, Alexander Pushkin, and appeared on one of Pushkin's drafts for his play Eugene Onegin.*

Its verses entered the Russian language, and, as Pushkin himself said, when he first read it, many of its couplets have become proverbs. *Woe From Wit*, author Kelly writes, is perhaps the most-quoted single work of literature in Russian. Its influence on the Russian language, is like that of the works of Shakespeare on English, where so many of the poet's lines have entered everyday speech, that you are often startled to rediscover them in the original works.

### **The Lost Potential of 1812**

The early death of Griboyedov, and the death or exile of so many of his compatriots, stemmed directly from the failure in Russia to realize the true potential of the 1812 "great patriotic war to liberate the motherland" from the Napoleonic invasion. Russia was not liberated from her autocracy. Russia entered a phase of extremely rapid expansion to the south and east, with the first Russian-Persian War 1804-13, and a prolonged attempt to bring the Caucasus—including Chechnya—under its control. From the 16th to 19th Centuries, the Russian Empire expanded at a rate of some 30,000 square kilometers a year. Many Russians upheld the "civilizing mission" of its conquests in West and Central Asia, but the battle for the Caucasus was aimed also at controlling the Black and Caspian Seas.

Griboyedov, "exiled" to Georgia in 1817 as the result of a duel, joined the staff of the Russian military commander Gen. Alexis Petrovich Yermolov, who was striving to subdue

the Caucasus. Griboyedov was rapidly drawn into Russian “forward policy,” as an envoy to the ruling Qajar dynasty of Persia. In the Persian diplomatic capital, Tabriz, he encountered the British mission, from which London had trained and, to some extent, subsidized, the Persian army during the first Russian-Persian war. However, during the course of the Napoleonic wars, British military support to Persia had dwindled, reduced mainly to political and financial operations. London considered Persia important to defending its growing empire in India, but was unable to take on Russian military power there.

Historians of the Soviet Union, Kelly writes, tried to portray the murder of Griboyedov, during his last mission to Persia in 1828, as the result of British intrigues. This, however—Kelly supplies much documentation—is a simplistic interpretation of what happened. The Treaty of Turkmanchai ended British efforts to keep Persia as an effective “buffer” between Russia and India, but there is no indication, in the British or Russian archives, implicating London in the massacre. This was a shaky period—the East India Company was going bankrupt fast, and London had not yet decided to step in and take over. Britain did not want to provoke any Russian operations against Persia, especially anything that might risk direct Russian military operations against British interests.

There were also deep divisions within the British establishment, between the “forward school” hawks, and the much more cautious “close borders” group; their political clashes were to continue for the next 150 years. The Russian consolidation of the Caucasus propelled the British side to define new “forward positions.” This meant consolidating control of Punjab, as well as three (disastrous) forward moves into Afghanistan.

## Religious War

Griboyedov spent the last years of his life between St. Petersburg and the Caucasus, where he repeatedly encountered the internal contradictions of Russia. In the Georgian capital Tiflis (Tbilisi), he befriended the also-exiled intellectual Wilhelm Küchelbecker, a co-student with Pushkin at the famous Lycée at Tsarskoye Selo. The two young men read the works of Shakespeare together, in, as Griboyedov insisted, the original English, and Griboyedov began *Woe From Wit*. Küchelbecker was one of several future Decembrists on Yermolov’s staff in Georgia; he died at the end of 20 years of exile in Siberia.

In Russia in 1823, Griboyedov finished his play amidst intellectual ferment and political turbulence. He did not join the Decembrist movement, being doubtful about the ability of “100 second lieutenants” to transform the Russian government, but his thinking was changing, according to Kelly. Returning to the Caucasus in 1825, he witnessed what was becoming a religious war between the Chechens and the occupying Russians. While supporting the policy to secure Russia’s expanding borders, Griboyedov was beginning to



*The Persian Fath Ali Shah receiving homage from his son, Abbas Mirza. Griboyedov was the Minister of the Russian Tsar to Fath Ali Shah; Abbas Mirza launched the second Russian-Persian war which ended in Russian victory and the harsh Treaty of Turmachai.*

see the effects of Russian policies; this was reflected in his last poems.

Meanwhile, the Qajars had launched war on Russia, which ended in Russian victory. As a result, Russia became the leading power of influence in Persia, and was in position to fight the Ottoman Empire (now Turkey), and conquer Central Asia. Griboyedov, a diplomatic hero, returned to St. Petersburg, where he began writing another play, and looking for financing for another project: launching a government-backed Russo-Transcaucasian Trading Company to expand trade to Georgia, Transcaucasia, and Persia. He never completed either.

Russia’s 1812 generation, led by Pushkin, launched a great renaissance, but their lives were cut far too short. Griboyedov’s epitaph, written by his young widow, reads: “Your spirit and your works remain eternally in the memory of Russians; why did my love for thee outlive thee?”

Kelly’s biography should be circulated in George W. Bush’s Washington, to any who may be shocked enough by the current global crisis, to be ready to learn the lessons.

The book is beautifully illustrated with reproductions of portraits and paintings of many events and places important to Griboyedov’s life, and has useful maps.

## Knock Out Lieberman and McCain To Save the Republic

by Jeffrey Steinberg

Faced with the specter of the worst financial and real-economic collapse in centuries, and the imminent danger of the outbreak of war on several Eurasian fronts, the very survival of the planet depends on effective policy leadership on the part of the President of the United States. Beyond the well-known weaknesses of President George W. Bush and his immediate circle of Presidential advisors, the greatest obstacle to that kind of effective leadership from the institution of the U.S. Presidency, is the vicious ongoing insurgency against the Bush Presidency, led by Senators Joseph Lieberman (D-Ct.) and John McCain (R-Ariz.).

Lyndon LaRouche writes in an accompanying article that the McCain-Lieberman cabal must be crushed now, to liberate the Democratic Party from the grips of the so-called “New Democrats” insanity, and create the needed bipartisan climate to allow the Bush Presidency to make the Constitutionally-approved, but revolutionary policy changes, upon which the fate of humanity hangs. Leading circles in Europe, Asia, Ibero-America and other parts of the world can contribute to the needed policy shift, but no salvation is possible, unless the United States takes the proper leadership role among the community of sovereign nations.

Only the United States has the republican Constitutional system of government that permits the proper executive leadership during times of crisis. All other nations on the planet, to varying degrees, are still trapped in different forms of oligarchical rule—at best.

### **Moose Bull**

The treacherous McCain-Lieberman partnership has been a major fact of life in American politics since no later than the July 4th weekend of 2001, when the two men gathered at McCain’s ranch in Arizona. They met to launch their “Bull

Moose” campaign to blackmail the Bush Administration into fully adopting the Anglo-American agenda of “perpetual war,” otherwise known as the Samuel P. Huntington, Zbigniew Brzezinski, and Henry A. Kissinger dogma of the “Clash of Civilizations.”

As reported in the Feb. 4, 2002 *New Yorker* magazine, McCain is demanding that President Bush invade Iraq, give Israeli butcher Ariel Sharon full backing to crush the Palestinian Authority and the Palestinian people, and carry out other “Clash of Civilizations” atrocities—or face certain re-election defeat in the 2004 Presidential election, through a McCain third-party “Bull Moose” candidacy.

In 1992, it was H. Ross Perot’s third-party campaign that helped defeat George Bush, Sr. in his re-election campaign. Both the 1992 Perot effort and the threatened 2004 McCain run are modeled on the 1912 Presidential election, when former President Theodore Roosevelt left the GOP to run as the British Fabian Society-sponsored “Bull Moose Party” candidate, throwing the election to the dyed-in-the-sheets Confederate, Democrat Woodrow Wilson. The result, back then, was two Anglo-American provoked world wars and a global depression. The results, this time, if the McCain-Lieberman insurrection is not crushed, will be worse.

### **Mobsters, Carlists and Jabotinskyites**

On July 14, 2002, the LaRouche in 2004 Presidential campaign issued a mass-distribution leaflet, “The Real Corruption: McCain and Lieberman,” which launched the drive to expose the two Senators as front-men for some of the filthiest organized crime and rightwing terrorist infested circles in America.

That ongoing investigation has already turned up sufficient evidence to convince any honest Democrat that Joe



*LaRouche campaign organizers in the Chicago financial district on July 17.*

Lieberman is the last man on Earth who should be allowed anywhere near the party leadership, not to mention nominated as its Presidential candidate.

The basic facts in the McCain-Lieberman file are these:

1. Since the day he entered public life, Joe Lieberman has been affiliated with, and sponsored by, some of the most notorious rightwing fascist circles on the planet.

Lieberman, himself, freely acknowledges that he owes his 1988 election to the U.S. Senate, to William F. Buckley, Jr., the avowed Carlist, apologist for Sen. Joe McCarthy, and publisher of the *New Right National Review*. On the surface, the Buckley-Lieberman 1988 “marriage of convenience” centered on Buckley’s near-obsession with defeating then-incumbent Republican Senator Lowell Weicher, by throwing the election to Lieberman. But Buckley acknowledges his ties to Lieberman date back to the latter’s tenure as editor of the Yale University *Daily News*, a post that Buckley had earlier held.

Buckley devoted the pages of *National Review* to a running attack on Weicher throughout the 1988 electoral season. Buckley launched a family political action committee, Buck-Pac, which was dedicated exclusively to pouring money into Lieberman’s campaign coffers.

Sources familiar with the 1988 Senate campaign reported that, at a critical point, during the final months of the campaign, Lieberman was running out of money. Buckley again came to the rescue, by steering Lieberman to the Cuban exile community in Miami. Lieberman traveled to Miami to meet

with Jorge Mas Canosa, the founder and head, at the time, of the Cuban American National Foundation (CANF), a collection of old Batista-era Cuban gangsters and politicians, who formed the core of the Brigade 2506 Bay of Pigs invasion force in 1961. Mas Canosa, who came to the U.S. in 1960, worked with the CIA on several assassination plots against Fidel Castro, after the Bay of Pigs fiasco. He was also closely affiliated with ex-CIA agent and Buckley intimate, E. Howard Hunt, who was later one of Nixon’s Watergate burglars.

CANF was founded in the early days of the Reagan Administration, with the active involvement of Reagan’s first National Security Advisor, Richard Allen. From the outset, CANF was an integral part of what came to be known as the “Iran-Contra secret-parallel-government,” of Oliver North, Felix Rodriguez, et al.

Contra covert operator and former CIA officer Felix Rodriguez described Mas Canosa as “my longtime friend,” in his autobiography, *Shadow Warrior*. The two men were in Brigade 2506 together—along with Luis Posada and Orlando Bosch, who were responsible for blowing up an Air Cubana passenger plane in 1976, killing all 73 people onboard. Posada went on, under Rodriguez’s supervision, to head up the Nicaraguan Contra supply operations from Ilopango Air Base in El Salvador, a facility identified by the Drug Enforcement Agency as a major trans-shipment point for Colombian cocaine destined for the United States—cocaine which financed the Contras.

Bosch, for his part, was jailed in Venezuela for the Air

Cubana bombing. Mas Canosa, until his death several years ago, staged an annual “Orlando Bosch Day” in Miami, and launched a campaign to have Bosch freed from jail in Venezuela, winning his release in 1988, the very year of the Mas Canosa-Lieberman liason.

From their first meeting, Lieberman became Mas Canosa’s number one friend in the Democratic Party.

“We established a very close relationship with Sen. Lieberman, who understood the plight of the Cuban people,” CANF spokesman Fernando Rojas told the Miami *Herald*, in a Feb. 1, 2000 interview. “Jorge Mas Canosa and he became very close friends over the years.” The Free Cuba PAC, the election arm of the tax exempt CANF, has been giving money to Lieberman steadily since the crucial campaign financial bailout of 1988. Free Cuba PAC was launched by Mas Canosa, with the active assistance of Bernard Barnett, a bigshot in the American Israel Public Affairs Committee (AIPAC), the official Israel lobby in America.

A Sept. 14, 2000 article in *The New Republic*, by Ryan Lizza, labeled Lieberman “Gore’s Man in Little Havana,” and updated the Lieberman love affair with the rightwing Cubans. “Once in the Senate,” Lizza wrote, “Lieberman continued to work on behalf of the anti-Castro Cubans. He championed the 1992 Cuban Democracy Act, which tightened the U.S. embargo by barring foreign subsidiaries of American companies from trading with Cuba. In 1996 he supported the Helms-Burton Act, which penalizes foreign firms that do business with Cuba. He has publicly chastised Nelson Mandela for befriending Castro and Vaclav Havel for allowing the Czech Embassy to house Cuban diplomats in Washington, D.C.. He has consistently backed funding for Radio Marti and TV Marti, the much-criticized broadcasting operations run by Cuban exiles. He was even a member of Mas Canosa’s ‘Blue Ribbon Commission for the Economic Reconstruction of Cuba,’ which hatched the dubious plan of sailing into Havana when Castro finally falls.” That Blue Ribbon Commission is chaired by another rightwing free market Republican, Malcolm Forbes, Jr.

## The Lansky Links

2. While John McCain’s links to organized crime are notorious, his Connecticut partner in crime has also relied on the political and financial patronage of some of the leading associates of the late National Crime Syndicate boss-of-bosses, Meyer Lansky.

McCain literally married into the mob, when he dumped his first wife, shortly after returning home from years in a North Vietnamese prisoner of war camp, and linked up with the 25-year old Cindy Hensley. McCain’s new father-in-law, Jim Hensley, made his \$200 million fortune as the principal beer distributor in Arizona for the Southwest’s leading organized crime figure, Kemper Marley. Marley was given the Prohibition era bootlegging franchise by Sam Bronfman, the leading Canadian supplier to Lansky’s National Crime Syndi-

cate, and the father of Edgar Bronfman Sr., one of the founders of the Mega Group of Canadian and American Zionist billionaires, who are among both McCain and Lieberman’s biggest boosters today.

The brothers Hensley, along with several scores of other Arizona gangsters—all part of the Kemper Marley apparatus—were convicted of tax evasion and other crimes in the immediate post-war period. Marley’s Valley National Bank of Phoenix, was a major source of funding for the Lansky syndicate’s move into Las Vegas. Later, real estate speculator Charles Keating, one of the notorious “Milken Monsters” who were bankrolled by Drexel Burnham’s leading junk bond hoaxter Michael Milken, would provide a steady stream of “loans” to John McCain, earning him the distinct honor of being one of the “Keating Five,” crooked Congressmen on Keating’s dole.

The Bronfman gang, which launched the careers of Marley and Hensley, boasts a family motto: “From rags, to rackets, to riches, to respectability.”

## Lieberman Backer Michael Steinhardt

The same motto could apply, equally, to another of Joe Lieberman’s leading mob-tainted patrons, Michael Steinhardt. Steinhardt ran one of the filthiest hedge funds on Wall Street during the 1980s and 1990s, Steinhardt Management. In conjunction with another large Wall Street hedge fund, Caxton Corp., Michael Steinhardt ran a thoroughly illegal conspiracy to corner the market on an April 1991 two-year U.S. Treasury bond issuance. Steinhardt and his chief partner-in-crime, Caxton founder Bruce Kovner, made an instant killing, netting between \$200-600 million (by Steinhardt’s own account in his recent autobiography, *No Bull*). But several years later, the Department of Justice and the Securities and Exchange Commission landed on Steinhardt, Kovner and Salomon Brothers, which ran a parallel, and apparently coordinated cornering operation on a later Treasury auction.

On Dec. 16, 1994, the SEC and DOJ issued a joint press release, announcing that “Two of the country’s leading investment fund managers, Steinhardt Management Company, Inc. and Caxton Corporation, have agreed to pay \$76 million to settle antitrust and securities charges,” which had been filed in Federal Court in the Southern District of New York.

The government complaint had noted that “The conspiracy had a dangerous probability of damaging the Treasury of the United States. . . . Above all, this represented an attempt to disrupt and render ineffective a part of the market of the sovereign debt of the United States.”

Remarkably—or not so remarkably—Steinhardt avoided jail, and did not even face felony prosecution for the scam. Perhaps Steinhardt’s intimate ties to both Lieberman and then-Vice President Al Gore had something to do with Steinhardt’s good fortune. At the time of the Treasury market conspiracy, Steinhardt was the Chairman of the Democratic

Leadership Council, the “Third Way” caucus in the Democratic Party that he had bankrolled from the mid-1980s, when it was launched out of Pamela Harriman’s “Democrats for the 80s” group. When Steinhardt quit as DLC chairman in 1995, over his personal hatred for President Bill Clinton, the vacancy was filled by Steinhardt’s favorite pol, Joe Lieberman.

In his autobiography, Steinhardt candidly admitted that he was a Barry Goldwater Republican, and a Buckleyite *National Review* booster. Steinhardt, Lieberman and Gore would go on to play a pivotal role in the attempted coup d’état of Sept. 1998, when they tried to convince President Clinton to resign over the Monica Lewinsky affair.

At issue at the time was President Clinton’s and Treasury Secretary Robert Rubin’s threat to crack down on the speculative activities of Wall Street hedge funds, as part of their effort to establish a “new global financial architecture,” an effort bearing some similarity to Lyndon LaRouche’s well-known call, at the time, for the convening of a New Bretton Woods conference to place the global financial system through bankruptcy reorganization, modeled on FDR’s 1944 action.

### **Red, Meyer and Jimmy Blue Eyes**

Steinhardt had been well-schooled in crime. His father, Sol “Red” Steinhardt, was the leading jewel fence for the Meyer Lansky syndicate. “Red” Steinhardt’s most intimate mob ally was Vincent “Jimmy Blue Eyes” Alo, a Genovese family hit-man, who happened also to be Lansky’s partner in casinos in Havana, Cuba and southern Florida.

“Red” Steinhardt was arrested in 1958 on jewelry theft charges, and was jailed a year later. Son Michael, who was put through the Wharton School by his father’s ill-gotten gains, organized the appeal, and hired attorney O. John Rogge, who had earned a reputation by working with Roy Cohn in the prosecution of Julius and Ethel Rosenberg, on charges they passed U.S. nuclear weapons secrets to Moscow. Rogge represented David Greenglass, Ethel Rosenberg’s brother and the key witness against the couple. “Red” got out of jail after only two years, served in Sing Sing and the maximum security Danamora prison, and immediately began pouring his mobbed-up money into his son’s brokerage business.

Michael Steinhardt is not only Joe Lieberman’s most prominent public booster. Since shutting down his hedge fund in the wake of the Treasury scandal, Steinhardt has emerged as a major player in the Bronfman-founded Mega Group, a secretive collection of 50 or so Zionist billionaires, who have provided the financial and propaganda backing to Ariel Sharon’s Jabotinskyite fascist government, since February 2001.

Steinhardt is now the chairman of Martin Peretz’s *The New Republic*, and a director, along with the Hollinger Corporation’s Conrad Black, Bruce Kovner, and Alliance Capital boss Roger Hertog, of the newly launched New York *Sun*. This is an unabashed Mega propaganda sheet, boosting the McCain-Lieberman assault on the Presidency.

# The Electable LaRouche

by Lyndon H. LaRouche, Jr.

*This statement was released on July 26 by the LaRouche in 2004 campaign committee, which is distributing it nationally in leaflet and pamphlet form.*

Some people who ought to know better, exclaim, “But, LaRouche is not electable!” Do not become upset when you hear such foolish things being said. When people say that, they are not actually thinking; it is just another case of a mouth shooting itself off in a knee-jerk, Pavlovian reflex. If that exclamation were true, why did most of the U.S. system spend so much on desperate efforts to prevent my winning, over so many decades? When all that and related matters are considered, especially considering the amount of money spent, over so many years, on trying to stop me, and considering the way the world’s monetary-financial system is crashing today, I am, intrinsically, the most electable U.S. Presidential candidate since Dwight Eisenhower.

William Jefferson Clinton was electable, because of qualities which some people, including admirers, described as those of a “political animal.” He was so successful a campaigner that he could have elected even an Al Gore to be President, if Al Gore had not been Al Gore. I am a different kind of candidate, the kind sane voters prefer above all others when they wish to rescue their nation from the biggest and deepest financial crash in more than a century.

My job right now, is to save the Presidency of the U.S.A., while George W. Bush is President. Considering what Bush and his administration are doing to themselves, saving the Constitutional institution known as the Presidency, is no easy chore. The first step toward saving the Presidency is to pull the plug on two U.S. Senators whose combined leading influence today is the greatest single threat to the nation and its Presidency at this time: Senators John McCain and Joseph Lieberman.

In short: to save the U.S.A. from what threatens to become the worst crisis in its history as a constitutional Republic, we must defend the institution of the Presidency. To that end, McCain and Lieberman, and certain foul connections and interests which they represent, must be removed from the influential roles they have played since the 2000 Presidential primary- and general-election campaigns.

### **The Presidency**

The Constitutional office of President of the U.S.A. is a unique institution. It is of a type imitated in the best periods of the Republic of Mexico, and reflected in some part in France

under President Charles de Gaulle. Nevertheless, when seen in the context of our Constitution, it is a kind of Presidency which every prudent nation should wish to have as a model for its own use.

For most of our republic's history, either the personal quality of the elected President, or his performance in office, were defective. Nonetheless, the Republic and the institution of the Presidency survived such Presidents. In times of great crisis, it was the role of great Presidents, such as Abraham Lincoln and Franklin Roosevelt, which saved the nation, and did this within the Constitutional framework of the Presidency as such. Even if the incumbent President has serious shortcomings, the only way in which to deal with the kind of systemic crisis which represents a threat to the continued existence of Constitutional government, is to use the Presidency as the leading instrument for organizing the passage to safety.

The uniquely superior qualities of our Presidency are expressed by the role of the principal founder of our Republic, Benjamin Franklin, and Franklin's guiding hand in crafting the 1776 *U.S. Declaration of Independence* and the 1787-1789 drafting of the 1789 *U.S. Federal Constitution*.

Unlike those nations of Europe arising from the little new dark age of religious and related warfare, 1511-1648, the best of all European thought, taken variously from the United Kingdom and the Continent, was expressed in the mobilization to establish the first true modern republic in English-speaking North America. Ours was the only constitution established to the present date, which was conceived as governed pervasively by a single set of truly universal principles. Those are the principles summarized in the Preamble of our Constitution, a Preamble to which provisions of the Constitution and our laws are properly subject to the present day, and for as long as this republic shall live.

The principles expressed by that Preamble, are essentially three.

The first, is the universal principle of *perfect sovereignty*, a concept which reflects such precedents as Nicholas of Cusa's *Concordantia Catholica*, superseding Dante Alighieri's *De Monarchia*. From Cusa on, the notion of the perfect sovereignty of a nation, was intermeshed with the notion of a community of principle (concordantia) among sovereign nation-states. This was echoed by then-Secretary of State John Quincy Adams' notion of a "community of principle" among the future sovereign republics of the Americas.

The second, is the universal principle of *the general welfare*, as this notion of *agapē*, associated with *I Corinthians* 13. This use of the term general welfare was associated with the English use of *commonwealth* by Sir Thomas More and others in Sixteenth-Century England, and echoed in the notion of a Commonwealth of Massachusetts, as the intention of that term was defined for Massachusetts, by Winthrop and the Mathers. The same notion is sometimes indicated by the term "common good," as expressed by Cotton Mather and Benja-

min Franklin on the necessary commitment to do good.

The third is the universal principle of *posterity*. This identifies a notion sometimes associated with the Scholastics' *simultaneity of eternity*. This has crucial, underlying implications beyond the comprehension of all but perhaps a very few among the world's legal profession today. For our purposes here, a simpler approximation will be sufficient. When we make law, or other national policy, it must be our intention to be as accountable to future generations, for what we do, or fail to do, as to our contemporaries. We are not permitted, by principle of law, to be governed by mere contemporary opinion. We must foresee the consequences of what we do for future generations, as President Lincoln expressed this in his Gettysburg Address. We are accountable, first of all, for the future of our republic; but, we must also be concerned for the effects of our practice upon other nations.

Every other part of our Federal Constitution, is subject to interpretation according to the superior authority of the Preamble read as a statement of intention. No contrary interpretation is allowable. No law can be allowed to persist, if it violates a reading of the whole Constitution as shaped by that intention.

Thus, our Constitution is a constitution based on principle, rather than merely a parliamentary system's reliance on a combination of "basic law" and other legislation. Ours is a system of law based on discoverable universal principle, not a merely positive law.

Under our Constitution, contrary to the governments premised upon parliamentary systems, the responsibility for the sovereign state lies entirely within the institution of the Presidency. This Presidency is not the property of the incumbent; it is an institution in which the incumbent President must perform a certain specific quality of function, while he remains in office.

The Presidency is, however, accountable to a Constitutional separation of powers. It is accountable to the law-making body, the Congress, and to the Federal Court, and, in a different way, to the Federal states. While the conflicts between President and Congress are notorious, the most dangerous features of the separation of powers have come, historically, from dysfunctions within a Federal Court which came, repeatedly, much too much under the influence of the financier interest associated with the American Tory current. The repeated failure of Presidents and the Congress, to take the principle of the Federal Constitution into account in the selection of Federal judges, especially those of the Supreme Court as such, has often filled the Federal bench with long-term serving justices who tend more to undermine the Constitution, than serve it.

## For a Time of Crisis

Since 1789, the Presidency of the U.S.A. has remained intact as an institution, until now. It has survived scoundrels such as van Buren, Polk, Pierce, and Buchanan, a Ku Klux





*The U.S. Constitution is a unique document, giving the President of the United States executive powers to deal with times of crisis, such as heads of state of other nations do not possess. By sinking the political ambitions of Lieberman and McCain now, the conditions will be created under which LaRouche becomes highly electable.*

Klan fanatic, Woodrow Wilson, the follies of Richard Nixon, and so on. Although we have suffered several certified political assassinations of our Presidents, and some justly suspected cases of sudden deaths in office, only once, the Confederacy's slave-holders' full-scale military insurrection, has the continuity of the Presidency been directly threatened.

Until now, the greatest crises within the Presidency itself were those confronting Abraham Lincoln and Franklin Roosevelt. In both cases, the Presidency had been misled, almost without interruption, during a succession of terms under controlled American Tory interests. Such was the situation which challenged President Lincoln and also Franklin Roosevelt. Both conducted a turnabout from Presidential policies which had violated the principles of our Constitution. Both faced the challenge of a terrible war on whose outcome the future existence of our Republic depended. Both, despite the awful burden of war, inspired our patriotic citizens and brought our nation to a higher level of prosperity than any nation of the world had achieved up to that time.

During the 213 years of the Presidency, no other nation-state of the world has a comparable achievement. The British monarchy, of course, is not a sovereign nation-state, but, from long before 1789, until the present day, an Empire, according to the feudal model of a Venetian imperial maritime form of financier-oligarchical power. The source of our Presidency's virtue on this account, lies in the implication of the universal principle radiating from the Preamble of our Federal Constitution, and thus permeating the intent of the Constitution as a whole.

Within the bounds of checks and balances, it is the Presidency which must decide. It must do this in its capacity

as the sole representative of the sovereignty of the Republic. This gives that Presidency great powers, and great stability, far beyond those of any parliamentary government. However, the President himself does not possess those powers; he shares the powers inhering in the continuity of the Presidency itself. He depends, chiefly, on the functions of the various Departments of the Executive Branch. Although an incumbent President puts his personal imprint, more or less strongly, on his administration as a whole, his powers to act effectively depend, most immediately, on the role of the Departments and the appendages of the Office of the President as such.

At first glance, that description might be misread as merely truisms. However, when we bring the significance of the McCain-Lieberman cabal into consideration, the points I have just listed here have been overlooked by most of those in official Washington thus far.

### **Where Bush Stands—Or, Falls**

President George W. Bush clearly has no understanding of the most crucial features of the growing menace threatening the U.S.A. today. He gained office more through the follies of the Gore-Lieberman ticket, than by popularity, and showed no signs of preparation for any among the crises which would hit him prior to September 11, 2001, or later. Nonetheless, he is President. Therefore, do not babble about possible outcomes of new elections. The present world situation is deadly, economically and otherwise. What must the Presidency do, right now, and how do we get that done under a Bush Presidency?

Who should be the next U.S. President? Obviously, one

who as been proven in the crucible of crisis which threatens the Bush Presidency today.

Two general measures must be taken. First, we must shut down the political blackmail currently being exerted on the Presidency by the McCain-Lieberman cabal's influence on the Senate, the Congress as a whole, and the leadership of the major political parties. Second, we must build the kind of bi-partisan political infrastructure around the Presidency, which gives the Presidency the policy-options needed, both to extricate itself from its own recent follies, and to develop a new form of collaboration for economic reconstruction with nations growing increasingly restive over the nauseous impact of the influence on current U.S. strategic practice, of desperados such as McCain, Lieberman, Wolfowitz, Richard Perle, et al.

By sinking the future political ambitions of Lieberman and McCain now, we create an otherwise non-existent possibility for a rational form of bi-partisan deliberation on options available to the Presidency. We must make that change now; the United States is presently careening toward strategic economic and other global disasters. Change is urgent; the time is now.

McCain is not the worst. His financial connections, the antics of the Hudson Institute, and his personal instability, are serious problems in themselves. However, the danger from McCain comes chiefly through his ties to the Joe Lieberman whom William F. Buckley, Jr. and the far-right *National Review* gang brought into the Senate. It is the combination of known and dark connections between Lieberman and McCain, which has enabled the crew around Lieberman to hold U.S. policy-shaping hostage since the time of Senator Jeffords' retirement from the Republican Party.

My associates and I are currently working, at my prompting, to expose the ugly public record and other relevant facts about the Lieberman-McCain-Buckley-Steinhardt connection. When the broader public discovers what that record shows, as I know that record now, Joe Lieberman will not be qualified for mayor of East Dogpatch, Connecticut. Open the floodgates for new leadership of the Democratic Party, and we will be situated to reshape a bi-partisan environment around the Presidency. No one can guarantee success; but, since it is the only live option available in the short term, we must take it.

Sorry, Joe, but it is time to go. Fade away, Joe.

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## Seminar Report

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# 'Homeland Security' Threatens Constitution

by Michele Steinberg

American experts on matters of national security, and guarding U.S. critical infrastructure, warned that the rush for Congress to ram through a Department of Homeland Defense is a threat to the Constitution, as well as a flight-forward reaction. The seminar, convened on July 10 by the Coalition on Defending American Constitutional Rights and Liberties and the Founders' Views of Mankind, came not a moment too soon. According to news from the U.S. Senate on July 24, the Senate plans to complete the mark-up and passage of the Soviet-style Homeland Security bill introduced by Joseph Lieberman (D-Conn.) by Aug. 2. This Senate version would then be "worked out" in conference committee with the version that will have been rammed through the House of Representatives before the Summer recess, so that the bill could be signed and passed into law by Sept. 11, or, if not then, at least before the November elections.

Along with the creation of the U.S. Northern Command, a *military* command for the United States, Canada and Mexico, which threatens to abolish the Founding Fathers' *posse comitatus* prohibition against using the military against the domestic population on U.S. soil, and in tandem with initiatives that do *not* require Congressional review, such as the Attorney General's decisions to rewrite "guidelines" to allow Soviet-style domestic spying, and Executive Orders for secret evidence and military incarceration, the bill moves toward enacting police-state measures—without contributing at all to stopping terrorism.

The July 10 symposium in Washington dealt with these, and other crucial issues, at a time when popular hysteria over terror alerts, and panic over the political ramifications of the June-July dollar and stock market collapses, have enabled the Congressional leadership—driven by Presidential aspirant Lieberman—to block out discussion, and pass the law without debate.

Among the leading organizers of the Coalition is Dr. Thomas W. Frazier, president of GenCon, and an expert in analyzing and protecting against bio-terrorism. In the last half-decade, Dr. Frazier has sponsored numerous conferences, and warned that the United States is not prepared to meet such a threat at any level—Federal, state, or local. But unlike many other media-promoted "experts," who wallow in the details of mass destruction, Dr. Frazier has made a

simple point over the years. The United States is unprotected against bio-terrorism, in large measure because of the takedown of the public health system, including the collapse of immunizations, the lack of screening, hospital closings, and the failure to pay attention to the protection of American agriculture.

And now, eight months after the anthrax attacks in the nation's capital, New York, and Florida, Dr. Frazier insists that the country is still not prepared. He also adds, after a careful study of the Homeland Defense Department proposals, and extensive meetings with Congress, that the proposed DHS will not fix this problem. Indicating the criminal negligence inside the government bureaucracy about the bio-terror threat, Dr. Frazier recounted an incident several years ago, in which he briefed a high-ranking CIA official about the danger, to which the official responded, "Show me the body count."

At the seminar, Dr. Frazier warned that the White House and Congress are pushing through "the greatest reorganization of the U.S. government since 1947, in matter of weeks," but without discussion or serious study, and in an atmosphere of hysteria. He and other experts have made themselves available for meetings with Congress, and have asked for hearings on various matters, but discussion has been cut off cold. He urged all the participants, and those concerned with Constitutional rights, to contact the White House, and their Congressional representatives, to immediately stop this runaway train.

Frazier said, "Our Federal intelligence and law enforcement agencies have been busy issuing terrorist alerts to police departments and to the public on a near-daily basis," which "are so general or diffuse that they have little if any instructional or predictive value." Instead, "what they actually do is to ratchet up and maintain emotional stress levels of the public. There are already substantial number of the public stressed enough to be willing to sacrifice all the liberties and freedoms that our Founders created in return for assurances of increased governmental protection from terrorist threats." When citizens do realize, down the line, what has happened, "there will be an overriding groundswell of protest about loss of civil liberties and harsh treatment or harassment of the public by law enforcement officials. . . . When people eventually do find out how their personal lives are going to be affected adversely . . . under planning in the interest of tightening defenses against terrorism, distrust in government will invariably grow."



*The Homeland Security bill for ripping up American Constitutional protections came under fire, at a Washington, D.C. seminar of national security experts. Here, President Bush unveils his Homeland Security strategy on July 16. To his right is Homeland Security Director Tom Ridge.*

Mincing no words, the conference presentations reflected in-depth discussions with other professionals from the military and intelligence services, as well as from civil liberties groups. Frazier summed up:

- there is no real understanding of terrorism by the administration or Congress;
- far better counsel from technical and academic sources is required to create a "truly useful" Homeland Security Department;
- a new department "will not fix existing internal problems in law enforcement and intelligence or in other federal agencies";
- we must be "concerned with the continuing erosion of Constitutional and statutory rights and freedoms by actions" associated with creating this entity;
- "we can expect more unconstitutional discrimination based on racial profiling and birthplace information," should this department be created without careful discussion;
- some of the "directions proposed or being taken by the administration could destroy or significantly degrade our whole system of jurisprudence";
- the proposed "new authorities" would "shred any remaining confidentiality of personal information."

Well aware that guarding against terrorism "will cost" citizens in various ways, Frazier says, "However, we *cannot* give the Federal government *carte blanche* in any transformation of America into a police state or in the creation of an oppressive super-police agency of the kinds that have been seen in Europe in the past." Frazier says he is not accusing President George Bush or Attorney General John Ashcroft

of any such “confidential plan . . . to turn America into a repressive police state,” but he notes that, under crisis conditions, such as major wars, terrorist attack, or serious financial deterioration, “leaders [may] find that they are no longer in control of the political forces they have set into motion.”

His observations are especially apt, given the recent panic embodied in Attorney General Ashcroft’s citizen-spy plan, the Orwellian-sounding Terrorist Information and Prevention System (TIPS). The July 15 issue of Australia’s *Sydney Morning Herald* observed, that under TIPS, the United States would have a higher percentage of informants than even the East German Stasi secret police. The same comparison was made, among others, in the *Boston Globe*, *London Times*, and *Washington Post*.

### ‘Handle the Crisis First’

Dr. William R. “Dick” Burcham, a retired U.S. Navy Commander, who now works as an analyst at Sandia National Laboratories in Albuquerque, New Mexico, said that the nation should “take a page out of history,” and study how President Franklin Delano Roosevelt dealt with the crises he confronted. Burcham noted that crisis is “never the time to make sweeping changes.” The entirety of World War II was fought before the Department of Defense was created, in 1947: The nation “handled the crisis first.”

But, says Burcham, the weakness in current approaches lies precisely in the fact that there cannot be such a thing as a war on “terrorism,” because terrorism is not a “thing,” it is a “method.” No one in the White House and Congress has defined terrorism, he continued, so “what are we waging a war against? Are we waging a war against psychological warfare?” In that case, the victims of the President’s “war on terrorism,” might be the U.S. citizens, and their Constitution.

Burcham defines terrorism, as a method, as being “strategic indirect warfare.” To the contrary, by flailing about and declaring war on “evil” and war on “terrorism,” the Bush Administration and Congressional cheerleaders who are ramming through the DHS and other assaults on the Constitution, are making a big mistake. “We have not fought this type of war before,” said Burcham, and we “may not prevail without adopting an original and resourceful national strategy. To prevail we must do more than just the defeat of our enemies, we must also preserve our representative republic form of government and rights and freedoms set forth in the Constitution . . . [which] was ordained and established as a sacred pledge to the citizens of this country; a pledge to protect their personal freedoms and the rights of states. Far more than than a global war on terrorism will be lost if the importance of the promises to our posterity and ourselves, expressed in the Constitution are ever forgotten.”

He cautioned that you cannot look at the Department of Homeland Security proposal apart from the Northern Command, which is a *fait accompli*, and which has brought to

fore the concern over turning U.S. troops against the U.S. population. A militia system such as the American Revolution’s Minutemen, continues in the concept of the National Guard, which should not be put under national control, as proposed by some in the DHS camp. To end *posse comitatus* is a serious danger, added Burcham. He proposed, instead, that volunteer emergency forces—organized, provisioned, and called out by state elected officials—should complement existing emergency teams, such as the police, fire, and emergency medical personnel who responded on Sept. 11, and that that is the competent model to follow, which does not threaten the Constitution. As an example, Burcham pointed to the “emergency management organizations both in New York and Washington” whose plans for preparedness “enabled them to respond well to the attacks they suffered.”

However, “by contrast, the anthrax incidents that occurred in the same time period . . . generated far greater fear and revealed far more governmental inadequacies. . . . Despite years of warning . . . the nation’s emergency management system did not respond well during this episode. Casualties were needlessly suffered,” he said. This lack of preparedness is never going to be solved by proposing more force, and military action; in fact, it might backfire.

“The use of Federal troops in less than desperate situations,” added Burcham, “might be looked upon as an intrusion into local affairs *by an imperial government that believes it is the nation’s solitary and absolute authority*” (emphasis added). He also warned that creating the opportunity of using such military forces against the population—as an almost *first* resort—also adds to the danger of the “balkanization” of the United States, where the very ethnic diversity and tolerance of the American system, is replaced by ethnic profiling, generalized spying, and an atmosphere of fear, pitting one citizen against another.

### Covering Up the Economic Firestorm

Moderating discussion at the symposium was *EIR* Counterintelligence Editor Jeffrey Steinberg, whose numerous articles and special reports on Sept. 11, amply refute the official cover story that Osama bin Laden masterminded the attacks. At the seminar, he introduced a crucial element into the discussion about “homeland security”: the fact that administration and Congressional officials will not admit that they are obsessed with the ongoing financial collapse.

This reality had already been addressed by Dr. Frazier, who warned that the danger to civil rights becomes even more pronounced “if the nation is stressed enough and if the leadership is incapable of dealing with this national stress wisely and effectively.” Frazier said that “the best . . . example of loss of government control” is the “present deterioration in capital markets . . . corporate crime . . . and the recent collapse of major corporations controlling and operating critical national infrastructures such as energy, telecommunications, transportation, etc.” As he has been warning that the only

really effective protection against bio-terrorism is an in-depth public health system which can implement emergency response, Frazier pointed out that it is ludicrous to talk about "homeland security," when unregulated corporate and capital markets had already taken down the U.S. economy, with many citizens who have "lost most of our personal savings investing in the stock market."

Wayne Madsen, a noted author on intelligence matters, raised the question of whether it had been intentionally built into the DHS proposal for the agencies that competently provide the necessities defined in the constitutional precept of the "general welfare," to be destroyed.

Madsen's question addressed issues raised by Dr. Norman Bailey, former chief economist for the National Security Council under President Ronald Reagan, who had specified in his remarks, that the DHS plan was so incompetent, that, by swallowing up the often well-functioning agencies such as the U.S. Coast Guard, the plan both jeopardizes effective action against terrorism, and also these agencies' ability to fulfill their duties in other emergencies. He further warned that the White House repeatedly uses the open-ended phrase "to be determined" in defining DHS functions, giving it a deadly "blank check" to institute whatever measures it wishes, after the bill is passed—i.e., without the checks and balances exercised by the citizens' elected representatives.

Another presenter, Dr. Joseph Foxell, the Director of Information Security for the Human Resources Administration of New York City, said that since Sept. 11, there has been an almost complete failure in the ability to retrace or, "reverse engineer," the process leading up to the attacks. And now, in the face of those inadequacies, the suspension of civil liberties is being substituted as a cure-all.

While the symposium was titled "Getting the Formation of the Homeland Security Department 'Right,'" the conclusion must be drawn, that there is no way to "get it right," under present circumstances. That view may well be shared by some U.S. Senators. On June 25, in a Senate Judiciary Committee hearing on the Justice Department oversight, Chairman Patrick Leahy (D-Vt.) told Ashcroft, "Now, the last time you appeared here, you brought an al-Qaeda operations manual to make the point that the war on terrorism is serious and that you take it seriously. I want to make it clear that everybody—the Attorney General, this chairman, the ranking [Republican] member and every member of this committee—is very much against terrorism. There's no more serious business that we deal with, day in and day out. . . ." Leahy continued, "But you've taken an oath to support the Constitution, as have I. . . Al-Qaeda may have an operation manual that serves them in the short term. This country has an operation manual. We have an operation manual called the United States Constitution that has served us for 225 years. It's served us in good times and bad times. It's served us during civil wars and world wars. And the only times we have been less than defended is when we have ignored

the protections of that Constitution."

Other committee members grilled Ashcroft on his TIPS Orwellian spy system, as advertised on the Justice Department website. Unfortunately, Senators have yet to display that sort of gumption, in dealing with Lieberman all-out effort to outrun George W. Bush in enacting a police-state department that can wage war on the U.S. population, without protecting anyone from the types of terror seen on Sept. 11.

The July 10 symposium is the first instance in which specialists, many of whom have dedicated their lives to defending national security, have mobilized to stop the rampage toward police-state measures. Dr. Burcham demonstrated how the Constitution is "the source of our strength," by reciting from the Preamble: "We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

In his hearings, Senator Leahy pointed out to Ashcroft that the Constitution will outlive "this Senate and this Attorney General." If Americans mobilize against the "big lies" about Sept. 11, and the concomitant "homeland defense" hysteria, we can avert the creation of this police-state department.

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# Ritter Debunks Iraq War Hype in London

by Mark Burdman

Amidst growing nervousness among British leaders that Tony Blair will very soon have Britain at the side of the United States in a new war against Iraq, Scott Ritter's presentation in the British Parliament had considerable impact. The former chief United Nations weapons inspector in Iraq, and former U.S. Marine, spoke to a cross-party group of parliamentarians on July 16, in the Grand Committee Room of the House of Commons, and *EIR* reporters were present.

Ritter blew apart the case for attacking Iraq, primarily by debunking the massive hype, in the U.S., British, and other media, that Iraqi President Saddam Hussein possesses "weapons of mass destruction"—chemical, biological, and nuclear—and threatens to deploy these against countries around the world, and/or to provide them to terrorist groups like Osama bin Laden's al-Qaeda.

Ritter emphasized that his presence in London was motivated by a great urgency, because war could start as early as September-October. He gave two indications of this. The Boeing Corp. is working overtime, replenishing stocks of precision-guided bombs and missiles that had been run down during the attack on Afghanistan, and is preparing to deliver them by the end of September. And the 1st Marine Division, based in California, has had its training schedule accelerated, in order to be prepared for deployment in the Gulf, by early Autumn.

What all this indicates, he reported, is that "economic, political, diplomatic, and military capital" is being expended on launching this war, and should this capital achieve "too much mass," war "becomes inevitable." Therefore, "it must be stopped now."

Ritter urged the parliamentarians, to launch a great national debate in the U.K. Given Britain's unique relationship to the United States, this might have some impact back in his own country, even if the "unilateralist" crowd in Washington is in a mood to listen to nobody. It is all the more necessary for Britons, as, so far, British Prime Minister Blair has been acting like a "loyal dog . . . being used to impose" whatever the American administration desires.

"Don't let America fail itself, fail you, and fail the entire world," Ritter appealed. "There has to be a debate, and the vehicle is with you." Usefully, he added that such necessary, open discussion about fighting a war before it happens, is

fundamental to a democracy, and is mandated by the principles one finds in the American Declaration of Independence and Constitution, and in President Abraham Lincoln's 1863 Gettysburg Address, in which Lincoln insisted that government must be "of the people, by the people, and for the people."

## The Neo-Cons and the Drunk

Ritter's polemic was all the more convincing for two reasons. First, he himself had been largely responsible for disarming Iraq, when he worked as chief weapons inspector, from 1991-98. Iraq had been disarmed, as of December 1998, "as close to the zero level as is humanly possible." Second, Ritter is hardly a "pacifist," but a former Marine Corps officer and "moderate conservative," a card-carrying Republican who voted for George W. Bush in 2000. As he made clear, he fully supports the official "line" on the Sept. 11, 2001 terrorism, about Osama bin Laden's guilt, and therefore gives his 100% backing to the war against Afghanistan. He also made it clear, that he has no sympathy whatsoever for Saddam Hussein, whom he regards as a cruel despot. Ritter *would* be in favor of military action, were he to believe that Iraq possessed the "weapons of mass destruction"; he is sure it does not.

Such a background lent a special credibility and passion to his argument. As he told his audience, what worries him most, as an American patriot, is the effect the war drive against Iraq is having on America itself. Even if he accepts the official version of the Sept. 11 events, he sees U.S. politics having been hijacked, since that date, by a group of "neo-conservatives," who have created a culture of "fear-mongering and demonization," with special emphasis on Saddam Hussein, who is obsessively—and falsely—identified in the media, and by leading Bush Administration officials, as "the head of the snake" of world terrorism.

"Since Sept. 11, American democracy is under attack," Ritter insists, and the best of American values are "being swept aside." The American media has become so "egregious" on Iraq, he affirmed, that the situation in the United States has become "very dangerous." He noted that several of the leading neo-conservatives, now in senior posts in the Bush Administration, signed an open letter in 1999 accusing President Bill Clinton of having failed to fund the Iraqi Liberation Act, which mandated support for the anti-Saddam opposition—an opposition which, Ritter insisted, is "not worth talking about." Signers, he revealed, included Defense Secretary Donald Rumsfeld, Deputy Defense Secretary Paul Wolfowitz, Deputy Secretary of State Richard Armitage, Undersecretary of State John Bolton, Special Trade Representative Robert Zoellick, and Defense Policy Board Chairman Richard Perle.

In this atmosphere, Ritter charged that President Bush is performing like "a drunk at the wheel of American foreign policy today." His administration has made a "considerable



*Former UN Chief Inspector in Iraq during the 1990s, Scott Ritter, appeared in Parliament in London as part of his effort to stop a new U.S. attack on that country. Ritter insists that there is no evidence to back up claims of Iraqi weapons-of-mass-destruction capabilities, just a “desperate” drive for war.*

expenditure of political capital” in “regime change” in Iraq, and is pushing “every fear button possible” to whip up an anti-Iraq fervor and to brand opponents of war as unpatriotic.

Missing from Ritter’s analysis, was any mention of how the rapidly accelerating economic and financial collapse in the United States is driving the momentum toward war.

### ‘There Is No Smoking Gun’

The kernel of Ritter’s polemic, is that creatures in and around the Bush Administration are so “desperately, desperately” committed to this war, that they have hyped the “weapons of mass destruction” (WMD) issue, because they failed in their original two efforts: first, to link Saddam to al-Qaeda/Sept. 11; and then, to link him to the anthrax attacks that occurred soon thereafter. But the problem with their third, WMD track, is that there is *no evidence whatsoever* that Iraq possesses these capabilities. In fact, all indications point in precisely the opposite direction: that the job that Ritter and his UN team completed, in 1998, has removed that threat.

Parliamentarians in attendance, themselves, backed up Ritter’s charge, that a much-promised “dossier” by the Blair government, purporting to “prove” that Iraq possesses chemical, biological, and/or nuclear weapons, has never materialized. Of even greater importance, is that the Bush Administration has never come forward with actual evidence, leaving even senior figures of the U.S. Senate Intelligence Committee—to whom Ritter has spoken—in the dark about what is supposedly going on. Similarly, many NATO ambassadors with whom he has met, “feel lied to, and betrayed,” because, when Rumsfeld, Wolfowitz, and Armitage each made trips to NATO headquarters, each refused to show evidence of Iraqi WMD capabilities.

“There is no smoking gun,” Ritter bluntly charged. On the technical level, he said that building weapons of mass destruction is not a simple act, but requires a sophisticated

scientific-technological-industrial infrastructure, of the type that he and his team dismantled in Iraq, in the 1990s. It is not possible to re-create this, domestically, by some act of magic. In addition, to build such weapons post-1998, and to engage in what he called the “re-configuration” required to do so, Iraq would have to import technological and industrial equipment and components. This could not have occurred without attracting the notice of the world’s leading intelligence services (American, British, Israeli, French, German, Russian), which monitor Iraq very closely.

To those who make all sorts of claims about “the Iraqi WMD threat,” Ritter emphasized that the question must be posed, “How do you know?” This is all the more essential, in countries that have histories as democracies, like the United States and United Kingdom.

### ‘Osama bin Laden Will Have Won’

The former UN chief inspector painted a most gruesome picture, of what a new war against Iraq would look like, and what consequences it would bring in its wake. His essential point, was that such a war would “only reinforce Osama bin Laden,” as it would be “the opening salvo in a clash of civilization between the West and Islam.” In Iraq itself, the only ultimate replacement for Saddam would be an “anti-Western Islamic fundamentalist regime.” This would have a “domino effect” throughout the region, with the regimes of Saudi Arabia, Kuwait, Egypt, etc. falling. “Osama bin Laden will have won. An invasion of Iraq is the quickest way to lose the war on terrorism. It is a bad idea. It must be stopped, and stopped now.”

Leading American generals are opposed to a new war, but will not engage in “outright mutiny” against the civilian leadership of Bush and Rumsfeld; Ritter characterized them as “foot-dragging,” and causing consternation in the Bush Administration. They are demanding many tens of thousands more troops than the 70,000 insisted on by Wolfowitz, who believes that it will be “easy for Special Operations” to do the job in Iraq. These generals reject such idiocy, but—and here is the paradox—if their demands for 250,000 troops and related matériel are met, the fighting will be all the more devastating. That only reinforces Ritter’s opposition. He derided the propaganda, emanating from the Wolfowitz circles, that a war against Iraq will be an easy matter. The “coterie of generals” from Iraq, who held a big meeting in London on July 13-14, “is not, and never will be,” a structure like the Afghan Northern Alliance, he affirmed. (See last week’s issue for full coverage.) Second, the Iraqi Army *will* fight, and will not simply surrender, as the “coterie” had claimed, because what is at stake is the destruction of their own nation. Third, the Iraqi people will view an American-led attack as an “invasion of sovereignty, and will fight us.” Unlike the 1991 Gulf War, the fighting, this time, will not be on desert plains. “The population will resist, and the population will be destroyed. This is not a war I want to be associated with.”

## Homeland Security Bill Marked Up in House

President George Bush got most of what he wanted from House Majority Leader Dick Armey (R-Tex.), when Armey rammed through the bill to create the Department of Homeland Security through the Select Committee on Homeland Security, on a straight 5 to 4 party-line vote. Along the way, the committee rejected most of the recommendations from the standing committees as well as most of the concerns of Democrats.

The bill provides most of the changes President Bush sought, but also makes some changes of its own. It moves the Coast Guard into the new department, but directs the Coast Guard commandant to report directly to the Secretary of Homeland Security. It moves the Customs Service into Homeland Security, but breaks the Immigration and Naturalization Service into two parts. The INS enforcement function moves to the new department, but the immigration services function remains within the Justice Department. It also moves the Federal Emergency Management Agency and the Secret Service into the new department.

Fights are still expected over several provisions in the bill. The most contentious is the civil service provisions. The bill practically creates a separate civil service system for Homeland Security. The committee's report argues that the secretary "must have the flexibility to establish a labor-management system that respects the right of workers to organize and engage in collective bargaining without threatening the important mission of the Department." Many Democrats and organized labor see this as a threat to the civil service system. "The way you breathe life into this lump of clay," said Minority Whip Nancy Pelosi (D-

Calif.), "is to protect the people who work there." The committee defeated attempts by Democrats to strengthen civil service protections and instead accepted an amendment by Rob Portman (R-Ohio) that provides flexibility but adds protections for whistleblowers, collective bargaining, equal opportunity, and merit hiring.

What happens when the bill goes to the House floor remains to be seen. Armey has promised an open amendment process, but that could result in a free-for-all that might result in a very different bill. During the markup, Martin Frost (D-Tex.), a member of the select committee, said, "I believe this product is still flawed and will need substantial improvement on the floor of the House." While Majority Whip Tom DeLay (R-Tex.) declared that he was "very disappointed" with Frost, it could be that many GOP committee chairmen will agree with him.

## Supplemental Bill Clears House, Senate

On July 23, the House passed, by a vote of 397 to 32, the FY 2002 supplemental appropriations bill. The Senate followed suit the next day by a vote of 92 to 7. The \$28.9 billion package was the result of House and Senate negotiators finally bowing to the demands of White House budget chief Mitch Daniels, that the bill not exceed the House-passed version. The Senate version had reached \$31.5 billion, and Daniels had recommended a veto if the bill approached anywhere near that amount. Negotiators were further pressured by warnings from the Pentagon and the Transportation Department that essential operations would have to be curtailed, if the money was not provided by the end of July.

The bill includes \$14.5 billion for

the Defense Department, and \$6.7 billion for homeland security, including \$3.85 billion for the Transportation Security Administration, which is about \$550 million less than the original request. The bill also includes \$5.5 billion for assistance to New York for disaster recovery from the Sept. 11, 2001 attacks. The bill provides \$2.12 billion for foreign assistance programs, including an extra \$200 million for Israel, which was added by Congressional appropriators.

The bill includes non-emergency items, such as \$1 billion for the Pell Grant education program, and \$400 million for election reform. Also added was the language of the American Service Members Protection Act, which prohibits U.S. involvement in the International Criminal Court. President George Bush is given authority to place all the funds exceeding the original request into a contingency fund to be spent, or not, as he sees fit.

## Compromise Reached on Corporate Accountability

After a week in which it appeared that the corporate accountability bill might disappear into oblivion, Congressional negotiators emerged from meetings on July 24 to report that an agreement had been achieved. Anger between the House and Senate had reached a high point on July 17, when House Ways and Means Committee Chairman Bill Thomas (R-Calif.) indicated that he would object to House consideration of the bill for Constitutional reasons. Thomas said that the fee arrangement for funding the oversight panel in the bill violated the House's prerogative for originating revenue bills. Democrats replied that that argument was bogus, because the



fee was not a tax and was a minor technical issue that could easily be solved. They did admit, however, that had Thomas pushed the issue, it would have effectively killed the bill.

According to news reports, the deal closely tracks the provisions of the Senate bill, passed unanimously on July 16. That bill, sponsored by Banking Committee Chairman Paul Sarbanes (D-Md.), was widely seen as much stronger than the House bill, and, indeed, some Republicans complained that the criminal penalties in it were far too severe. GOP leverage on the bill appears to have been compromised by WorldCom's announcement that it had wrongly accounted for \$3.8 billion in expenses and the dramatic fall in the stock markets that followed. The GOP got at least one provision that it wanted: an amendment to set up a new Federal account for defrauded investors, in which civil fines and other penalties from corporate wrongdoers would be deposited.

## **P**rescription Drugs Debate Begins in Senate

On July 15, the Senate began debate on a bill, co-sponsored by John McCain (R-Ariz.) and Charles Schumer (D-N.Y.), intended to reduce anti-competitive actions by drug companies that maintain high prices for prescription drugs. The bill passed the Health, Education, Labor, and Pensions Committee by a 16 to 5 vote on July 11.

The debate was not really about reducing prescription drug prices, but rather about adding a prescription drug benefit to Medicare. The McCain-Schumer bill served as a vehicle for the real debate intended by Majority Leader Tom Daschle (D-S.D.), leading Republicans to charge that

Daschle was deliberately bypassing the Finance Committee, which has jurisdiction over Medicare, to ensure that alternative legislation would not get a hearing.

While there are a number of prescription drug proposals, two bills were primarily at issue: one, co-sponsored by Edward M. Kennedy (D-Mass.) and Bob Graham (D-Fla.), and the GOP alternative, which had support from John Breaux (D-La.) and James Jeffords (I-Vt.). Republicans predicted that neither bill would get the 60 votes required to pass. (The 60-vote requirement was necessitated by the fact that both bills exceeded the \$300 billion cap for a Medicare drug prescription benefit set in the FY 2002 budget resolution and that neither bill was considered by the Finance Committee.)

On July 23, both bills failed to get over the procedural hurdle. The vote on the Democratic bill was 52 to 47, and on the so-called "tripartisan bill" it was 48 to 51. After the votes, Majority Leader Tom Daschle (D-S.D.) said, "We will negotiate in earnest and attempt to find some way to come up with a compromise vehicle that will allow us 60 votes to move forward." Minority Leader Trent Lott (R-Miss.) was far more pessimistic. "As it now stands," he said, "I don't see how we get a result."

## **M**ineta Blames Congress for Aviation Security Problems

Frustration with delays in implementing the Aviation Security Act, signed into law by President George Bush in November, exploded into public view on July 23, just days after the resignation of Transportation Security Administration (TSA) chief John Magaw. Secretary of Transportation

Norman Mineta was subjected to a barrage of criticism by members of the House Aviation Subcommittee. Subcommittee Chairman John Mica (R-Fla.) said that the new department is leading to an oversize Federal bureaucracy, whereas Democrats, such as James Oberstar (Minn.), said that the security act was going the way of earlier attempts to improve airport security.

Mineta placed the entire blame on Congress, including the agreement on the FY 2002 supplemental appropriations bill. He said that the supplemental reduces TSA funding by \$1 billion, to \$1.5 billion. It also places a cap on TSA employees of 45,000, about 20,000 less than the Bush Administration says is needed, and that the language in the bill restricts TSA's ability to manage expenses in a "cost-effective manner." "You have not changed TSA's mission," Mineta said. "Yet the budget to do the job is apparently on the way to being radically diminished while new restrictions and mandates are being imposed." He warned, "The amount of money Congress is about to approve simply will not support the mandates and the timetables for aviation security that Congress set last fall for TSA."

Peter Defazio (D-Ore.) called Mineta's performance partisan, and while admitting that there are problems on Capitol Hill, he said that "there are a hell of a lot of problems downtown!" Defazio singled out Office of Management and Budget Director Mitch Daniels, "the right hand of the administration," as one of the problems, as it was Daniels who approved a \$219 million cut in the TSA budget. "When the President's own director of OMB recommends a quarter of a billion dollar cut, it's hard to say the administration was there 100% and pushing," Defazio said.

# *The Big Crash: Substance and Shadows*

Although the financial collapse of the recent weeks to date has not completed its rounds, the sum-total of these weeks already represents a global, historical phase-shift. The appropriate Biblical image is not “Armageddon,” but rather the ominous moment the triumphal laughter stopped, during Belshazzar’s Feast.

With this ongoing global phase-shift which erupted a few weeks ago, the world has entered a turning-point in modern history. We have now entered fully, into a collapse as ominous as that which struck President Herbert Hoover’s U.S.A. in 1929-1933, but one which is worse, deeper, and far more ominous for mankind as a whole. From this point on, persisting efforts by leading nations to continue to adapt to the U.S.A., utopian strategic doctrines unleashed by Richard Nixon’s 1966-1968 campaign for the U.S. Presidency, would push the world over the brink, into the global catastrophe waiting below.

I ask you to focus on the individuals who now believe, during recent days, that my forecasts were right, and their doubts were mistaken. For just a moment, put to one side the cases of those fellows who still refuse to face the reality of the present situation, even after the events of the recent three weeks. What is the problem you must now face, in dealing with most among those persons who now admit I was right?

The presently onrushing global collapse of the 1971-2002 monetary-financial system is not something which just happened; it is something which has been in the process of happening since President Nixon’s wild-eyed monetarist’s lunacy of August 15-16 1971. My warnings to this effect were circulated in print, and other ways, first in the U.S.A., and, then, around the world, increasingly, from the early 1970s onward.

Look back for example, to my year 2000 campaign for the Democratic Party’s U.S. Presidential nomination. I warned that certain developments during the period of my campaign would promptly unleash a process leading toward a collapse of the “new economy” bubble in such areas as the spill-over of a collapse of the Dulles beltway into Loudoun County, Virginia. By March 2001, what I forecast a year earlier was hitting Loudoun

and its vicinity hard. The Winstar fantasy is now last year’s laughing-stock. The impact of the bankruptcy of WorldCom on the Loudoun County area’s real-estate bubble is about to become awesome.

The presently onrushing collapse of the global monetary-financial system, is not an event which I “predicted.” It was something which was already happening as I spoke. What I forecast, referenced a new phase of the folly which was being added to those phases I had reported as in process earlier. In this universe, it is impossible to make any competent forecast unless the development being forecast was already in process. Competent forecasters never predict events dropping out nowhere; they report actually existing processes of development which, if continued, will lead to certain included, notably relevant types of events.

In other words, my forecasting has always been premised on both a rejection of all “ivory tower” teachings about economies. The consistent success of my forecasting, in contrast to the expressed opinions of all of my putative rivals, is that their failure is caused by their reliance upon “ivory tower” doctrinal assumptions, whereas my forecasts are derived from study of the existing systemic characteristics of the political-economy in question (e.g., only adolescent mothers are likely to have daughters who are younger than one of that mother’s grandsons).

Therefore, when that fellow who is wearing egg on his face today, said, a few Clinton years back, that my forecast collapse of the “new economy” would not occur, he was not doubting the occurrence of a future event, he was refusing to accept the reality, that that future event was already an inevitable price to be paid if society insisted on continuing certain developments already in progress back then. (“Stop driving when you are roaring drunk, for example.”)

After all, the record of my forecasting is, that I have been leading people in a better direction for more than 35 years, and no known forecasting has been able to match that.

—Lyndon H. LaRouche, Jr., July 22, 2002.

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Cablevision Ch. 21  
Mondays—9:30 pm  
Thursdays—11:30 am

• FLORIDA  
ESCAMBIA COUNTY  
Cox Ch. 4  
2nd Tue, 6:30 pm

• IDAHO  
• MOSCOW—Ch. 11  
Mondays—7 pm

• ILLINOIS  
• CHICAGO  
AT&T/RCN  
8/9: 10 pm (Ch.21)  
8/25: 8 pm (Ch.21)  
8/26: 12:30 am (Ch.19)  
8/30: 12:30 am (Ch.19)  
(no shows Sep,Oct,Nov)

• QUAD CITIES  
Mediacom Ch. 19  
Thursdays—11 pm

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

## INDIANA

• BLOOMINGTON  
Insight Ch.3  
Tuesdays—8 pm

• DELAWARE COUNTY  
Comcast Ch. 42  
Mondays—11 pm

• GARY  
AT&T Ch. 21  
Monday - Thursdays  
8 am - 12 Noon

## IOWA

• QUAD CITIES  
Mediacom Ch. 19  
Thursdays—11 pm

• KENTUCKY  
• BOONE/KENTON  
SANTA MONICA  
Adelphia Ch. 21  
Mon: 4 pm; Sat: 5 pm  
• JEFFERSON Ch.98  
Fridays—2 pm

## LOUISIANA

• ORLEANS PARISH  
Cox Ch. 78  
Tuesdays & Saturdays  
4 am & 4 pm

## MARYLAND

• ANNE ARUNDEL  
Annapolis Ch.20  
Milleneum Ch.99  
Sat & Sun: 12:30 am

• MONTGOMERY Ch.19  
Fridays—7 pm  
• P.G. COUNTY Ch.76  
Mondays—10:30 pm

• MASSACHUSETTS  
• AMHERST—Ch.12  
Mondays—Midnight

• CAMBRIDGE  
MediaOne Ch. 10  
Mondays—4 pm

• WORCESTER—Ch.13  
Tue.—8:30 pm

## MICHIGAN

• CALHOON  
ATT Ch. 11  
Mondays—4 pm

• CANTON TNSHP  
Comcast Ch. 18  
*Zajak Presents*  
Mondays: 6-8 pm

• DEARBORN  
Comcast Ch. 16  
*Zajak Presents*  
Mondays: 6-8 pm

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

• KALAMAZOO  
Thu-11 pm (Ch.20)  
Sat-10 pm (Ch.22)

• LAKE ORION  
Comcast Ch.65  
Mondays & Tuesdays  
2 pm & 9 pm

• KENT COUNTY  
AT&T Ch. 25  
Fridays—1:30 pm

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

• MT.PLEASANT  
Charter Ch. 3  
Tuesdays—5:30 pm  
Wednesdays—7 am

• PLYMOUTH  
Comcast Ch.18  
*Zajak Presents*  
Mondays: 6-8 pm

## WYOMING

AT&T Ch. 25  
Wednesdays—10 am

## MINNESOTA

• ANOKA  
AT&T Ch. 15  
Mon.—4 pm & 11 pm

• BURNSVILLE/EGAN  
ATT Ch.14,57,66  
Tuesdays—5:30 pm  
Saturdays—9 pm  
Sundays—10 pm

• CAMBRIDGE  
U.S. Cable Ch.10  
Wednesdays—2 pm

• COLD SPRING  
U.S. Cable Ch. 3  
Nightly after PSAs

• COLUMBIA HTS.  
MediaOne Ch. 15  
Wednesdays—8 pm

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

• TIME WARNER Ch. 5  
Thursdays—5:30 pm  
Saturdays—8:30 pm

• MINNEAPOLIS  
PARAGON Ch. 67  
Saturdays—7 pm

• NEW ULM—Ch.14  
Fridays—5 pm

• PROCTOR  
HERMANTOWN—Ch.12  
Tue. btw. 5 pm-11 am  
Thursdays—7 pm

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

• ST.LOUIS PARK  
Paragon Ch. 15  
Wed., Thu., Fri.  
12 am, 8 am, 4 pm

• ST.PAUL (city)  
SPNN Ch. 15  
Saturdays—10 pm

• ST.PAUL (N Burbs)  
AT&T Ch. 14  
Thu—6 pm & Midnite  
Fri—6 am & Noon

• ST.PAUL (NE burbs)\*  
Suburban Ch.15  
St.PAUL (S&W burbs)  
Tue & Fri—8 pm  
Wednesdays—10:30 pm

• SOUTH WASHINGTON  
ATT Ch.14—1:30 pm  
Mon, Tue, Wed, Thu

## MISSISSIPPI

• MARSHALL COUNTY  
Galaxy Ch. 2  
Mondays—7 pm

## MISSOURI

• ST.LOUIS  
AT&T Ch.22  
Wednesdays—5 pm  
Thursdays—12 Noon

## NEBRASKA

• LINCOLN  
T/W Ch. 80  
*Citizen Watchdog*  
Tuesdays—7 pm  
Wednesdays—10 pm

## NEVADA

• CARSON—Ch.10  
Wednesdays—7 pm  
Saturdays—3 pm

## NEW JERSEY

• HADDON TOWNSHIP  
Comcast Ch. 19  
Sundays 11 am

• MERCER COUNTY  
Comcast  
TRENTON Ch. 81  
WINDSOR Ch. 27

• MONTVALE/MAHWAH  
Time Warner Ch. 27  
Wednesdays—4 pm

• NORTHERN NJ  
Comcast Comm. Access  
Channel 57\*  
PISCATAWAY  
Cablevision Ch.71  
Wed—11:30 pm

• PLAINSBORO  
Sat.—9 pm (Ch.78)  
Comcast Ch. 3\*

## NEW MEXICO

• ALBUQUERQUE  
Comcast Ch. 27  
Mondays—3 pm

• ANTHONY/SUNLAND  
T/W Ch. 15  
Wednesdays 5:05 pm

• GRANT COUNTY  
Comcast Ch. 17  
Fri. & Sat.  
7 pm or 8 pm

• LOS ALAMOS  
Comcast Ch. 8  
Mondays—10 pm

• SANTA FE  
Comcast—Ch.6  
Saturdays—6:30 pm

• TAOS—Ch.2  
Thursdays—7 pm

## NEW YORK

• AMSTERDAM  
Time Warner Ch.16  
Wednesdays—6 pm

• BROOKLYN  
T/W Ch.34  
Cablevision Ch.67  
Tuesdays  
3:30 pm, 11:30 pm

• BUFFALO  
Adelphia Ch.18  
Wed.—12:30 pm

• CHEMUNG/STEBUN  
Time Warner-Ch.1  
Mon., Fri.—4:30 pm

• ERIE COUNTY  
Adelphia Intl. Ch.20  
Thursdays—10:35 pm

• ILION—Ch. 10  
Mon. & Wed.—11 am  
Saturdays—11:30 pm

• IRONDEQUOIT Ch.15  
Mondays—7:30 pm  
Thursdays—7 pm

• JEFFERSON/LEWIS  
Time Warner-Ch.2  
Unscheduled pop-ins

• JOHNSTOWN—Ch.16  
Tuesdays—5 pm

• MANHATTAN—MNN  
T/W Ch.34; RCN Ch.109  
Alt. Sundays—9 am

• NIAGARA COUNTY  
Adelphia Ch. 20  
Thursdays—10:35 pm

• ONEIDA—Ch.10  
Thu—8 or 9 pm  
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Penfield Comm. TV\*

• QUEENSBURY Ch.71  
Thursdays—7 pm

• RIVERHEAD Ch.70  
Thurs.—12 Midnight  
• ROCHESTER—Ch.15  
Sundays—3 pm  
Mondays—10 pm  
Sat.—9 pm (Ch.71)

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

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

• TOMPKINS COUNTY  
Time Warner  
Cablevision Ch.71  
Sun.—9 pm (Ch.78)

• WEBSTER—Ch.12  
Wednesdays—9 pm

• NORTH CAROLINA  
• HICKORY—Ch.3  
Tuesdays—10 pm

• OHIO  
• FRANKLIN COUNTY  
Ch. 21; Sun.—6 pm

• LOS ALAMOS  
Adelphia Ch.30  
Daily: 10 am, or  
12 Noon; or 2 pm;  
or 12 Midnight

• OBERLIN—Ch.9  
Thursdays—7 pm

• REYNOLDSBURG  
Ch.6; Sun.—6 pm

## OREGON

• LINN/BENTON  
AT&T Ch. 99  
Tuesdays—1 pm

• PORTLAND  
AT&T  
Tue—6 pm (Ch.22)  
Thu—3 pm (Ch.23)

• SALEM—Ch.23  
Tuesdays—12 Noon  
Thursdays 8 pm

• SALTVERTON  
Charter Ch. 10  
Mon, Tue, Thu, Fri  
Betw. 5 pm - 9 am

• WASHINGTON ATT  
Ch.9: Tualatin Valley  
Ch.23: Regional Area  
Ch.33: Unincorp. Towns

• WEDNESDAY—8 pm  
Sundays—9 pm

## RHODE ISLAND

• E.PROV.—Ch.18  
Tuesdays—6:30 pm

• STATEWIDE  
R.I. Interconnect\*  
Cox Ch. 13  
Full Ch. 49

## TEXAS

• DALLAS Ch.13-B  
Tuesdays—10:30 pm

• EL PASO COUNTY  
Adelphia Ch.4  
Tuesdays—8 pm

• ONEIDA—Ch.10  
Thursdays—11 am

• HOUSTON  
Houston Media Source  
Tuesdays—5:30 pm  
Saturdays—10 am

• RICHARDSON  
AT&T Ch. 10-A  
Thursdays—6 pm

## UTAH

• REDMOND  
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Sun, Mon, Thu  
6 pm & 10 pm

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Monroe Ch.29  
Sun—1 pm & 8 pm  
Mon—1 am & 8 am

## VERMONT

• GREATER FALLS  
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Tuesdays—1 pm

## VIRGINIA

• ALEXANDRIA  
Comcast Ch. 10  
Tuesdays—5:30 pm

• ARLINGTON  
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Mondays—4 pm  
Tuesdays—9 am

• CHESTERFIELD  
Comcast Ch. 6  
Tuesdays—5 pm  
Fri.—10 am

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

• LOUDOUN  
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• ROANOKE—Ch.9  
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## WASHINGTON

• KING COUNTY  
AT&T Ch. 29/77\*

• KENNEWICK  
Charter Ch. 12  
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Thursdays—8:30 pm

• PASCO  
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Thursdays—8:30 pm

• RICHLAND  
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Fridays—12 Noon

• SUPERIOR  
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Wednesdays—11 pm  
Fridays 1 pm

## WYOMING

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