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Sharon in 9/11 War Provocation?

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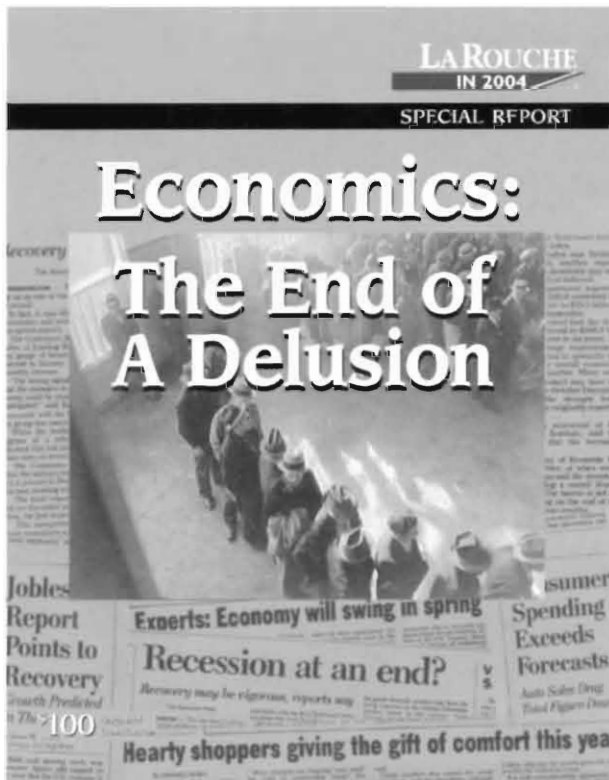
**LaRouche Reply to Bush Summit:
Build 'Infrastructure Security'**



Economy in Crisis:

Are You Ready Yet

To Listen to Lyndon LaRouche?



"On the time-scale of history, the terminal moment of our nation's recent follies has now arrived. Now, if our nation is to survive, we must acknowledge, that the leading trends in policy-influencing opinion, over the recent thirty-odd years, have been cumulatively disastrous in their net effect."
—Lyndon H. LaRouche, Jr.

This Special Report features LaRouche's overview of the principles of a "science-driven" economic recovery strategy from the current global depression; the "Triple Curve" collapse function of the U.S. and world economies, and why it is qualitatively worse than that of 1929-33; and what must be learned from President Franklin D. Roosevelt's 1933-45 recovery strategy.

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ON THE WEB:

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WRITE:

LaRouche in 2004

P.O. Box 730 Leesburg, VA
20178

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

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*World Wide Web site: <http://www.larouchepub.com>
e-mail: 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 Executive Directors: Anno
Hellenbroich, Michael Liebig

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE,
Tel. 35-43 60 40

In Mexico: EIR, Serapio Rendón No. 70 Int. 28, Col. San
Rafael, Del. Cuauhtémoc, México, DF 06470. Tels: 55-66-
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From the Associate Editor

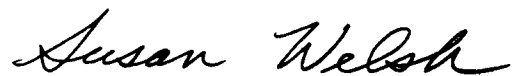
One year ago, in our last issue that went to press before the Sept. 11 terror attacks on New York and Washington, *EIR*'s cover story was titled "You Have Nothing To Fear as Much as Denial Itself." Lyndon H. LaRouche, Jr., in his keynote to the Labor Day conference of the Schiller Institute and International Caucus of Labor Committees, had warned of an explosion of terrorism in Washington during September, citing events surrounding the upcoming IMF-World Bank meeting. Some people, preferring the comfort of denial, ignored him.

But LaRouche was right. So listen carefully to what he is saying now. He poses the following question: Are certain U.S. circles, or Sharonist circles in Israel, planning to stage a major terrorist provocation to get the war against Iraq going? Given the level of resistance to the war, coming from many leading military and foreign policy circles in the United States, the Arab world, Europe, Japan, etc., the only way that the "chicken hawk" faction can get their long-sought war, their perpetual "Clash of Civilizations," is by just such a provocation. They did it on 9/11, and there are growing indications that they intend to do it again.

That is the dangerous strategic setting in which this year's Schiller/ICLC conference convenes, under the banner, " 'Hoover II' Has Happened! The Global Financial Crash of 2002." The conference will rally organizers under LaRouche's leadership at this time of crisis, in which the President of the United States—as evidenced by his embarrassing performance at the "economic summit" in Waco, Texas on Aug. 13—has absolutely nothing to say.

Our *Feature* gives a concise presentation of what the effects of the "Hoover II" economic crisis have been on the U.S. physical economy, and what must be done to rebuild our decrepit infrastructure. LaRouche provides a conceptual overview, in his speech to a youth audience in San Pedro, California. If you want to have a future, he told those young people, you will have to learn how to use, effectively and creatively, the instruments that our Constitutional system gives you: including the Presidency itself.

That educational process will be the subject of the Labor Day conference, and the thrust of organizing efforts immediately thereafter.



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The Precious Elder Generation

Only LaRouche's Policy Can Save Argentina

by Cynthia R. Rush

With growing frequency, both Argentine and international media publish horrifying reports on the poverty and despair afflicting a once optimistic people and prosperous economy. The latest shocking statistic from the government agency INDEC is that 53% of the Argentine population—19 million people—are now officially classified as “poor,” and a majority of these are “indigent,” which means they cannot buy enough food to satisfy even minimum caloric and protein requirements.

This is in the country whose economic development in the early 1960s was comparable to Japan's, and whose name always evoked images of the vast *pampas*, covered with wheatfields and cattle pastures as far as the eye could see, and in which no one went hungry—not even the poor. Today, thanks to the free-market “adjustment” model for which Argentina was the International Monetary Fund's success story of the 1990s, parts of the country resemble Africa.

Because Argentina's crisis is so desperate, it is particularly important that a debate on the kind of infrastructure development program proposed by 2004 Democratic Presidential pre-candidate Lyndon LaRouche has begun to occur publicly, not mentioning LaRouche openly, but reflected in a focus on what President Franklin Delano Roosevelt did between 1933 and 1945 to lift the United States out of economic depression. *EIR* and the Ibero-American Solidarity Movement (MSIA) have widely disseminated LaRouche's New Bretton Woods proposal, calling for a revival of the tradition of the American System of political economy, which has existed historically in Argentina, and of which FDR was one crucial example in the United States.

“Just as Roosevelt changed the face of a large region of his country through the Tennessee Valley Authority (TVA),

so Argentina is positioned to do the same,” wrote nationalist Sergio Cerón, in a proposal published recently by the Argentine Regional Strategic Council, of which he is a founding member. Cerón identifies two projects capable of transforming Argentina—the Multiple Bermejo River hydroelectric and canal-building project, and the Trans-Patagonian Railway—to create jobs, revive heavy industry, build new cities, and feed its own population (and the rest of the world).

The Bermejo River projects could “green” the desert which now covers 50% of the Northern Argentine provinces of Salta, Formosa, Chaco, Santiago del Estero, and northern Santa Fe, Cerón writes, quoting the Italian expert Guido Maranca, of the International Labor Organization, who studied this region in detail in 1965, and noted its potential for development. Adm. Gregorio Portillo had also carefully studied the technical and economic feasibility of the Bermejo River project for the exploitation of natural resources, and creation of strategic industries.

He estimated that 11 million hectares could be incorporated into agricultural production, 775,000 of which would be irrigated, with a tripling of agricultural production. The project envisioned building of two canals, with locks, along which mini-electricity plants could be built. In this way, the desert could be transformed into a “dynamic geo-economic space, with industrial, mining, forestry, and agricultural activity.” Salta and Jujuy, now terribly economically depressed, could be transformed into “geopolitical axes in the heart of South America, connecting key regions of Argentina with Bolivia, Chile, and Paraguay.”

The Trans-Patagonian Railway, as Cerón explains, would extend from Esquel in the province of Chubut, down to the very bottom of the Patagonia to Río Turbio and across to Río

Gallegos and the deepwater Port Loyola. The project would “definitively link to the rest of the Republic a region subjected to intense geopolitical, strategic, and economic pressure by Chile and Great Britain,” Cerón added, referencing British-inspired proposals to sever the mineral- and oil-rich Patagonia from the rest of the country. The project would also revive the now-dead steel, metallurgy, railroad, and cement industries, and others which supply public works projects. Cerón also quoted the nationalist Ezequiel Ramos Mejía, who as Public Works Minister in the early 1910s advocated a project to industrialize the Patagonia, through railroad construction and city-building.

The electrification of the railroad grid to achieve high speeds, would become feasible through hydroelectric projects in the Santa Cruz River basin, or through the installation of CANDEM mini-nuclear reactors, which use a combination of lightly enriched uranium and light water, produced by the INVAP Company in San Carlos de Bariloche. Installation of these reactors would also serve to create development poles, “as India has done for several decades,” Cerón proposed. He noted how nuplexes have been successfully used in India, and that like Argentina, India chose to use natural uranium as fuel, in order to avoid being dependent on countries “which monopolize enriched uranium.” The CANDEM reactors would stimulate industrial growth, provide home heating and water desalination, all of which would contribute to growth of new population centers.

Argentina’s Crisis ‘Cries out to Heaven’

As positive as these proposals are, however, they don’t address the real causes of Argentina’s breakdown crisis—the bankruptcy of the world financial system—requiring the New Bretton Woods solution that LaRouche uniquely has put forward. It is in this context that an FDR-style infrastructure mobilization would work for Argentina.

Otherwise, there is no local solution that can reverse the destruction which the IMF’s criminal “fiscal responsibility” policies have wrought on the country’s physical economy, wiping out jobs, living standards, and essential health and social services. Absent this approach, Argentina’s disintegration is accelerating, as the government of President Eduardo Duhalde insanely continues its efforts to comply with International Monetary Fund demands for more austerity and elimination of any remaining vestiges of national sovereignty. The IMF has no intention of giving Argentina a penny, but continues to make demands that cannot be implemented. In its latest outrage, the Fund has ordered the government to abolish its state-run banks—specifically, Banco de la Nación Argentina and Banco de la Provincia de Buenos Aires—so that a “re-structured” banking system can be run by foreign banks for their own usurious purposes.

Over the past 12 months, according to INDEC, 6.2 million more people have entered the ranks of the poor, at the rate of 16,856 *per day*. The indigence rate has doubled over the same



Argentines, who for decades had Ibero-America’s highest living standard and industrial employment, are reduced by the nation’s IMF-driven economic breakdown, to scavenging for food outside a McDonald’s in Buenos Aires. The sudden collapse of a decade’s “free trade” and privatization has made these scenes common nationwide.

period, adding 4.5 million more to this category, at the rate of 12,300 per day. These are people who are literally starving to death. While the government cannot find funds to pay for vital services, it has paid \$3 billion in debt service this year to the IMF, and other multilateral institutions.

To take this out of the realm of statistics, there is the painful example offered by retired Army Maj. Adrián Romero Mundani, president of the Movement for National Identity and Ibero-American Integration (MINeII), allied with Malvinas War hero ex-Col. Mohamed Alí Seineldín. Speaking at the Aug. 22-23 seminar “Mexico-Brazil-Argentina: The Hour of Integration; March Towards a New Bretton Woods,” held in Guadalajara, Mexico (covered in this section), Major Romero Mundani cited the case of a small starving girl, who,

before dying, asked her mother, “Mama, will there be food in Heaven?” The crisis exemplified by these recurrent scenes “cries out to Heaven,” Romero Mundani said. “People may starve when there is no food, but it is inadmissible that children starve when there is a surplus of food, because my country . . . can feed the hungry world.”

Children are indeed the most vulnerable. Seven of every ten children under the age of 14, are now classified as poor. That means that 4 million out of 5.7 million children have absolutely no access to the minimum market basket of goods and services. Undernourished and indigent children number 2.1 million, and it is a common occurrence for children to faint from hunger at school.

Because public schools provide subsidized meals, which are often the only food a poor child might get in a day, some of the worst cases of malnutrition are seen among preschool-age children, who have nothing to eat at home, and can’t benefit from subsidized school food programs. School officials say learning can’t even occur, since undernourished children can’t concentrate, or are too ill to do so. Budget cuts have also eliminated supplementary school food programs.

Rates of malnutrition among infants and children are soaring, as are cases of low birthweight among newborns, on a scale seen only in the poorest of countries. A survey of three hospitals in the working-class neighborhood of La Matanza, in Buenos Aires, revealed that among 6,889 newborns, 1,830—26.6%—showed symptoms of malnutrition, and another 17.8% suffered from other illnesses.

Driven to Madness

With the official unemployment rate now at 21.5%, the highest in Argentina’s history, yet also understated, it is hunger which drives former members of the middle class, including unemployed teachers and state-sector workers, to pick through the garbage in urban areas, or outside open air markets each night, in search of food. But the problem, one citizen reported, is “there’s not enough trash to go around for everyone.” If Buenos Aires mayoral candidate Mauricio Macri has his way, even this practice may be prohibited. He vowed on Aug. 27 that, if elected, he will arrest the poor who pick through the garbage, and “get them off the streets.” Why? They are guilty of the “crime” of “stealing garbage”! Circles linked to the fascist Mont Pelerin Society, are courting Macri as a potential Presidential candidate, portraying him as one of the “new breed” of politician Argentine needs.

The Aug. 6 *Washington Post* reported on an incident in which slum dwellers attacked and slaughtered cattle, roaming loose from an overturned truck that was taking them to market. Six hundred people quickly appeared on the scene with machetes and carving knives, shouting, “Kill the cows!” butchered the animals right on the road, and carted off the meat. One participant was later quoted, saying, “I felt like we’d become a pack of wild animals.”

Thousands of unemployed heads of households collect

plastic bottles, cans, and anything else they can find to sell, to buy food. But the 33% inflation rate this year places most staples out of their reach. In the first quarter of this year, the price of the monthly market basket of essential food items increased by 42.4%, while real wages declined by 25.5% between January and May.

Some desperate older and retired women have become prostitutes, because, as Argentine documentary filmmaker Rolando Grana told BBC news service, “They are women who have lost everything, who have no pension, and the only thing they can think of doing is overcoming embarrassment and prostituting themselves.”

Health Sector in Shambles

What was once Ibero-America’s premier health-care system, to which students from around the hemisphere flocked to study medicine, is collapsing. Where health insurance used to be almost universal, through trade union-managed programs, today 18 million people are without health insurance, and depend on public hospitals which are collapsing due to budget cuts. Even the most basic supplies are no longer available in the public hospitals, and doctors often use their own funds and credit cards to pay for such items as syringes, bandages, and latex gloves.

Since January’s peso devaluation, the cost of medicine, components of which are imported, has increased almost 200%. Official government expenditures on the health sector will drop by 15% this year. Also since January, per-capita health expenditures have dropped from \$650 to \$184, plunging the country that once had Ibero-America’s highest per-capita investment in medical care, into last place on the continent.

Argentina is the only Ibero-American country whose scientists have won the Nobel Prize three times, but the current crisis threatens to extinguish that tradition of excellence. One example is the project at the Italian Hospital in Buenos Aires, which has developed a bio-artificial device designed to keep children with liver disease alive long enough to receive an organ transplant. Because the government has ceased giving grants for scientific projects, the doctors and researchers have donated parts of their salaries to keep the project going.

As the *Washington Post* reported on April 26, the Italian Hospital project is unique, in that instead of focussing on adults, as is done in the United States, it tackled “a problem common in developing countries: children and babies with chronic hepatitis A,” who “often die before receiving liver transplants.” After funding cuts slowed down the project, 500 doctors at the hospital donated 1% of their salaries to keep it going. Project director Pablo Argibay said, “Every time you take money out of your own pocket to keep a project like this going, you think ‘I’m doing this for science, but also, for my country.’ The day we decide to give up on the search for higher knowledge, is the day Argentina admits it has no future. I, for one, am not ready to admit that.”

Mexico-Brazil-Argentina Meeting: ‘The Debt Must Suffer, Not the Debtors’

by Our Special Correspondent

“We are all Argentina now”: Conference chairman Marivilia Carrasco expressed the urgent mission—stopping a continent-wide economic catastrophe—which brought nearly 300 political, military, and constituency activists from Ibero-America’s three largest nations together in Guadalajara, Mexico on Aug. 22-23. Lyndon LaRouche (by video-conference from the United States), former Mexican President José López Portillo, and other leaders addressed the historic meeting on the 20th anniversary of LaRouche’s *Operation Juárez* economic integration strategy, written after he had met with then-President López Portillo, and of López Portillo’s nationalization of Mexico’s banks and call for a continental debt moratorium. The sessions, called “Mexico-Brazil-Argentina: The

Hour of Integration; March Towards a New Bretton Woods,” were broadcast live on Guadalajara’s Radio Universidad, and worldwide on the Internet on www.larouchepub.com.

Political and retired military leaders from Brazil joined economic constituency activists from Mexico, Brazil, Argentina, and Peru, behind the general leadership of LaRouche’s Ibero-American Solidarity Movement (MSIA). Argentina’s hero of the 1982 Malvinas War, Col. Mohamed Alí Seineldín—a prisoner of the country’s disastrous International Monetary Fund (IMF) regimes of the past ten years—addressed the conference by telephone from an Argentine military prison.

LaRouche’s keynote speech demanded that to stop the



Marivilia Carrasco, chairman of the Guadalajara “Hour of Integration” conference and of the MSIA in Mexico, introduced the keynote by Lyndon LaRouche, while other speakers from Brazil and Argentina listened.

economic disintegration, “the debt must suffer, not the people.” He warned that any further bending to the IMF’s and Wall Street’s forced collection of hundreds of billions of dollars of absolutely unpayable debt, will throw the nations of the Americas into a dark age of untold misery like nothing seen since the 14th Century.

A Revived Operation Juárez

The last 12 months’ descent of Argentina—until recently the most industrially advanced nation in South America—into generalized poverty and economic chaos, by following IMF prescriptions, has struck the patriots of the entire continent like a lightning bolt. Brazil is now within months of following Argentina into default collapse; Mexico is heading downward as even its *maquiladoras* shut down. Col. Romero Mundani reported scenes of Fourth World starvation of children in once-proud food-producer Argentina, which started tears of indignation and determination.

In 1982, the United States’ betrayal of the Monroe Doctrine, by siding with Britain in the Malvinas War and opposing the nationalist economic measures of López Portillo’s Mexico, began a period of “colonial” regression of every economy in Ibero-America. LaRouche was the lone American leader publicly fighting both those betrayals 20 years ago. But now, the United States-centered global economic collapse, on top of 20 years’ looting and immiseration of Ibero-American labor forces, has set off an *Africanization* of the continent, led by the terrible disintegration of Argentina (see article, p. 4).

LaRouche’s movement alone has spread the two truths upon which the Guadalajara conference was based: first, that economic collapse is spreading not from Argentina, but from the huge debt bubble known as the U.S. economy; and second, that the Ibero-American nations’ only chance of survival now is through a continent-wide battle for *economic integration* through great projects of infrastructure. “Integration now!” read the banner at the podium in Guadalajara, in Portuguese and Spanish. This conference of leading patriots of the three nations, followed from five “Argentina-Brazil: The Moment of Truth” conferences organized by the MSIA over the past year in cities near the common border of those nations. Another large meeting is set for Paraná in Brazil in September. In Argentina, wide coverage of the Guadalajara meetings on Buenos Aires’ radio stunned the Jacobin “World Social Forum” forces of George Soros (see article in this section).

The objective now is a revival of LaRouche’s 1982 Operation Juárez strategy with the immediate aim of a New Bretton Woods conference. “If we want a better world, and we do,” President López Portillo told the conference, “we must march toward a new international financial order.” The message of the former Mexican President, the presentation and dialogue with Lyndon LaRouche, the remarks of Colonel Seineldín and Marivilia Carrasco, all from the Aug. 22 first session, follow.

Marivilia Carrasco

‘Return to the Measures Of Operation Juárez’

The opening speech of Marivilia Carrasco, chairman of the Ibero-American Solidarity Movement (MSIA) of Mexico.

The year 1982 represented a crossroads for Hispanic America, beginning with two historic events: Argentina’s patriotic war to recover the Malvinas Islands, whose hero, Col. Mohamed Alí Seineldín will address a few words to this seminar shortly; and the patriotic decrees issued by former Mexican President José López Portillo, who will also participate with written remarks to this event, against the usurious abuses of the London- and Wall Street-based international financial establishment, which led [Mexico] to national ruin.

The only American who encouraged and understood the dimension of the Argentine and Mexican resistance at that time, was Lyndon LaRouche. LaRouche promoted the correct meaning of the Monroe Doctrine against the British imperial invader, and with the same patriotism, opposed the hegemonic Anglo-American outlook which led the United States to betray its own republican tradition and join NATO’s first great out-of-area deployment, which defeated Argentina.

At that time Mexico was also under fire by the Anglo-American financial power, intent on stopping cold the most decisive efforts of Mexico’s history, to transform itself into an industrial power. The government of José López Portillo had assumed the great task of transforming oil, a non-renewable resource, into renewable resources through industrialization. Among the many obstacles that the interests of international usury imposed on Mexico, the most important was that of the Trilateral Commission government of Jimmy Carter, which proclaimed that it “would not allow another Japan south of the U.S. border.” Through the evil conception was unleashed the most merciless and atrocious war of slanders, pernicious rumors, and finally the most scandalous looting in the history of Mexico to that time.

In the face of that offensive, José López Portillo and Lyndon LaRouche each independently agreed that the suspension of foreign debt payments, and the reorganization of the national banking system, were the only effective defense against the unbridled looting of the country, carried out using the foreign debt as a pretext.

‘We Are All Argentina’

The reality Mexico faced was the same one affecting all nations, and had it had the support of Brazil and Argentina,

the entire continent would have shaken off the plague of usury and its free-trade policies.

It is with great joy that we celebrate the presence here today of these two great Hispanic-American nations.

In July 1982, when a Mexican representative asked LaRouche to put in writing his suggestions for what Mexico must do, I thought that Lyndon would perhaps write four pages, points one through four. But he didn't see the opportunity and conjuncture as superficial ones, so he wrote a book, which very quickly became the world-famous work *Operation Juárez*. Not only did it include the Mexican decrees of August and September 1982. It also outlined the actions necessary to convert Ibero-America into a world economic power: a new financial and credit system, an Ibero-American common market, and a strategy for integration and sovereign industrial development.

From that moment on—in October 1982—at Henry Kissinger's urging, a secret order was given, that Lyndon H. LaRouche would never be allowed to return to Mexico—an order which explains why we do have him here physically today, despite our efforts.

Nonetheless, today we have brought together the protagonists of that great history, and are building the bridges necessary to emerge victorious from earlier defeats. Our meeting remedies the omissions of the past.

Argentina's economic tragedy of recent months has given us a new opportunity to exercise true solidarity. This is no individual crisis.

As seen in the fact that we have seven nations negotiating simultaneously with the IMF because of the same problems, we are in the final phase of a systemic crisis, in which "we are all Argentina."

Join, or Die

Today the alternatives are clear: Either Ibero-America unites to fight for a global solution to this generalized systemic crisis—and that necessarily implies an alliance with the forces Lyndon H. LaRouche represents in the United States; or, divided, we shall succumb as nations, disintegrated, worn down by internal battles, seized by violence, drug-trafficking, hunger, and disease.

The Anglo-Americans' evil design is to impose a new, English-speaking, racist and genocidal Roman Empire, in the guise of the Northern Command and the Free Trade Area of the Americas, whose renewed offensive has taken off since the events of Sept. 11, 2001.

As will become clear in the course of this seminar, this crisis is also our opportunity to go on the offensive. We are neither the bad guys, nor the fools, of the movie.

The crisis is already causing upheaval in the United States itself, in which LaRouche is the only Presidential pre-candidate who represents the best of American history, and the option to build the New Bretton Woods for the benefit of all.

José López Portillo

'A New Order, If We Want a Better World'

This message to the Guadalajara "Integration Now" conference was sent by former Mexican President (1976-82) José López Portillo, and delivered to the conference on Aug. 22.

I send my greetings, with all my affection, to the Ibero-American Solidarity Movement, on the occasion of its "Mexico-Brazil-Argentina" international seminar, in its effort at integration for a "March Toward a New Bretton Woods." Being unable to attend physically, due to serious health problems, I shall tell you, based on the experiences I had as President of this Republic of Mexico, of the problems which are without doubt common to us all.

We all know the shortcomings and problems accumulated by the financial and monetary institutions created by the states which won the Second World War, and which, in Bretton Woods, agreed upon a New World Order, created in the image and likeness, and to the advantage, of the victors of that war. And we know that these institutions are today insufficient or not suitable, and that a change is required that will make them able to resolve the problems of all the nations of the world, the powerful and the dependent developing countries alike.

Thus, it is known that the Bretton Woods treaties succeeded in stabilizing the post-war world, when the principal economic problems were currency exchange rates and competition among the most powerful countries of the globe, and the reconstruction of the defeated countries which had been in the capitalist system. But they began to be inadequate when it came to resolving the problems of other countries, especially dependent developing countries; because when the International Monetary Fund or World Bank took on financing their development—which was the fundamental problem faced by the so-called Third World countries—the system could not come up with a workable way to resolve the urgent requirements of these countries.

And what is worse, that inadequacy extended to the financing ability of the rich countries, which had that ability, but dedicated it all to usury, as a matter of efficiency, of unilateral interests, or of the advantages of an already obsolete political geometry. The East-West poles are dysfunctional, and the evident requirements of globalization cloak the imperial ambitions of the nations bent on globalization—which keep deploying hegemonic efforts, while paradoxically preaching about the incompetence of nations to implement a



President José López Portillo addressed the Mexican Congress in September 1982, immediately after his measures nationalizing the nation's banks.

healthy and efficient economy, which is obstructed by the policies which they practice and dissemble.

The Experience of Mexico

If we want a better world, and we do, we must march toward a New International Financial Order which serves the needs of the powerful countries, and of those which, not being so, wish to resolve their national populations' social problems, which are expressed politically. Both are beyond resolving by the ability of the already-obsolete Bretton Woods institutions, which, to my mind, should be not only modified, but radically transformed.

My personal experience, as one responsible for the development of a nation, is, surely, representative of a country which, having resources, lacks the resources to develop them, and took recourse, in order to gather those resources, first to the international financial system, because it needed to import machinery, spare parts, and inputs for its development, technology. After that, we went to the international banks, and not finding that satisfactory or sufficient, had to take recourse—as is natural, and we did repeatedly—to domestic savings, meaning the private banks allowed by the international system.

This is my experience: When we went to the international financing system, which we unavoidably joined after the Second World War, we came up against methods totally inade-

quate for resolving the problems of our condition. We came up against a system which cloaked an imperial and hegemonic reality, typified not only by its directives, policies, and interests, but which had not even seen fit to create a currency, since it depended on the dollar as such.

This, on top of the conditionalities and insufficiencies of credit, the gravest of which was the unwillingness, or, better, the inability to consider the social and political problems which we wanted to resolve, and which were obstructed by the terrifying so-called “locks,” or conditionalities, limitations—no increase either of employment or of wages—which prevented solutions for what were fundamentally our problems, and whose solution was important. . . . The so-called “locks” were frequently based on economic orthodoxy which purported to be anti-inflationary, but which in reality violated national sovereignty. These were modalities related to the orthodoxy of rich countries, which functioned under conditions of abundance, but which, for us, were deemed unacceptable. So when we took recourse to the banks of the powerful countries, we were left at the mercy of their economic or political conditions.

For that reason, we took recourse to domestic savings [and domestic banks]—the which is the healthy thing to do in a country which has already built them up, which is not often the case in dependent countries of our condition, and where, if sufficient savings exist, they have such flaws, defects, or inadequacies that they have to be modified. And in my case I did, even going so far as nationalization, which earned the repudiation of the economic world, implied in the obvious political commentary (communist implications, etc.).

Nationalization of the Banks, 1982

I carried out the expropriation based on the powers which Clause I of Article 69 of the General Constitution of the Republic granted me; and implementation was based on Article 27 of the same Constitution and [other laws].

I based it upon sufficient juridical considerations, some regarding the nature of all administrative concessions; others specific to those related to credit; others to the economic crisis that the country was experiencing; and still others to the public interest. All were sufficient to decree the expropriation. The decree was so well founded, that, tested by injunctions sought by those affected, the decree held firm, and it has not been possible to juridically find inadequacies, invalidity, or fraud, influences, etc.

However, in addition to the causes which were laid out in the decree, the—shall we say—anecdotal reasons which explain it, were, among others, the following: The chartered banks had lost, due to the international and national situation, their ability to issue credit instruments which had provided them with profits at the expense of the State (which alone brought dollars into the country). They turned to trading this foreign currency, by every means they could, including induc-

ing the purchase of property abroad. As a result, they became the fundamental instrument for the devaluation of our currency, worsening and taking advantage of the country's bad economic situation, directly convincing the public of the need to convert the national wealth into dollars and taking it out of the country—whether by pre-payment of bills, by the composition of their portfolios, as they did with their own companies, becoming a prestigious example for other companies.

All of this contributed to the capital flight, and to the fostering of what was called “hot” capital, which they had been encouraging before. It was the principal center of the lies which led to the dollarization of our economy. Their own multiple companies contributed to this, since they dedicated themselves primarily to lending to themselves, thereby undermining real credit. In addition, they had become the actual administrators of the national wealth, and they used a system of double-accounting in their companies: one set of books for granting loans, and another for tax evasion.

These are the reasons, among others not stated in the decree, upon which I based my decision to nationalize, given that the system established since President [Adolfo] López Mateos [1958-64], of Mexicanizing the economy, was insufficient, based as it was upon the presumption that Mexicans, because they were born here, would show solidarity with the Nation in moments of crisis, and not pull their capital out. And it did not turn out that way, because the Mexicanization expressed in the regulations—that there were activities reserved for Mexican nationals or for majority Mexican capital—became a system of privileges, with, on the one side, serious deficiencies and loopholes, through frontmen, and on the other . . . without corresponding obligations.

When Mexicanization failed on me, I had to take recourse to nationalization, since I believed that the State, not being able to betray itself, would be the best instrument to manage the savings of the nation, with the intelligence that we did not expropriate the depositors, but only the system itself, with its buildings which facilitated its operation. Naturally, the indemnization owed them by law was agreed on.

To a New Bretton Woods

My intention was not fully followed through on, because my successors, first, created a variable financing system, based on the stock market; and they later overturned the expropriation decree, chartering the banks to whomever they saw fit, after having paid more than generously for the expropriated property.

[But] I have to tell you, that the nationalized banks functioned satisfactorily well in the hands of the State.

Having thus laid out the matter, I only hope to have conveyed an experience to be taken into account, in the obvious efforts which must be undertaken, not only to modify, but to optimize the functioning of the Bretton Woods treaties, shaping them not only for the convenience of their victorious founders, but according to the needs of a globalization which

must respect the interests of nations, avoiding the formation of disguised empires.

Always keeping in mind the immediacy of the nations with the problems of the world's population, and in the belief that the best way of being universal men is to fulfill oneself within a nation. I am sorry that Mr. LaRouche is not present at this seminar to enlighten us with his expert teaching, although I am happy to send my greetings to his worthy spouse, Helga Zepp.

Lyndon H. LaRouche, Jr.

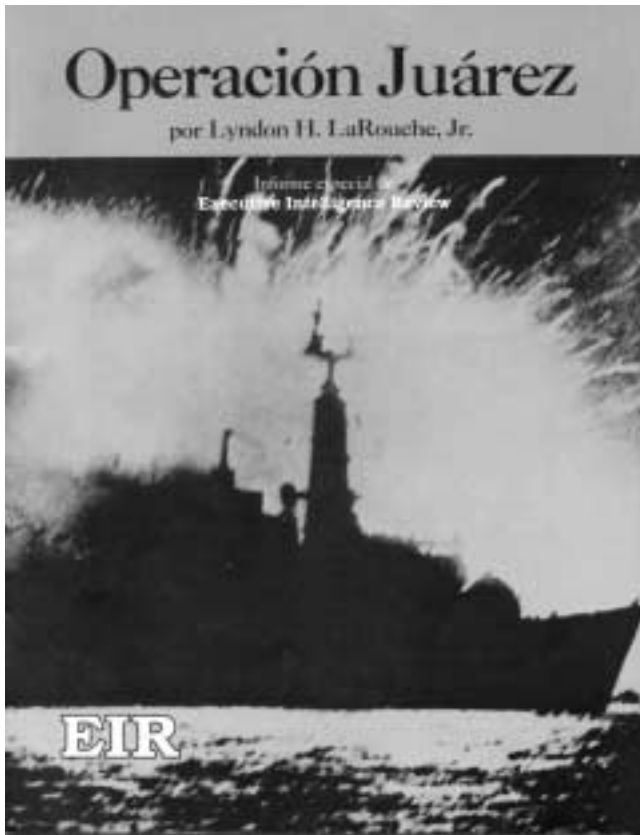
End IMF System, Or Live Through a New Dark Age

These are Lyndon LaRouche's opening remarks to the seminar "Mexico-Brazil-Argentina: Hour of Integration; March Toward a New Bretton Woods," held in Guadalajara, Mexico on Aug. 22-23.

To understand the situation in the world today, go back, in one sense, to 20 years ago, when the great crisis, the first great crisis in the relations between the United States and the other states of the Americas erupted with the Malvinas War, and the subsequent crushing of Mexico, in the period beginning August of that year.

Now, to understand the situation, then and now, to understand the significance of what happened 20 years ago, look at the relationships between the United States and the other states of the Americas, especially Mexico, over the previous two centuries, approximately: The United States was the first republic, of a modern form, established in Europe following the great period of religious wars, from 1511 to 1648. The United States was not founded by indigenous people, in a sense. It was founded by leaders from Europe, who saw in the North Americans, and especially in English-speaking North America, the opportunity—a unique opportunity—to establish a true republic, based on the principles of *agapē*, as it's called in Greek, or the principles of the “common good.”

We were successful in the United States. But then, the troubles began: With the Bastille affair in France on July 14, 1789, the hope that the great power of France would, itself, conduct a reform, consistent with the principles of the American Revolution, was lost. The defeat of the great Bailly and Lafayette, in their effort at a constitutional reform, led to the opening of a period of chaos in France, which led to the first modern fascist dictatorship: that of Napoleon Bonaparte—first as First Consul, and later as Emperor.



The Guadalajara Mexico-Brazil-Argentina conference marked the 20th anniversary of circulation of Lyndon LaRouche's famous memo to Mexico and the continent, Operation Juárez, written after meeting with then-President José López Portillo. It was the high point of a fight for debt moratorium and infrastructure development; then lost; now revived as the fight for a New Bretton Woods. (Shown is the destruction of the British destroyer HMS Sheffield during the Malvinas War.)

The United States and the Americas

At the conclusion of the Napoleonic Wars, the aspirations of Europeans, such as the German reformers, the Prussian reformers, for establishing republics in Europe, were lost. All of Europe was dominated by a pair of rival, but allied powers: the British monarchy and the Hapsburgs. They both hated each other; they both used each other. And both were determined to destroy the United States, and prevent the eruption of anything in the Americas, or even in Europe, itself, which would reflect the success of the American republic.

Over the period since that time, the fate of all of the states of the Americas has depended upon their relationship with the big brother in the Americas—the United States—or what became the big brother. Unfortunately, following the Napoleonic Wars, with the British puppet, the Bourbon Restoration monarchy in France, with the Holy Alliance under Metternich's leadership, and with the British monarchy, under the leadership of people like Jeremy Bentham, and later, Lord Palmerston, the United States was isolated in the world, and

threatened with extinction. A similar fate befell the states of Central and South America, in their aspirations for true republics in those parts of the world.

That changed, with the victory of Abraham Lincoln, Abraham Lincoln's government, in the Civil War within the United States. During this period, prior to the Civil War, the European powers, the Spanish monarchy, which was a slave-trading British puppet, the Hapsburgs' interests in general throughout Europe, the British and a fascist ruler, Napoleon III, the Emperor of France, combined forces to invade and crush Mexico, crushing the legitimate President of Mexico, Benito Juárez. At the close of that period, after the fascist tyranny of Maximilian, the Emperor Maximilian, who was essentially a Hapsburg puppet, a British puppet, or abandoned at that time by the British who had given up the cause; the French who were kicked out of the Americas by the United States at the end of the U.S. Civil War; and the Spanish, who were no longer significant, the United States expelled the British, and Juárez, after a series of events, reestablished the Republic of Mexico.

Since that time, the ebb and flow within the United States, has determined U.S. relations with Mexico. They were better under Franklin Roosevelt; terrible under his predecessor, Theodore Roosevelt; in the post-Roosevelt period, immediately, up through the middle of the 1950s, it was better, as the Rio Treaty suggested. But then came 1982: A new monetary system had been put into place, in 1971. Actually, a literally fascist tendency in the United States, of sympathizers of the former Confederacy, around the Nixon Administration, was in power. They were determined to eliminate all traces of, not only the Franklin Roosevelt legacy, but the legacy of Lincoln and all other great founding figures of the United States.

The Malvinas War and 'Operation Juárez'

Mexico began to feel the pressure. In 1982, at the point that the Brzezinski Administration—the Brzezinski who actually controlled the Carter Administration, who dictated most of his policies, including those toward Mexico—Mexico came under tremendous pressure, as did Argentina, and Brazil, and other states. The determination was, then, to destroy the independence of all of the states of Central and South America. That was the intention; I knew it.

I was involved, at the point, in mobilizing a defense of Argentina, against British imperialism, in the case of the so-called "Malvinas War." Unfortunately, even though many people in the Reagan Administration, who were friendly to me, were sympathetic to my defense of the Rio Treaty, defense of Argentina under the title of the Rio Treaty, Caspar Weinberger and others in the administration managed to push full U.S. support of the British toward the crushing of Argentina in the Malvinas War.

In that period, I met briefly with President López Portillo, in his office, and we discussed the matter. And he asked me:

What is the fate of Mexico, in this situation? And I said, “Well, the intention in Washington and New York, is to crush you, with a blow to come down no later than September of this year.” And from that discussion, and discussion with others in the Americas, there came my determination to set forth a policy, as an economist, which would be adequate to deal with the crisis, which was then, at that time, coming down on all of the states of the Americas: Mexico, Brazil, and Argentina, foremost.

For a brief period of time, my proposal, which was called *Operation Juárez*, seemed to hold the line, for a while. But then, under tremendous pressure from U.S. and other forces, the President of Brazil and the government of Argentina abandoned Mexico and President López Portillo to their own fate. Under these circumstances, Mexico was forced to capitulate, in large degree. However, in the meantime, President López Portillo had taken measures, together with his supporters in Mexico, to try to make reforms, which would have worked. My proposal, *Operation Juárez*, would have provided the framework, in which a united group of the states of Central and South America, would have been able to defend themselves, and also to win the United States government to cooperation with them.

Unfortunately, that did not occur. Henry Kissinger went to Mexico in October, for example; other pressures came down; U.S. State Department officials, from that point on, said, “This guy LaRouche will never be allowed in Mexico, again.” I was considered too dangerous to be turned loose. So, that’s what it was.

Now, look at the situation from that vantage point, today. We are now in the tail-end of a 1966-2002 international monetary system. This started about the period of the U.S. war in Indochina. It was consolidated in the first level, by Nixon’s destruction of the old Bretton Woods system on Aug. 15, 1971, replacing a sound, fixed-exchange-rate system by a floating-exchange-rate system. This particular reform, by Nixon, of the international monetary system, is the principal cause, of all of the economic and financial ruin, which has struck Central and South America, from that time to the present. And, many other parts of the world, as well.

That system is now finished. The present world financial-monetary system is dying, and could not be saved in its present form. The only alternative before us, is the alternative to absolute chaos and uncalculable wars, and riots and revolutions—the only alternative is to return to a kind of system, which is equitable for all nations, and which echoes all the best features of the reforms made by Franklin Roosevelt, and the reforms embodied in the 1946-1964 phase of the International Monetary Fund. That will work.

More Than New Financial System Needed

That will not, however, work by itself. A financial-monetary system is merely a framework, within which actual economic policy operates, politically. Therefore, other things are

needed, as well as simply going back to a gold-reserve-based, fixed-exchange-rate, protectionist system, away from the so-called “wildly free-market system,” that is disintegrating today.

All nations have to face that fact. *There is no possible way, under which the present IMF system, can continue to exist.* The likelihood is, that unless we eliminate that system by a reform, made by an influential group of nation-states, that this planet will be plunged into war and chaos, resembling the condition of Europe, during the 14th Century, following the collapse of the Lombard banking system. So, we *must* make that reform. We must find the political forces, which have the insight and the courage, as representative of nations, *to meet as nations*; and to institute that reform, *immediately*, on an emergency basis.

Now, what I proposed in *Operation Juárez* has several implications, especially when we’re talking about the relationship between the United States and Mexico, and the other states of the Americas. Now, as I said, the problem of both Mexico and the United States, during the early part of the 19th Century—and later on, too; but, during that period, up to Lincoln’s victory—was that European forces, *hateful* of the very idea of a true republic, were determined to destroy the United States. These were the slave-holding interests: the British monarchy and the Spanish monarchy puppet, who were the chief slave-traders, sending slaves into the United States, during this period. The Hapsburg interests in general, who were determined to destroy the United States, and to destroy any similar influence, from a pro-*latifundista* standpoint, in the Americas. And also other forces. So, the Civil War, in the United States, was run with Napoleonic influences—the Napoleonic group, like Barras and so forth, were very influential in the forming of the Confederacy. The slaveholder faction, which was tied to international finance, in New York, in London, and elsewhere, were part of the plan to *destroy* the United States, and to crush the Americas, as filibusters and so forth had attempted to do earlier.

So, the situation in 1859 to 1865 was, that Mexico was crushed, by the intervention of the combined forces of Britain, France, and Spain, and put under the fascist dictatorship of Maximilian and the *latifundista* interest that was rallied to his support, inside Mexico. Mexico, while it fought against this occupation, was in danger of being totally crushed, by the combination, particularly, of French occupying troops and Maximilian’s fascist-like dictatorship—a tradition which still exists, of course; we know it today.

It was at the conclusion of the Civil War, the victory of the United States over the Confederacy, that the United States emerged as the greatest military land power in the world, and an emerging naval power. With that power, the United States *ordered* the French out of Mexico, and they left. Maximilian *refused to leave*, and conducted an evil slaughter. And he died as a result. And Mexico got its freedom back, under Benito Juárez.

The Monroe Doctrine

Thus, for me, when I labelled my report in 1982, *Operation Juárez*, I was referring, not merely to some memorable event in the past, but a question of policy, of relations among the states of the Americas. As John Quincy Adams defined it, in his draft, issued as the Monroe Doctrine of President Monroe in 1823, the interests and policy of the United States, is to have the states of the Americas, free, free republics, forming together a community of respectively perfectly sovereign nation-states, with a common interest. In the case of the *Operation Juárez* I referred to, that of Lincoln and his successors after his assassination; this is John Quincy Adams' policy; it's *my* policy; it should be the policy of the United States. The United States, as the leading power in the hemisphere, must assume the role of a leading force *to guarantee* the perfect sovereignty of each state of the Americas, as a sovereign state; and, to cooperate in ways which will foster the development of all of these states.

That was my objective with *Operation Juárez*, where I set forth a design, for a regional monetary system, within the Americas—North and South—especially for Central and South America, but with U.S. cooperation, under which we could set up a new monetary arrangement, new financial arrangements, under which the development of these states could continue. And, under which the kind of reforms, which President López Portillo attempted in the period of August through October of 1982, would prosper.

We've now come to a similar situation—a worse situation. I can assure you, that within the coming period, a short time ahead, this present international monetary-financial system *will die*. It will either be replaced, by a reform, in the direction of the old Bretton Woods system; or else, the nations will begin to die.

At this moment, the sovereignty of no state of Central and South America is secure. There's not a single nation, even one as powerful as Brazil or Mexico, which could *resist* the crushing force which is being unleashed by this condition. Only to the extent, that we can mobilize a general monetary reform, away from the present IMF system, to one of the type which I specified in *Operation Juárez*, can that occur. And, for the states of Central and South America, the only hope at the moment, for a rational solution, without a period of great chaos, is that the United States would be induced, in its *own interest*, to support that policy, as I tried to get the Reagan Administration, with whom I had friendly relations on certain strategic matters back in 1982, as it should have done then.

A Phase-Change in the United States

There is no hope, as we know, for the freedom of the states of the Americas now, from the Rio Grande south, without a change in the policy of the United States. I am working to bring about that policy. I believe we can win. During the past two months, there's been a phase-change, in the thinking of the people of the United States and the institutions of the United States. The possibility of victory exists, as it existed

for Lincoln, in the period of the Civil War in the United States. *Only if we can win that fight*, will we have the correlation of forces, to give the Americas as a whole, the justice which they are presently being denied.

And thus, the tradition of Lincoln's implicit alliance, with Benito Juárez, and the struggle for the development of a true Mexican Republic, is the precedent to which we must turn today. The same is true for our relations with Brazil; for rescuing Argentina from chaos; for rescuing the nations of the Caribbean, generally. Ecuador, Peru, Bolivia, Paraguay, Uruguay, Chile, are all presently in danger of being crushed. We must defend them. We must mobilize the United States behind that policy: the policy of John Quincy Adams, the policy of President Abraham Lincoln, and the policy of the implicit alliance between Benito Juárez and President Lincoln and his government, at that time.

Thank you.

Dialogue With Mexico's Constituency Activists

The open discussion with LaRouche, following his remarks, involved questions posed by active constituency organizers, of great urgency for an entire continent in grave economic breakdown crisis. The dialogue was moderated by Marivilia Carrasco, president of the Ibero-American Solidarity Movement in Mexico.

'The Debt Must Suffer, Not the People'

Carrasco: We'd like to take . . . questions.

Q: Good afternoon, sir. I am a housewife, and the mother of eight children. My struggle is for my children's patrimony. We have the problem of unpaid debt. What is the solution for me and other families with these problems? What solution would you suggest to put an end to this problem of these interest payments, which are so usurious that they never end, there seems to be solution? What do you advise? This reform which you are proposing, would be the solution to put an end to the majority of these problems? I would like to join this reform effort and continue to struggle for the well-being of many families, which are suffering here in Mexico. Thank you.

LaRouche: Well, first of all you have to understand that *the entire, present world monetary-financial system*, as a system, is bankrupt. We must understand that the financial systems of Europe are bankrupt; that the financial systems and leading banks of the United States are bankrupt; that the United States would be bankrupt, if it were not a nation-state with certain, special constitutional authorities, which only a republic has. The Americas are bankrupt. But the world as a whole, with a few, spotty exceptions here or there, is *all, in all parts, financially bankrupt*. Japan is bankrupt. And so forth



Behind the banner reading “Integration Now!” are some of the speakers (left to right): Oscar Preciado, Jalisco state head of the CROC grouping of the Institutional Revolutionary Party; Adm. Sergio Tasso Vázquez de Aquino (ret.) of Brazil; Argentina’s Col. Adrián Romero Mundani; João Pereira de Rosa of Brazil’s Association of Superior War College Graduates; and Brazil’s MSIA leader Lorenzo Carrasco.

and so on.

Now therefore, what we have to do in a situation like this: There is no simple, mechanical reform, within the framework of the present monetary-financial system, which will work.

I’ll give an example of what I mean by that: In middle period of the 14th Century in Europe, all of Europe had been looted by a financial system, called the Lombard bankers, a syndicate, typified by the House of Bardi and Peruzzi. These bankers had engaged in “loan-sharking” (as we would call it) throughout Europe. At a certain point, the King of England said, “We can no longer pay this debt”; and said the debt was usurious, and therefore, illegal, under Christian law. At that point, the whole system collapsed. Now, during that period, leading up to the collapse, and following it, the option was, either to write off the illegitimate, usurious debt, or to destroy the people of Europe. At that point, the debt-holders prevailed, politically. Europe was forced to submit to the collection of debts they could not pay. As a result of that, *one-third of the population of Europe was destroyed, murdered*, in a period of about less than half a century.

Today, we face a similar situation: We have the choice, now, of trying to collect on the outstanding debts, including the debts held against the nations of Central and South America, or we’re going to see, as is clearly seen in the case of Argentina at this moment—and is threatened for Brazil; and is threatened throughout the region—we’re going to see a *holocaust of death*, from economic and related causes, matching that that struck Europe in the 14th Century. *No nation-state, presently existing, can survive, if it tries to keep paying this debt!* It can’t.

So therefore, under law, which is essentially the law of Christian civilization, the principle of the common good—or called in Greek “*agapē*”; or also called “the general welfare”

principle, which is the distinction of modern European culture, a state based on the principle of the “general welfare,” as the U.S. Constitution specifies: In such a condition, when paper debt threatens the lives, and the general welfare, and the common good of people and of their nations, *the debt must suffer, not the people!*

This debt was created artificially, by usury, which technically is morally unlawful, which is therefore, lawfully a *crime*. The present system, established under the floating-exchange-rate system is, under Christian law, *is immoral*. *It’s a crime against humanity, like mass murder*, and, if continued, *will result in mass murder*. Therefore, sovereign governments, which consider themselves accountable to the present generations, *and their posterity*, must act to put the debt into bankruptcy reorganization, in the same way, that we put an independent financial firm or corporation into bankruptcy reorganization.

We must save the productive forces. We must protect the people. We must protect the sovereignty of the nation. And therefore, the debt will have to suffer, under those conditions. If we do not have the courage to do that, *there is no hope for civilization, globally*. Under the present conditions, of spreading old and new epidemics, there is no part of this planet, which could survive, under those kinds of conditions, which this bankruptcy requires; unless there’s a reorganization of the financial system.

That’s what we must do. And that is the thing that tests the nerve of governments: Do they have the courage, to combine with other governments, to force this system to go through bankruptcy reorganization? Or will they sit back and watch the mass murder of their people, and the extinction of their nation, in the most horrible way?

The solution is fairly obvious. And, let me just indicate,

because other questions asked by others will probably follow the same direction, and therefore, in answering this question, I'll cover that area.

There are several things we must do: First of all, the governments or leading governments of the world, or some group of leading governments of the world, must say (as is implicitly being said, in a way, in Italy, Germany, and elsewhere right now): We must put this system through bankruptcy reorganization. We must break the present supranational controls over nation-states, by the financial oligarchy. We must create a *new* monetary system, a new financial system, with many of the best features of the previous monetary system, that of 1946-1964; which, with all its injustices, was nonetheless, a *workable* economic system. That means, that we must take certain practical measures, in addition to a protectionist system—no more free trade; protectionism, but rational protectionism, not chaotic protectionism. It means a fixed-exchange-rate system, without which, you can not make long-term loans at low prices, to rebuild economies. It means we will probably have to resort to a gold-reserve system, with gold prices, perhaps, of \$800 to \$1,000 per ounce right now.

We must then take certain sets of economic measures, as such, physical economic measures: Since we have destroyed much of the agriculture and industry, that many countries, such as Mexico, have suffered this kind of loss, we must now rebuild, starting with the emphasis on basic economic infrastructure: public transportation systems; railway systems; the air-traffic system must be defended, as in the United States, where the rail system and the air-traffic system are both being threatened, *right now*. We must also maintain our ports, part of the transportation system without which we can't function. We must develop more sources of power, electrical power in particular. We must develop large-scale water-development projects, as in the case of Mexico. Mexican development depends upon moving large masses of water from the south, along coastal canals to the northern part of Mexico, such as Sonora, where the potentiality, within a generation, of a large increase in food production, more efficiently, is possible. We must improve public health systems. We must protect the health of the population as a whole, as well as the individual person. We must develop an educational system, designed for progress. We must foster the development of entrepreneurs, in agriculture, small employers in manufacturing and special services. We must foster scientific and technological progress in general.

With these kinds of measures of the type that Franklin Roosevelt did in the United States, over the period 1933 to 1945, we can survive. We can succeed. We can promise future generations the chance they deserve. But we must cooperate in doing it.

So, that's the general nature of the thing. Large-scale infrastructure in the form of public works. Use protectionist measures to foster agricultural development and progress, and to foster the development of entrepreneurs, in manufacturing and other categories. And that way, we build the economy,

using the infrastructure development on a large scale, as the *driver* to stimulate mass employment, to absorb the unemployed, and to lay the basis for prosperity in the internal economy, on which the private sector depends.

Those are the kinds of measures we have to take. If we have the courage to recognize we must put the world through bankruptcy; if we can bring nations together in cooperation around that idea; enforce the bankruptcy in a rational way; establish a new, stable monetary and financial system; let government organize large-scale infrastructure projects, of the type which are urgently needed in Mexico, as elsewhere; and move quickly to try to use the stimulus of investment in infrastructure to build the foundations for investment and success in agriculture, manufacturing, and so forth, of entrepreneurs: That's that we must do.

If we have the courage to cooperate in doing that, we can win, and we can survive.

What It Means To Be a Nation's President

Q: Good afternoon. I would like to ask your point of view regarding President Fox's economic policy, and concretely: What is your forecast, what will be the result at the end of Mr. Fox's six-year term?

LaRouche: You have to get him through six years in government!

The problem is, there's no way in which the present policies, which were largely enforced upon Mexico from the United States and others, can succeed. This is not a matter of opinion. This is a plain matter of fact: When an enemy force is invading your country, you must take that into account. And the present policies of the international monetary-financial system, as radiated from the United States, are foolish policies which can destroy Mexico. Therefore, they have to change.

Now, the President of a republic, such as Mexico, is not the embodiment of a contract that he signs, to support certain kinds of policies. He is the President of a republic. He is the chief magistrate of a people; his job is to be the key figure, in the introduction and implementation of the policies which the country requires. He is not wedded necessarily to any earlier contract, on his policy. He is free to *abandon* policies, if conditions require him to do so. And, the reason you need a chief executive of a republic, is for precisely that reason. A parliamentary system, as such, *can not do that*. A parliamentary system can *shape* the environment; can implement the laws, which are needed for the country to function. But the chief executive officer of a republic, has the responsibility *to act as the protector of the nation*. He is not required to commit himself to *any previously adopted policy*. He must act for the interest, the general welfare, of his republic, of the nation. He must take into account the welfare of nations, which are his partners.

So, the question is: Will the influential people in Mexico, working with their President, be able to bring about those modifications of policy-commitments, which are necessary

'New America Is Possible'

Ex-Col. Mohamed Alí Seineldín, a political prisoner in Argentina, addressed the conference by telephone. His remarks have been translated from Spanish.

My dearest brothers from the great Latin American Fatherland, Marivilia Carrasco, Adm. Sergio Tasso de Aquino, Aduino Rocchetto, Lorenzo Carrasco, and all of my other beloved friends, present at, or absent from, this honorable assembly: Ex-Col. Mohamed Alí Seineldín speaks to you from the Campo de Mayo military prison.

Today, my heart once again beats intensely for this gathering, and for the magnificent possibility [it represents]. Each time you come together to try to uphold our America, hope blossoms for the Possible America, the dream made mission by the Ibero-American Solidarity Movement, guided by the strategic conception of the worthy gentleman and patriarch of humanity, Dr. Lyndon LaRouche. Today [that hope] is a reality, as it forcefully emerges from the ruins of a devastated land.

I suggest [for consideration] . . . the projects of [José de] San Martín and [Simón] Bolívar, regrettably lost during difficult times of the past. There was our failed attempt in 1988 in Panama, to recreate those dreams under the banner of the "Second Amphictyonic Congress"; the subsequent efforts which ended in the failure of Mercosur [Common Market of the South]; and lastly, the current

state of terminal social, economic, financial, political, and cultural devastation of a great nation. And within that chaos, we must face the new threat, of the incorporation of our nations into the Free Trade Area of the Americas (FTAA), which would be the final Anglo-American blow to achieve our total submission and poverty.

In this situation, let us again call upon those spirits so worthy of the American nations. There is no time to wait for other considerations: The predator is already inside our homes. For hundreds of years, we became accustomed to being second-class citizens, [expecting] some great gentleman, somewhere, to do our thinking for us. We were educated to look toward Europe, and more recently to the United States.

This must end. America is of, and for, the Americans, with our ability to think, and our leaders capable of doing what must be done.

Finally, let me remind you that America was built under the banners of the Christian faith. This is our real repository. These values flow through the blood of our Latin American brothers. It is they we must now call upon, and I do so now with absolute confidence. Remember that each good hour will be multiplied by the Lord. This great and urgent undertaking is now in your hands. Five hundred years of history are watching.

America is possible.

I pray to God and to Our Lady of Guadalupe to protect you and your families, and the achievements of our marvelous objective: the United States of South America.

I warmly embrace you and I love all of you very much.

to defend the republic? And that's going to determine it.

If we can do that. If we can build what I'm trying to do, for example, if we can build a stronger alliance *within* the Western Hemisphere, not just among governments, but among influential institutions within nations, which influence governments; if we can build a solidarity of purpose, among leading forces *within* those countries, then we could bring about the kinds of political processes, which are necessary not only for individual governments to make the changes *in their policies*, to change away from policies, which proved *mistaken*, to policies which are better; and find among various other governments, a *solidarity*, so that these governments can work in unison around a common perception of common interest—that's what I would hope.

Let me put it this way: Presently, I'm emerging as, again, a leading figure of the United States. The Republican Party is a mess. The Democratic Party, at present, is a worse mess. The Congress is a mess. Politics are a mess. The system is collapsing, it's disintegrating. Therefore, in this period, very recently, in the past two months, I have zoomed back into—shall we say?—reclaiming the influences I used to have, and

gaining new influences as well. For example: We have in motion, in the United States today, a new youth movement. It's relatively small, but it's extremely effective and influential—moving, in motion. It's the *only thing* in the United States, moving in that way. Other, older kinds of groups are collapsing entirely. We're moving! And, I'm moving internationally, as in the Arab world, in the Orient, in the nations of Asia, in Europe, in Africa, and throughout the Americas: I personally am committed to building the kind of coalition—a coalition of ideas, coalition of principle—within and among nations, which is prepared to rally itself, as a force, to strengthen any government which is determined to do the right thing. That's our best chance.

How Mexico Can Rebuild Its Economy

Q: Good afternoon. Before anything else, Mr. LaRouche, I want to congratulate you, and thank you for participating with us today and answering all of our questions. Thank you very much.

Mr. LaRouche, in Mexico, we are dependent on NAFTA [North American Free Trade Agreement] with regard to agri-



The faces of these youths eating garbage in Buenos Aires show the tragedy of Argentina today, reduced to misery following IMF and “free-trade” mantras. Colonel Romero Mundani’s report of near-starvation conditions gripped the conference, and questions to LaRouche from Mexican constituency leaders reflected the threat of great impoverishment striking that country.

culture. So we would like to know what your view is: What should a country like Mexico do, which has great agricultural potential, but most of us agricultural producers are dead in the water?

I thank you greatly for your answer. I am from the Committee for Improving Agriculture in the state of Guanajuato.

LaRouche: What must be understood in Mexico, clearly, is, that the market represented by the United States is collapsing, it’s disintegrating. The tragedy is, that Mexico, in the recent period, has come to depend greatly upon NAFTA, the NAFTA arrangements, and similar kinds of arrangements. These arrangements are now becoming worse than useless. The internal market of the United States, as a market for employment of Mexicans going into the United States as labor, and a market for Mexico-produced goods, as in the *maquiladoras*: That is dead. Not totally, but largely dead.

So, you look at Mexico over the period since 1982, since our great crisis in Mexico, of the period of August through October of 1982, and you see there’s been a great destruction of Mexico’s independent national capability, in areas such as petroleum, energy generally, agriculture, and so forth; and increasing dependency upon special arrangements, with North America, under which Mexican labor has become essentially cheap labor, or cheap production, for meeting the internal market of the United States, as many other nations, too—but Mexico, especially.

So, Mexico faces an absolutely desperate situation, economically. So, obviously, several things are required: We require an orientation toward increasing the protection of employment in agriculture and other affairs, in Mexico. This means requirement of infrastructure development in transportation, water management, power, and so forth, which is indis-

pensable for agriculture and other things. This could serve as a stimulus, for the development of entrepreneurship in other kinds of things—manufacturing, and so forth.

So, therefore, the *internal economy* of Mexico, becomes much more important, than it has been in the recent period. The idea of living on the U.S. market, as an importer or exporter of last resort for Mexico: That is finished; not entirely, but for the time being, it’s finished.

The U.S. economy is in the process of collapsing. For example: In the area outside Washington, D.C., we are looking at, imminently, a 33% collapse—failure—of mortgage-holders, because of the loss of employment in the so-called “New Economy”—the telecom sector, it’s collapsing. We are on the verge of a collapse of the real estate bubble in the United States. The U.S. economy is in the throes of an onrushing *general economic depression*. The U.S. is losing its international credit. Its budget is not balanced. The U.S. government can not balance its own budget. The current-account deficit is squeezing the United States. It can no longer secure [credit]. Money is being pulled out of the dollar, into Europe and elsewhere. The U.S. is on the verge of collapsing and bringing down the entire world system with it.

So therefore, the idea of trying to find solutions within this relationship between Mexico and the United States, which has developed over the period since 1982, especially more recently: That is impossible.

Therefore, the only solution, for a country like Mexico is, first of all—the first line of defense, is to defend and expand internal employment, internal production, develop the internal market. This, of course, requires the creation of national credit, to fund this kind of operation. This, in turn, of course, requires cooperation with other states, in similar programs.

But, the first thing, I think, in a case like this: We have to look at what *ideas* will work, under such circumstances. Then we must look around for partners, collaborators, to make correct ideas possible for implementation. Now, obviously, if we could move water into northern Mexico, along the coastline—with canals, as this had been planned in Mexico for more than a century!—you would transform large areas of Mexico into potentially (or emerging as potentially), *rich* agricultural markets. The world needs food! Mexico can produce food. They don't have to go into the United States, to produce food. Mexicans can do it very well, with one country or another. They need the *conditions* under which to do that. They need the protection, under which to survive. They need the water; they need the power; they need the transportation, infrastructure. They need the education. They need to get the families back together again, a sense of family solidarity, which has been lost in the recent period.

So, I would say, we have to define the ideas, which fit the situation, and then find the means—international cooperation and other, to find the means, by which we can implement those ideas.

Organize the Forces of the Future

Carrasco: We have a list of Mexicans who are interested in this dialogue and exchange of ideas, which is indispensable at this time. And we continue.

Q: I am from the El Barzón Mexican Movement. My warm greetings. My question to you is, what can we do throughout America, Latin America, and the Third World, if the media—which are indispensable to convince people and to communicate among ourselves—are controlled by the financial oligarchy? Even in your country, the United States, they managed to convince the Republican Party that the best President of the United States, would be the son of President Bush. So, what strategy are you following to convince people from around the world, that the system is awry, when those who run the system are just a few people who control the whole financial side as well as the communications media? Thank you.

LaRouche: Well, let's take the first one. Don't overestimate the power of the mass media. The mass media in the United States and elsewhere today, must be compared to the role of "bread and circuses" in ancient Rome. People who call themselves "citizens" in imperial Rome, were given payment—not wages—but bread, to survive. They were entertained by being sent into arenas, for such edifying sports as watching lions eat Christians. And they cheered, as Augustinus describes this situation, and its effects on people. You look at the United States today, for example, or other countries: You see mass entertainment, in the form of sports, bodily contact sports, football and other sports, which are essentially the same kind of method by which the Roman Empire brainwashed its citizens into submission, and led them into the self-destruction of Rome. We have the same thing, now.

Don't overestimate the media. Don't underestimate the stupidity of people, in submitting to it.

But when a shock comes, you enter what's called a "revolutionary period," because the mass media of that time and form no longer controls the mind. That is happening in the United States right now. So, the people who try to influence the mass media, as a way of dealing with politics, *make a fatal mistake*. This is like asking the enemy, appealing to the enemy, to do something in your favor against him. It doesn't work.

Now, the mass media and the financial institutions that control it, are going bankrupt. Citibank is in danger of bankruptcy. J.P. Morgan Chase is on the verge of bankruptcy. Other major banks, controlling banks, are near bankruptcy. The large syndicates, which control the mass media, are on the verge of bankruptcy inside the United States. The people of the United States are beginning to turn away from these influences *rapidly*, and they're doing so around the world.

So, don't be a slave to the idea of trying to get the emperor, who put you in chains, to let you take off your chains: the chains of illusion; the chains of the mass media.

So, we are moving now, around the world, with mass forces, or mass-led forces. The United States is becoming increasingly isolated. Its present policy, of war against Iraq, and toleration of the fascist slaughter in Palestine, by the present fascist government of Israel—the Sharon government—is not accepted. Resistance is growing, around the world. So, we do not have to submit.

What we have to do is, go through a political process, of educating the people to think for themselves, *not* trying to influence the mass media. The greatest mistake would be to base politics on the mass media. Base politics on the *mass people*; on their interests, on discussion of their interests. Engage in a dialogue, a Socratic dialogue, on the subject of their interests, their concerns. The way we did it in former times: This is the method to do it.

Now, the forces that can be rallied internationally, are tremendous. As you know, recently, I've become a kind of folk hero throughout the Arab world. And, I've spoken in a number of locations, and my writings are all over leading publications—mass media, by the way—in various parts of the Arab world. And, also other parts of the world: in the Orient, in Asia. I've been more active in the Americas: I recently was honored by an honorary citizenship in São Paulo, which is the third largest city in the world, with a special ceremony.

So, this is not an impossible situation, politically. You have a change in the policies of Italy, in the direction I've been fighting for, and working with leading Italian politicians to bring about. They're moving in that direction now. Similar policies are being introduced by the present government—not the same policies, but policies in that direction—are now being pushed by the *government* of Germany. Europe is tending to move in that direction. China is doing a reexamination of its policy, as recently announced by President Jiang

Zemin of China.

So: The world is changing. The world is open. The forces are *real* forces. Always start with the youth: It is the young people, especially between 18 and 25, when they've come out of adolescence—that period of insanity we call adolescence, which is legalized insanity; and they come into a period as university entrants, students. They come into a period when they're more vigorous, they're more open than some older people, who've become somewhat ossified in their politics. And, when they move, politically, in a rational way, around policy ideas, they *stimulate* the older generations. And it's through this mechanism which you generally get great movements in history, for the good. We have such a phenomenon, emerging in the United States, right now. It's explosive: The changes in the United States, in the past two months in the United States in this respect, are enormous. Most of all, the political circles are completely discredited right now. It's a wide-open situation.

So, the point is: Go to the forces of the future, I would suggest. We have just formed, in the United States, we're getting into motion, a youth movement, a national youth movement associated with me. I think that what probably is needed, you should study what we're doing in the United States—it's not perfect. It's typical of youth movements, and what they're like. We're organizing around ideas, like what's the significance of Gauss' Fundamental Theorem of Algebra? Why is that a revolutionary concept, even today? Or things like that. So, we're not talking about silly youth. We're talking about serious, thinking people, who are discussing things, studying things, just talking through things—but youth: 18- to 25-year-old youth.

I think we need, throughout the Americas, we need youth movements of that type. Not like the "Lula," the other thing—this so-called anti-globalization nonsense; not these crazy anarchists. We need a youth movement, which is positive, which is looking for the future; which is trying, not to tear down the present, but to build the future. And, I think such movements are needed to change the character of the political forces, to make them more optimistic, and to give them a greater sense of building and unity, rather than the kind of despair and fear, which dominate today.

Energy Policy and the General Welfare

Q: It's a pleasure to greet you. I would like to make two, very important points. I am the leader of the Catholic youth in the state. The circumstances that you have mentioned already,



Speakers stand for a national anthem: Col. Adrián Romero Mundani at left; João Pereira and Lorenzo Carrasco of Brazil; Peruvian engineer and trade union leader Carlos Repeto, who asked Lyndon LaRouche for an appreciation of the role of Peru's former President Alberto Fujimori; and Alfonso Luján of the El Barzón Mexican Movement.

that the Holy Father, the Pope, said that the debts of all the countries need to be forgiven, to reach a solution. The other point that I'm interested in, is the energy system, as it is being handled both in the United States and Mexico, and what are the circumstances that lead the Americans to adhere to the energy system, and why Mexico is going to send energy to other countries?

LaRouche: Well, the problem here, in the United States, we have had since Brzezinski. Brzezinski is no supporter of the Pope, by the way! He's on the opposite side: You get a certain aroma around him, and his pointed ears, if you suggest where he might spend his evenings. And his policies, more clearly so. He did great damage to Mexico, among other countries, while he was National Security Adviser, for example.

The energy policies, which have been introduced, since Brzezinski was running President Carter, are destroying civilization in Mexico and elsewhere. We have policies—and when President López Portillo was President of Mexico—with which I was highly in agreement. Now, the policies were twofold: We have the long-term view of Mexico's petroleum development, as both an export item for trade—that is, petroleum exports for capital goods, for developing Mexico's agriculture and industry; but the ideas also were there in Mexico, and many people in Mexico had developed these ideas, of the problem of dealing with the north, which is water-shy, and dealing also with the coastal areas, which are very hot in the summertime. And by using nuclear power, which was the intention of Mexico, back in those days, to develop systems built around complexes of power production and distribution:

integrated power production and distribution, to enable a revolution to be made in technology; to create new cities in Mexico; to create networks of transportation; new industries; a revitalization and expansion of agriculture—things which could have all made Mexico, within two generations, among the first nations in the world in terms of production and economy. These were the ideas. We have to do that, now, as an energy policy.

We have to, as John Paul II has emphasized, we have to approach everything, from the standpoint of the common good. Or, as it's otherwise called, "the general welfare," in the Constitution of the United States. Otherwise known as the Greek *agapē*, as in *I Corinthians* 13 of Paul. This is the policy: We must take care of all of the people, to honor the past, to defend the living, and to provide for the future. We are all mortal; we shall all die. Therefore, the question is, not what we get out of *this life*, as mortal people, but what our lives *mean*, when we have completed our life, our mortal life. What have we done, which is honorable in the eyes of our ancestors? What have we done, which will be blessed by our posterity? And, we have to approach things like this, in that state: We have to have love, for those who went before us, many of whom suffered. We have to have love, for those who come after us. And we must devote our life to what *we* can do, in cooperation and as individuals, to make the transition. And one of the things is energy.

We must provide a large-scale energy system, of high energy-flux density, in which production and distribution are integrated. They are *not* privatized. They are regulated by the state. They are not a method of *looting* the people, but a method of providing the basis upon which organized life depends for its progress.

The Coup Against Peru's Fujimori

Q: Good afternoon. I'm a Peruvian, an engineer, from the trade union, Retired Workers of Peru, and I have a question for you, Mr. LaRouche, perhaps a somewhat controversial one.

With regard to my country, Peru, in my modest view and with the respect that I have of your evaluations, I will take the liberty to tell you my opinion, in response to what you, in one of your articles, said, and I quote: "Peru has no better future, especially after the evil offensive of the U.S. State Department to overthrow the government of Alberto Fujimori."

This view of yours, Mr. LaRouche, with regard to the cause of Peru not having a positive future, because of what you said, as a Peruvian citizen, confuses me and makes me uncertain. Mr. LaRouche, Fujimori, of Japanese nationality, and Montesinos, a Peruvian, for a long ten years wrecked our poor country. They left us destroyed, economically and militarily. For example, people say that they fought and defeated terrorism—which is true, but not with the healthy intention of freeing Peru of this evil, but rather, to monopolize the drug trade, which is a well-known scourge which goes hand in hand with terrorism, as in the case of the FARC in Colombia.

It's also said that they stabilized the economy, which is another great lie. The best example of this are the budget problems created by the Economics Ministers Pedro Pablo Kuczynski, the envoy of Soros, and Silva Ruete, a recent minister in an earlier regime. The envoy of Soros—and what is rarely said is that Pedro Pablo Kuczynski came to Peru to just cover up the Peruvian economy.

I would like you, Mr. LaRouche, to clarify this for me. Thank you very much.

LaRouche: Well, your questions are a bit self-contradictory, because I agree with you about Soros and Kuczynski and so forth; I know these creatures very well, and I dislike them very much.

The point is, one has to take a certain view of the social process, the political process, in judging a President of any country, such as Peru. Now, Fujimori capitulated, and adopted in many respects, adopted a pro-liberal view. That does not mean, that was his opinion. That does not mean, that was his instinct. Remember that Peru has lived, as all nations of the Americas, have lived under a quasi-imperial boot. They have been, in a sense, quasi-colonies of the United States since 1982. No country of the Americas has really been independent. It has been dominated by the IMF and the Anglo-Americans, by the English-speaking oligarchical factions, financial oligarchical factions of the world. And, Soros is among the worst. Kuczynski, who represents certain Boston and other interests, is among the worst. And, of course, this Boston crowd, like United Fruit and other things—Grace, and whatnot—have a history in Peru, and the history continues. And when you look at the situation, from that standpoint, you understand it.

But, Fujimori acted as a patriotic President. That does not mean he was a perfect leader, in respect to forming his policy. Look, I'm a political figure of the United States—a Presidential candidate. I'm probably the best-qualified Presidential candidate the United States has seen in the past 30-odd years, or longer: So, I have some ideas about Presidencies, and have some idea about how an American Presidential candidate should treat and regard Presidents of other republics in the Americas.

Now, Fujimori, I consider in a friendly way. Why? Because he's the President of Peru. And he was couped by the United States, and many of the charges against him were manufactured by the United States. And there are problems in Peru, which, to a large degree, were introduced to Peru, by the United States! So, who am I, to criticize Peru, or the people in Peru, as if that were not the case? They were living under a virtual dictatorship of the overreach of an English-speaking alliance, power, and they had no absolute freedom of action. And the President of Peru, and the President of every republic of the Americas, has *to calculate*, what he has to concede to, what he can get by with, under the pressure of the United States, and its English-speaking allies. So, that's the way you have to look at it.

So, I would not take simplistic views about criticizing

things that, I agree, are problems in Peru. I have to say: What created the problem? What is the infectious agent, which caused the problem? How must we deal with it? How must we give Peru the opportunity to free itself? I mean, a coup was made, by the Clinton Administration, overthrowing Fujimori! It was made, because of a speech that Fujimori made in Brazil, which implicitly was consistent with the policy perspectives of the Mercosur; which is in the vital interests of that part of South America, to have such policies.

So that Fujimori was toppled, not because he did something bad: He was toppled, because he did something good!

So, when a man is thrown out; exiled from his own country; lied about internationally, and sitting in refuge in Japan, after being *couped illicitly*, by an orchestrated coup d'état—I don't attack him. I don't agree with many of his policies. I and my associates objected to these liberal policies many times. But, I've always understood, that *I do not treat lightly, the problems and importance of a Presidency of a republic*—such as Mexico, for example. I don't have to agree with Fox, to defend the Presidency of Mexico. I do! I *must* defend the Presidency of Mexico! It's a republic: I must defend it. It's a partner-country of mine: I must defend it.

So, simplistic kinds of criticisms, we should not make. We should proceed with understanding, not with populist rhetoric; not with anarcho-syndicalist rhetoric. I saw anarcho-syndicalism in the form of Trotskyism: It doesn't work. We should therefore, abhor it, on those grounds alone!

So, no. I don't feel that strongly about that. I feel that Peru has been abused. It will be destroyed, under the present policies, where it probably could have survived a bit, under Fujimori. What has happened to Peru, *since* the overthrow, the coup d'état against Fujimori, is far worse than anything that happened under him. So how can we cheer for the tribulations of Fujimori? I don't. He's the President of a republic, honestly elected. An honest man, as Presidents go. He may have made mistakes; he may have had bad policies, but I have some understanding of why those policies were made. And I've always worked rather, as much as possible, *positively*, to help Presidents and other institutions of republics, to *improve* their policy. I don't walk in with hand grenades, trying to find ways to destroy them. I respect them; I respect the institution they represent; and I treat them accordingly. I try to *win them*, to a better policy. I try to *assist them*, in finding the means to adopt a better policy. [applause]

Head-to-Head Against The WSF Jacobins

The worsening economic crisis of the nations of Ibero-America has unleashed Jacobin forces, shouting “anti-globalization” slogans, but actually funded by global speculators and attacking the existence of nation-states just as the IMF does. In the days around the Aug. 22-23 Guadalajara events led by LaRouche's MSIA, national radio coverage of those events on Argentine radio sent the Jacobins of the World Social Forum (WSF) into a public rage. The hysteria surfaced in Argentina following interviews on the Guadalajara seminar given by Marivilia Carrasco, president of the Ibero-American Solidarity Movement (MSIA) in Mexico, to Radio Splendid in Buenos Aires. The WSF is built with the funds of George Soros and fellow mega-speculator Sir Teddy Goldsmith.

Carrasco warned that there are two arms of the oligarchy operating internationally, that of the utopian faction which wants to provoke perpetual war, and that of the WSF, which feeds on popular repudiation of the results of globalization—usury and free trade—but wants to preserve the essence of globalization, which is the destruction of the nation-state. She reported that George Soros, with his fortune earned from globalization and speculation against national currencies, paid the ideologues of the

WSF. Carrasco insisted that while it is true that the national institutions of Ibero-America have been hijacked by any number of corrupt and IMF-compliant leaders, to seek to end this plague by destroying the national institutions themselves, is doing the financial oligarchy's dirty work for them.

In an Aug. 26 interview on Radio Splendid, Carrasco was told by the show's host that spokesmen of the World Social Forum had responded the day before to her charges. A TV journalist asked them what they thought of LaRouche's allegation that George Soros was behind the World Social Forum. The WSF spokesman had responded furiously, not to refute the charge, but to say that such a charge from Lyndon LaRouche could not be accepted. Carrasco then added to the story of George Soros, that of Teddy Goldsmith in the WSF. She exposed Soros as the world's leading source of funds for drug legalization campaigns, and the proliferation of his Open Society Foundations, from which human rights groups are financed as shock-troops against national institutions.

The Ibero-American nations actually face immediate threats of national fragmentation: Argentina, as the Province of Neuquén attempts to split away; Chiapas from Mexico; the near-successful drive by narco-terrorist armies to break up Colombia; all under “anti-globalization” rhetoric. Carrasco said there is no ending globalization without the total replacement of the IMF monetary system, which the MSIA's next major gathering will address in Paraná, Brazil, on Sept. 27-28.

The Importance of Labor Unions

Q: Good evening, Mr. LaRouche. I'm a trade unionist from Jalisco state. I would like to know what you think of the worldwide movement toward so-called "flexibilization of labor?" We view this as a direct attack on our social organizations, and on the advances which labor has won through decades of struggle.

LaRouche: I agree, this is a danger. This is a danger. People have to come to an understanding, an intelligent view of what the labor movement represents. And the importance of solidarity within organized labor—the ability to implement things.

For example: A rational discussion between the employer or other institutions, and labor, is a good way of bringing the forces of production into effective operation. The other key thing here is, the human question: We can not continue the policy of cheating labor, for the sake of profit. We have a collapsing economy. The economy is collapsing, *not* because of labor. The economy is collapsing, because of international policies, which are rapacious and stupid. Where is the investment? Where is the technological improvement? Where is the improvement of the schools? Where is the improvement of the health-care systems, and all the other things, which make for the increase of the productive powers of labor? Where's the investment in better technologies? Improved physical technologies? These are the things that are urgent.

When you say, "Labor must work more cheaply"; when you say, that you must do things which mean destroying the already-fragile social structure within the family and community of working people, you're not doing anything right: It's wrong! You must have minimal standards, and they must rise, for the improvement in the conditions of life of labor and their families: in terms of education, health care, and also family and community social relations—extremely important. And, when labor fights for this, and negotiates with employers, to press them to move forward, so that these requirements can be satisfied, through a common effort, then labor can cooperate with its employers, with a sense of common purpose: "We're trying to make things better." And, good labor organizations will help bring that about. But, at the same time, they have to have agreements, with the employers' groups, on the kinds of investment, the kinds of conditions of life, the conditions of work, which make that success possible.

No, it's good to have solid agreements, negotiated periodically, between labor and employers, all kinds of employers, with the idea that a partnership can develop, based on bringing together the sometimes paradoxical relations between labor and employers. And finding, by understanding the paradoxes, to discover solutions, which solve those paradoxes.

I've heard this stuff all over—I don't know what the details are in Mexico—but I know what's going on all over the world, and it's producing nothing but misery and breakdown of the economy.

How I Would Address President Fox

Carrasco: We are receiving one last question, which will bring to a close, at this time, the dialogue, that all of you should know is an open dialogue, is a dialogue that LaRouche constantly seeks to engage in with patriots from Ibero-America and other parts of the world. Fortunately, the Internet favors direct contact, and we invite any and all who wish to participate in this process to join in, with your questions, and the work of building the movement that LaRouche has initiated, which is a worldwide movement, for the creation of a new financial system, a New Bretton Woods.

Q: Good evening, Mr. LaRouche. I am a Mexican retailer, and my question is as follows: If you had the opportunity, as you did 20 years ago, to meet with President López Portillo—today with President Fox—what recommendations and guidelines would you offer President Fox, so that the financial system does not crash? And many thanks for your answer.

LaRouche: I think I would do the same kind of thing. Of course, President López Portillo is a very distinguished person, of real knowledge and intellectual development. President Fox has, of course, a different background: He comes from a business and related background. Shall we say, that President López Portillo is a man of Classical attributes, typical of many leaders of the Mexican Republic, like himself. And, therefore, when I met with President López Portillo, we were people who are in the European Classical tradition, and it's easy for us to exchange certain ideas, because we've already been through that territory, so to speak.

President Fox has not had the benefit of that. He's the President of Mexico. My message to him, would be essentially, the end-result of any approach to him, would be the same. He's the President of Mexico: I would address him as President, as President. And I would try to be useful, in my communication with him, and to try to persuade him to see things that I know are true, which is important that he see. And to suggest to him, things that we and others might do in common, as ideas, as human beings, in our respective positions, to help bring things into play, which have to be brought into play. I think, he has to change his policies; I think he knows that. I think he *will* know that, very soon. But the fact that he changes his policy, does not mean he vanishes as the President of Mexico. He *remains* the President, even if he changes his policies, because his function is not to be the servant of a contract on policy. His function is to be the servant of the interests of the people of Mexico, and their future. And he has to change—as he must change—to satisfy that *mission*. That mission: It's almost a sacred position, to be a head of state, even for a time. And the mission is the future of one's nation; and respect and honor, for one's predecessors.

So, with him, I would simply do the same thing: to explain to him what I know; to try to answer his questions; and to indicate what I can do, what I think others can do, to make possible the implementation of those suggestions.

LaRouche Challenges Presidency To Rebuild U.S. Infrastructure

by Lyndon H. LaRouche, Jr.

The Presidential candidate's briefing to a meeting of 90 youthful campaign activists, volunteers, and new recruits in San Pedro, California on Aug. 18.

Let's have some fun, as I say: Fun means to face a catastrophe, to enjoy it, and to discover a solution for the catastrophe, which is why you enjoyed it, because you knew the catastrophe was going to force you to find a solution.

Now, we have a catastrophe: It's called the President of the United States. He was on vacation, from the Presidency. This is obvious, when you saw the performance, in the homestead of the deceased David Koresh. I don't why the President likes to have his house in the vicinity of David Koresh's murder, eh? But he does, anyway. So, he lives in a tin shack, in a place called Crawford, outside of Waco, which some people, with his conference, might call "Wacko." And, he expressed optimism about the economy.

Now, that is not having fun: Because we have a catastrophe. And you can have fun, but only if you recognize that it *is* a catastrophe. And the reason you can enjoy the catastrophe, is because you're confident that you can find a solution. Now, the joy comes, not from having the catastrophe to solve; the joy comes from the sense that the catastrophe was something that you caused, by a long period of bad behavior, and the joy comes from the fact that the catastrophe is going to force you to discover a solution, and to prevent you from repeating that bad behavior. And, that's we have to do today.

Now, recently, as you know, we have a crisis in the United States, among other things, with the railway system. We also have a crisis with the air-transport system. Airlines are going belly-up, which is not the recommended attitude for a plane in flight!

So, what do we do about this? Everyone is saying, "Well, put them through bankruptcy; apply shareholder value. And, we'll have to cut back, cut back, cut back: Raise prices. Raise fares. Raise prices." Well, to some degree that'll have to be done, because the el-cheapo fares were actually a game that was being played.



LaRouche told young people in California: "You must intervene as a citizen, to take responsibility, as a citizen, for what your nation does. And, we have a Presidency. We have the finest Constitution ever devised, so far: Use it!"

It was not justified. We also have the rail system, and the Congress and the President are prepared to abandon the rail system, largely. Privatize it, which means that only one person can use it, or something of that sort.

So, these things are being destroyed. Now, what's being destroyed, in these areas of rail and air traffic, air travel, is an essential part of the infrastructure, on which the economy of the United States depends. Now, you may become used to commuting by automobile. It may have occurred to some of you that that was a catastrophe, a bad habit. Some of you may have experienced the actual catastrophe in a more poignant way. But the point is, it's much better to have the kind of organization of society that we had over 35 years ago, even over 50 years ago, than today.

A Continental Nation

The United States, for example, was built as a nation, by a policy of development of corridors of development, from the Atlantic Ocean reaching toward the Pacific. The idea of building a continental nation, from the Atlantic to the Pacific, is an old idea among Americans, since the 18th Century, since the times of Benjamin Franklin and his associates. Actually, since the *beginning* of the 18th Century, with the first efforts to open up the corridors across the Appalachians, into the great central plains: the Mississippi River Basin.

The unity of the United States was effected under the Presidency of Abraham Lincoln, who introduced the transcontinental railway system. This transcontinental railway system established the United States as a nation, functionally,

economically, as a nation. Without it, we would not have become a nation. Now, what was built, were not just transcontinental railroads: What were built were development corridors, reaching actually from the Atlantic to the Pacific. Because, on the side of these rail right-of-ways, the U.S. government and other agencies, like state agencies, opened up *areas for development*, of agriculture, towns, and so forth. So that the colonization of the barren wilderness of the great American middle—the Mississippi Basin, the Great American Desert—to California, was accomplished by means of this railway development. Cities were improved. The functioning of the economy was improved by the development of local rail systems, like streetcar systems and other kinds of systems—mass-transit systems for the transport of both freight and of people. And, this process of transport systems was also a way of developing the economy, of increasing the productive powers of labor, in a way that could not be accomplished without that method.

So, we also had, later, more significantly, the development of power, especially electrical power. And electrical power, which was developed, essentially, as a process in the late 19th Century, actually became generalized over the course of the 20th Century. This was a great increase in the ability to produce: an increase in efficiency, an increase in the productive powers of labor. Again, and this was done under government protection, as the railroad development had been done, as a way of developing the economy—infrastructure.

Prior to that, the United States had been committed from the beginning to the development of water systems—water

transport and water-management systems. This particular idea had been developed extensively in Europe by—guess who? Charlemagne, when he was the Emperor, in his time. And, even only recently, have we tended to complete what Charlemagne proposed 1300 years ago! A waterway along the Rhine, along the Main, into the Danube, to connect the North Sea with the Black Sea, which meant that all Central Europe is now, essentially, connected, by inland waterways.

And inland waterway development was a general water

development. For example: We should be moving, in the United States, we should be moving water from the Canadian north, the Arctic Ocean, where the polar bears won't miss it (they like salt water best); so, we'll bring the water, or a large part of it, *down* from Alaska and Canada; we'll bring it down, according to this Parsons development project [The North American Water and Power Alliance (NAWAPA)], bring it down through the Great American Desert—which is still a Great American Desert: You can fly over it, drive through it,

President Must Act 'In an FDR Fashion'

Lyndon LaRouche laid out his post-Labor Day drive for national infrastructure security, in an Internet broadcast Aug. 24.

After Labor Day, we shall release a new phase of the campaign. This phase will be in response to the utter failure of President Bush to deal with reality in the so-called Waco Conference, which he attended briefly, at about four times, I understand. At the time that he was speaking in Waco, we had two crises developing, which are of immediate significance, and require immediate action by him, and by other elements of our government.

First of all, we are losing our rail system, the last vestige of it. We are also in the process of crippling, and virtually destroying, our air-traffic system. Now, if we understand the effect of this, if you continue this process, you have the following things to consider. The breakdown in the economy—the private economy of the air-traffic system—means that we must shift from the less economical routes, which are the short-term routes, to concentrate only on the longer-term routes, which are essential air travel. Short-term routes are not essential for air travel. Quite the contrary. As a matter of fact, sometimes you have high-speed rail—say, between New York City, Pennsylvania Station, and Washington's [Union] station—you could probably make the distance with high-speed rail in a shorter time than you could make it by using air. So, it obviously is foolish to rely upon air travel, between New York and Washington, D.C., when you should have rail travel.

Now, also, more strategically, to get rail traffic, and to eliminate these kinds of problems with air travel, we would have to restore a true, interconnected, transcontinental rail system, which means you could get to every principal center in the United States—whether freight, or passenger—conveniently and efficiently, by rail. This, of course, means improvements in rail, over what we had before. But

now we don't even have what we had before. The track is old. It's last century vintage, early last century, probably 1926, approximately, with some slight repairs in some cases, in between.

If this were to occur, if you have a continued breakdown of the rail system, away from the idea of a transcontinental, interconnected system; if you have an accompanying crisis in air travel, then the United States ceases to be an integrated nation.

What are you going to do? Drive by Tin Lizzy, from the East Coast to the West Coast? The United States is no longer efficiently connected. It is no longer a unified, efficient national economy.

Key Issue of November Elections

So, therefore, these areas are one of the first areas the President must act upon, in a Franklin Roosevelt fashion. First of all, for government intervention and regulation, to defend, and improve the national rail system, as a high-priority investment project. Number two, we must save the air-traffic system. Both of these are essential parts of our national economic security. So he must do that. He should forget the nonsense that was babbled out at Waco, and similar locations, and get down to business.

And the Congress must be pushed into doing this. But it must be done now. Otherwise, no nation.

This has to be made a key issue of the coming elections, the November elections. It should be clear by election time, for these state, Senate, and so forth elections, that anyone who is not pushing for infrastructure, is not working in the national interest. Therefore, we have to have a weeding-out of those members of Congress, who, among their other faults, are not pushing for immediate restoration of rail service, and defense of air traffic.

Now, that's only the beginning, but those are two areas, integrated areas, on which the President must act immediately, now! And the testing time is the November election. Nobody should vote for anybody who is not for this. Otherwise they're being silly.

Now, that opens up a larger area. We are now in the greatest depression in more than 200 years, right? This means that we have to make some fundamental changes,

it's a Great American Desert. All this wasted land. You've got California, right around here, you've got the extension of the Great American Desert; it's right here—staring at you! Or, burning your backside, you're sitting on it.

So, we should be developing this area of the United States, into Mexico, through large-scale water management. We should be developing improved, mass-transit systems, including magnetic levitation mass-transit systems. We should be redesigning the way we build cities, and I'll get to that, in a

very particular way. We should be doing these kinds of things, that will, *in principle*, express the attitude of the most effective nation builders of Europe and the United States, in an earlier period. And that will depend upon this kind of approach.

How FDR Saved the U.S.

We had, most recently, in the most recent century, Franklin Roosevelt, who took over the government in a period of great crisis, saved the United States from the kind of fascist

away from the policies of the past 35-odd years, back to the policies of Roosevelt, and the policies of the post-Roosevelt period, from 1946 through 1964. We have to go back to that kind of economic system, *now*. Which means a regulated system: End privatization, end deregulation, end the funny monetary policies, all these things—get back to things that worked before, and do it immediately!

The area in which we can employ people—because we have many people who do not have the skills they had 35 years ago, the population had—therefore they are unemployable for many high-grade jobs. The way we handled it with Roosevelt, the way we have to handle it now: We have to take areas of primary need, primary national need in infrastructure, where people with poorer skill levels, can be efficiently employed in work which would be of national importance, and national economic significance. That work, which is in the area of infrastructure, will create the basis for the expansion of the private sector: in agriculture and industry. We must have policies with that goal.

Policy for the Next Two Years

Now this covers several areas, which should be the basic policy of the United States for the coming two years, and longer, up to the run-up to the 2004 election. First of all, a national infrastructure policy. Air travel and rail represent aspects of the transportation sector of basic economic infrastructure, which is largely government-funded, government-controlled, government-regulated. You can have the private sector in there, but they are regulated, the way we used to do it. So, air and rail are one of these areas.

In transportation, we also have ports. We also have power and water, which are other areas of physical infrastructure which are necessary. We must end deregulation of power. We must have a policy of national support for a system of state-regulated utility systems, of utilities which have long-term investment with government backing, and regulation, for the generation and distribution of essential power. We must have a water system, which is not only to supply our water needs, for human and related consumption. We must have a water-inland transport system, like the Mississippi River, other rivers, the cheapest way of

moving freight, which is of low value per ton, and therefore is not high priority in terms of time of delivery. We depend upon that for grain, for ores, things of that sort. Inland waterways are ideal for that purpose, much more efficient than rail for that purpose.

For sensitive high-value freight, rails are indispensable. For the highest sensitivity, yes, we require international, and national, air travel.

In addition to that, we have soft infrastructure. Public health: We have destroyed public health since 1973, the HMO. We no longer have a public health system. We are now faced with the increment of diseases, caused by economic conditions, caused by other conditions. We are not equipped for disease, epidemic disease. Therefore, we must rebuild the health care system now. Forget this HMO, repeal HMO, go back to Hill-Burton. That worked; HMO does not work.

Education: Today, in universities, the price of tuition is in inverse proportion to the value of the education delivered. This is a scandal. Look at what's taught in universities. Frankly, it's garbage, and the students know it. They deeply resent it. Many of these students who are more intelligent, realize that they have to go outside the university to get a competent education. The case, as I've been emphasizing, the importance of Gauss' Fundamental Theorem of Algebra, as presented in 1799, for the first time; to understand this is an ABC of education. And I guarantee you that most college graduates today, have no comprehension of the actual significance of that 1799 discovery, on which the fundamentals of 19th-Century scientific achievement were based. So we need a revolution in education.

And these are areas of national priority, upon which the strength of our population, the maintenance of our economic potential in general, depend. My campaign, for this period, will be a massive campaign, on a larger scale than the recent campaign of the past month; go up immediately after Labor Day; and it will continue, with the target being the immediate November elections. To begin to weed out the chaff. To get rid of those politicians, as much as possible, who will not support urgent infrastructure-rebuilding measures. To go on from that, to deal with the larger issues.

takeover which was threatened here, which occurred in Germany. He started economic recovery. He got the United States through a terrible war, imposed by European follies, and built this economy to a level it had never been built before. He did it with the intervention of the Federal government, in coordinated efforts by state and local governments on the same principle; put the unemployed to work, largely in infrastructure at first, rebuilding things. Because unskilled people have trouble fitting into jobs, therefore, you take areas of great need, or work to be done, and you take people who are otherwise unemployable, with no chance, and you employ them. You employ them, not too efficiently at first, but gradually, they get up speed at what they do. And they devote their efforts to constructing things, or participating in that, which are necessary for the future development of the nation.

For example: The United States military was not the greatest fighting force in the world, in that period. In point of fact, we had become a great military power, in the course of the Civil War. We emerged from the Civil War with the leading military capability in the world; which was largely logistical: the military capability based on railroads, based on engineering training of officers, based on the Corps of Engineers and its work. But, we were not the greatest shooters, and in the latter part of the 1870s and 1880s, the Congress, in its great wisdom, had destroyed the U.S. military. And, that policy generally continued, into the time of Roosevelt, except for the period of the First World War.

So, when we went to war, the soldiers were really not trained. I was involved in that, and I tell you: They were not trained. Because we dragged them off the streets and the hill farms in peculiar places, and they were suddenly dragged into a company street, where some poor guy like me, would be lining them up for their first time on the company street, as a new training platoon. And, I tell you, I looked at these, and I've said it many times before: I looked at these guys lined up, I'd look around, and I'd say, "We just lost the war!" But, nonetheless, we put this thing together, and we came out with an American military force in the order of magnitude of 16 million. Women of the United States went to work, because the men had gone abroad in those numbers. And we won the war.

Now, how did we win the war? Well, we won the war, because of what Roosevelt had done in the 1930s. Roosevelt, of course, had known the war was coming, from 1936 on; it was obvious to him that the war in Europe was inevitable, and that we would be drawn into it. So, he met with his associates, sometimes secretly, but sometimes in ways that are known today. And they planned what a war mobilization would be, of the United States, for the United States' role, in a generalized war, spread out of Europe. In 1940-41, we went to work, full-steam, in developing that system for defense of the United States. We developed it on the basis of things like the TVA—Tennessee Valley Authority—and many other projects, which were projects of things like the WPA [Works Progress

Administration], or similar kinds of government projects.

So, the government intervened, to take a *bankrupt* nation, when the so-called "private sector" had failed *utterly*, to create the foundation for the revival of an economy. We won the war, not because our soldiers were the best shooters—they weren't. They were not the most effective military force, man for man.

They were very poor, compared to the German army, which was far superior to the U.S., both in the training of the soldier—including the moral training of the soldier: because we train our soldiers, too often, like Marines, which is the worst thing you can do to a person. You train a Marine: You destroy them. "You are a piece of filth. We are now going to destroy you: We are going to make you a man!" Eh? And it's like [adopting a robotic monotone], "I have learned to talk in the way a good Marine should talk." "I shoot, frequently." Whereas, in the German system, as the training goes on, the objective of the training is to get an individual, who may be in a position of leadership from corporal to colonel or lower general, who is faced with a situation, where he has a mission—either on the platoon level, or the section level—he has a mission. And the mission is clear; he must carry out the mission. But the problem he faces was not something that was anticipated when the mission was given to him. So, the effective military force relies upon a soldier, who is developed and well-trained, but is also trained *to think*, to solve problems, to solve the mission.

Now, what we did in World War II: We solved the mission. We did not solve it with our shooting ability. We did a lot of shooting; we threw a lot of hardware around, and so forth. We went with logistics: We had logistical capabilities that no country in the world had. We emerged from the war, as the *only* world power, because of our *logistical* capabilities: Nobody could match us, in logistical capabilities.

That, we have destroyed. We now have the so-called "utopian" conception of brainless killers, like the ones in Columbine School, trained, as the military now admits, by video-game training, point-and-shoot games, who react to a provocation, a sign, a signal—react by pulling out a weapon, and shooting desperately and accurately at everyone in sight, with no human quality whatsoever to their behavior. They become a zombie, a killer-zombie. And, you see that in what goes on in Afghanistan: killer-zombies on the loose—no discretion, no judgment.

In fact, in Afghanistan, you notice, *there is no exit strategy*. In a war, competently conducted, you don't conduct a war unless it's necessary; and you never conduct a war, without an exit strategy! What do you mean by *winning the war*? If you declare peace, what kind of a peace are you going to have? How are you going to live with these people you were shooting at? So, you have to have an exit strategy. Your objective is not to enrage the situation. The objective is to bring about an *agreement*, which will lead to a new arrangement among the nations—called "peace." You don't achieve peace by war. You don't win peace by war. The war-fighting has the objec-

tive of creating the *conditions*, under which a willingness to discuss and negotiate peace occurs. But the peace is developed by other methods.

Infrastructure as National Security

But, anyway, back to the point of the Crawford-Baylor, so-called “economic summit” of a sleeping President—the President that wasn’t there. What we should do, of course (just to get back to that part of it), is, recognizing that the rail system and the air-transport system, as presently constituted, is an *essential, national security asset—national economic security asset*—meaning, the nation would be seriously damaged if this thing were to be disrupted, if this were not developed. Therefore, under a situation like this, *the government must intervene into areas of basic economic infrastructure, put them back under regulation, provide credit for their rational reorganization, and expansion, and improvement.* For example: The problem with rails in the United States, the fundamental problems—why we can’t *even use trains* that are improved trains—is because the track has not been maintained. The track is not safe to use at high speeds. The systems are old and antiquated. We need, therefore, a national railway development program, as an *emergency program*, at this time. We need a national air-transport development program, so that, while we’re trying to reorganize air-traffic companies *rationally*, we must make sure they continue to function; that the maintenance required for aircraft continues, and competently; that aircraft are upgraded, so they don’t crash on your roof, or trying to get out of the airport—that sort of thing: So, you must go back to a regulated system, which is *government-protected*. That does not mean you have to de-privatize everything, but it means you have to regulate it.

And, the only competent response—and it’s an urgent, emergency response, which a *real* President would have made, at the time that the vacationing President was talking nonsense in Texas—what we should have done is, said, “The United States government is going to ensure that rail and air traffic are maintained; that we do not lose that quality, we do not lose that capability. And, the Federal government is going to intervene to get that thing straightened up.”

Now, that’s going to mean raising some money. It’s going to mean a change in the present Federal Reserve System; a change in the laws in Congress, going back to a Franklin Roosevelt approach to these kinds of problems. That must be done *now*: What if these companies break up in three months? What if the leading air-transport companies of the United States begin to break up, go into irreversible disorganization, over the next three months, which is now a quite-probable situation? This would be a *national-security disaster*.

We *have* no national-security disaster in Iraq. We have an Iraq *policy*, which is a national-security disaster, but Iraq is not our problem. Our problem is chiefly *right here!* In the United States: our mismanagement of our own society.

Roosevelt faced that kind of situation in 1932-33, when he was running for President, and when he first became Presi-

dent: Take emergency action, to save this nation; not merely to deal with the crises, which were presented, but to launch programs, using the power of government to do this, to set things into motion. As a result of what he did, in the public sector, and by certain reforms, he created the condition under which we had a very successful—on balance—a very successful progress in economic development, over the period from 1933, actually until 1964. There was a general improvement, despite the injustices; there was a general, net improvement, in the conditions of life in the U.S. and, to a large degree, outside the United States, as a result of that change.

From after 1964, with the beginning of the Indochina War, we lost it. Nineteen seventy-one, Nixon’s change of the monetary system, we lost it. We’ve been going downhill for 35 years, and carrying much of the world with us.

We’re now in the greatest depression in modern history. It’s here. It’s not something to debate—“Is it here?” *It is here*, without question. Don’t pay any attention to the market—that doesn’t mean anything. Look at unemployment, look at closed firms, look at disasters; look at the effect of a collapse of the real-estate bubble, where people begin to get *mass evictions* from areas of recent buildup.

So we have a national crisis: Therefore, the response should be, to respond *immediately* to this air-traffic crisis, as the President *did not*, and take the immediate measures for a restoration of a policy, which will ensure, that those areas of national infrastructure, which are in the vital *national economic-security interest*, are protected, and maintained, and improved.

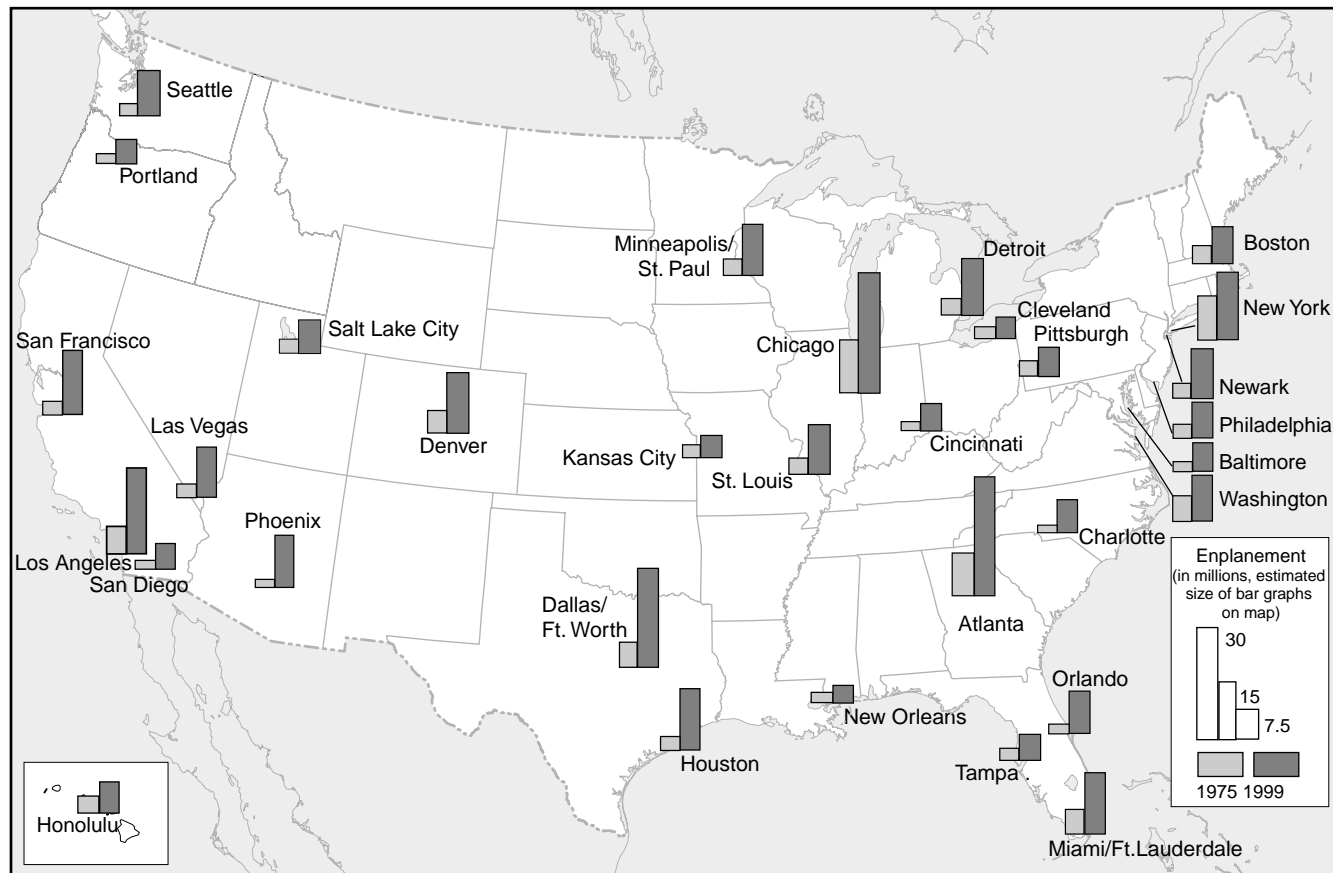
Understanding Infrastructure

Now, look at some of the other aspects of this thing, the broader aspects: What is called “infrastructure” consists of several typical types of elements. We have “hard infrastructure,” which means, generally, *physical* infrastructure. This includes such things as rail; it includes air traffic, today; it includes ports. You can see right out here, an example of a problem, a great problem: a great incapacity to handle freight. What do you do when you get it here? It’s a problem! How do you transport the freight and distribute it in a timely fashion to places where it’s economically needed? How do you get the stuff shipped out in a proper way? So, the ports are extremely important—to have adequate ports for ocean traffic and ports which deal with inland waterway traffic, because inland waterway traffic and ocean port traffic are very closely interrelated. That’s one kind of infrastructure—transportation.

This also includes urban transportation and suburban transportation. It’s notorious in Los Angeles, of course: traffic. Well, this is insane! I think many of you think it’s insane. You suffer through it. And, take a little example of this: How many hours of the day, does the average person spend commuting? What portion of the living time of the day, do people spend commuting—and also hating it, while they’re doing it? It’s not exactly an uplifting experience! Well, this is insane! Why don’t we have mass-transit systems, which move people

FIGURE 1

Enplanements at Large Traffic Hubs: 1975 and 1999



Source: "Transportation Statistics Annual Report 2000," U.S. Department of Transportation.

After airline deregulation in 1978, 75% of all passenger traffic became concentrated at 29 major metropolitan areas, as airlines competed for the most profitable routes. The five largest hubs handled 25% of all passengers by 1999. See article, p. 43.

efficiently so they don't get out there in that stream—which is *very* inefficient; economically, *extremely* inefficient! To pile people individually into cars, or two in a car; drive through this congestion, to get to work, an hour, or two hours and so forth; being forced to drive long distances, in many cases, because of the patterns of employment these days.

Then, what is the effect of this kind of society on raising children? If parents are working two jobs; if they're commuting two hours, or four hours a day totally, various ways; where's the time to raise the child? If you don't have neighborhoods based on active family participation in the neighborhoods, controlling the neighborhoods effectively, just by living together as neighbors, what kind of an environment are you creating for the children? What kind of school systems do you have, if you don't have the intervention—*efficient* intervention—of an active parent generation, community generation, in this process? Who do you go to, to complain about it? The brainwashers, who say, "Give the kid Ritalin"?

Why's the kid jumping around? Because the teacher's boring! Get some competent teachers in there!

So, having an efficient mass-transit system, which delivers people in comfort, and with certain reliability, to reduce the hours *wasted* in unpaid travel time, to get to and from work, in the process of helping to destroy the functioning of the family, and destroying the conditions under which we raise children. So, therefore, this extension of a mass-transit system, is also essential.

Also, the way we're developing communities—zoning—is insane! Look at what happened to Los Angeles: Isn't this insane? The way this city is organized, is absolutely insane! It's not organized for people: It's one vast slum! Sometimes more obviously so than others! It's a city, in which hate is inherent in the physical organization of things!

You know, in the better times, you would have places of employment—often in better areas, several opportunities of major places of employment. And people would tend to be

FIGURE 2

Main Passenger Lines of Amtrak and Via Canada



The routes of the Amtrak passenger rail system, all that remains of an American passenger-rail network that was once 50% larger, is now threatened with shutdown for lack of funds, or with being sold off and stripped down further as planned by the neo-conservative Amtrak Reform Council and Sen. John McCain. See report on p. 38.

concentrated in their residences around areas where they either had employment, or were otherwise likely to find replacement employment. So, therefore, you had people living in a community, which would often be defined by a group of major employers, as well as all the other auxiliary employers, of small machine shops and so forth, that went with it. So, you had a sense of community. And you had a primary motion, in the course of the day—whether shopping, or going to work, coming from work, going to school, meeting with neighbors, these kinds of connections—were all within a fairly restricted area, almost within walking distance, if not absolutely within walking distance. And this was achieved, partly by having an efficient mass-transit system, which enabled us to do that.

So, we need good mass-transit systems, as well as inter-city systems.

FDR Paradigm in Energy Production

We also have other areas of infrastructure. Power: There’s a big crisis in California, with the Enron rip-off, and similar kinds of rip-offs. This was a swindle. Deregulation was a

crime against humanity. The way we would set up power production in earlier times, the assumption was, when you would make an investment, an investment in a power plant or power facility, we’re talking about a quarter-century or more. When you talk about “site development,” you’re talking about a much longer period: 50 years, or so, because of the impact of having a central power system, with respect to any community and its functioning. So, therefore, we’re talking about long-term investment.

How do you construct the investment? Well, it’s regulated. Now, the regulation, in the case of power, is chiefly, even though there should be Federal oversight on interstate aspects, the regulation of power is largely a function of states, the Federal states, and of the communities, the municipalities. What happens is, a state creates an authority, authorizing the forming of a corporation, whose purpose is to produce and distribute energy, in such a way that the aggregate of such entities will meet the needs of the community, both presently and for the foreseeable future of growth and requirements. Therefore, you integrate. From the beginning, the concept is

the integration of responsibility for *production and distribution* of power. This is done, usually, by oversight of *state* governments, with some Federal intervention in the process of setting national standards, and interstate standards. California is going to *die*, if it does not have, does not return to this kind of energy production, and expansion of it.

Where's the money to do it? Are you going to go to the present Governor, and get him to get something through the legislature, to fund, or bail out, these existing entities? No. You're not going to get it that way. You're going to have to have a *Federal reform* of the present financial and banking system, which is now bankrupt, under which credit can be generated through the Federal government, the way that was done by Roosevelt with his Reconstruction Finance Corp., to make credit available through local, designated financial institutions, in cooperation with the states and the municipalities, to ensure the *existing power production and distribution function*, and that the necessary prompt steps be made to expand power production.

Without that, how are you going to restore the lost industrial opportunities, which used to exist in this state? How are you going to guarantee protection to the farmers of this state—and this is the big agricultural state? You can't do it.

So, therefore, the Federal government may not be the party to actually set these things into motion in the state and municipalities, but the Federal government's intervention is *essential* to create the conditions under which a state like California, *which can not, by itself solve this problem*, is given the Federal *assistance* of the type it needs, to reorganize its affairs, and get on with the work of providing power.

Water Projects for the Americas

Another key area, which I already referred to, is the area of water. Water is another part of the essential, physical infrastructure of a national economy. We have enough water, available, if we're willing to look ahead to Alaskan Arctic sources, and look ahead to Canadian Arctic sources. And, to enter into agreements with neighboring Canada, for joint development, and agreements with Mexico! Because, any efficient line of the Great American Desert development, of water development, is going to move water, in *great amounts*, from the north, from Alaska and Canada, *through* the area between the Rocky Mountain and Pacific Range area; going to move *great amounts*. And the end-line of that, will be Mexico.

So, therefore, an Arctic Ocean to Mexican border system is needed, which should integrate with what Mexico should have, which is to open up the canals, which have been projected by Mexico for over a century: canals to move water from the south, where there is excess rainfall in Mexico; to move it along the coastal canals to the northern areas, such as Sonora, which need water, in order to develop agriculture. Sonora, like the Imperial Valley, has a tremendous natural potential for agricultural development—if *the water were there*; if the water management were there.

We need to protect the agriculture in California alone. Fighting with Arizona, and the gangsters who control Arizona, over water—like McCain, for example; the Keating Five—that is not the way to solve the problem. That may be necessary, but the way is, to find new sources, new arrangements, in water management, for transport and for other essential uses. To take this area of the Great American Desert, and turn it from a negative factor in the U.S. economy, and turn it into a positive factor, for *all* of the economy around there. And we can do that. So, these are essential things.

'Soft' Infrastructure

Then, you have other things, which are called "soft" infrastructure: health care. Health care is a national security issue. Let's take the nasty case of DDT: There was never any legitimate grounds for banning DDT. It was purely a cult, fanatic program. *DDT never ruined a robin's egg*. It may have cut down its meal a bit, by killing flies and worms, but it did not ruin the egg. It was all a fraud.

We are now exposed to West Nile virus, a deadly, mosquito-borne, or mosquito-*vectored* virus, which is moving into the middle of the United States, from Africa. It's moving in from Africa, because we didn't do anything to help Africa. We didn't bring the conditions in, which would have enabled Africa to control the thing at the source. We say, "We're not going to put money in Africa!" "We're going to take gold out, not put money in!" That's the idea: "Oh, gold! So, take it out!" So, therefore, because we didn't give them the means, and the support to get up the pest-control systems and health systems they required—as a matter of fact, we bombed Sudan's pharmaceutical plant, because some idiot in Washington, some right-wing kook, pushed the President into going along with it. And the President had to quietly admit afterwards, that there was no reason for bombing that plant; no excuse for it.

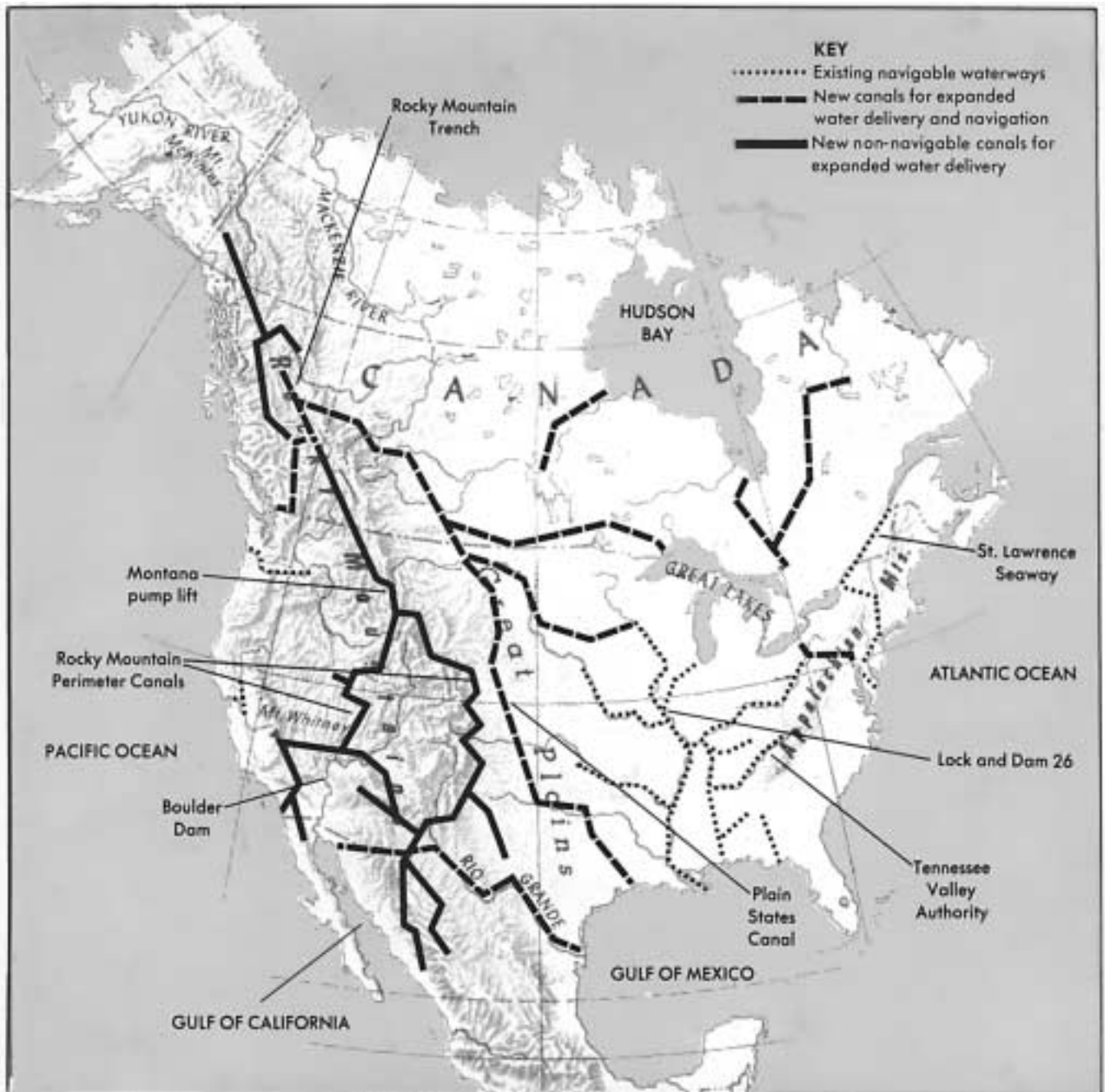
So, it now comes here. Diseases from Africa are going to come to visit the United States, no matter what the Customs agents and Immigration officers say. We used to be able to control—we had the mosquito, malaria and so forth, under control in the United States, by DDT, which is the most effective drug we ever had, against this kind of problem—the *most effective*. And, for some crazy reason, it was banned—arbitrarily, *with no supporting evidence for the banning*. Everything about, "DDT was a danger to the environment," or something, or health, was *a lie: There never was any scientific evidence presented to support that*.

So, we're going to have to get it back.

Now, that's only one aspect of health control. In the post-war period, as a result of our experience in warfare, especially, we adopted a piece of legislation, called Hill-Burton. Hill-Burton was a very intelligent approach to improving the health care of the citizens of the United States. It said, simply, this; it started with an assumption. The assumption was, because of the way medical practice is structured, the major hospitals and clinics in a county are the center of the function-

FIGURE 3

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



The North American Water and Power Alliance project, on the drawing boards since 1964, would provide a 20% increase in water supply to the United States, while making additional water available to Canada and Mexico. See article on p. 51.

ing of the medical profession and of public-health facilities. What you need in any area is, you need a very high-grade, full-service teaching hospital, the kind of institution which covers the entire spectrum, which trains nurses and physi-

cians, and educates them and produces them as a by-product of its function, which has extensive research facilities of scientific, as well as other, nature.

And therefore, when you get into a national health crisis,

you have doctors out there. The doctors, for major care, rely on their relationship with clinics and hospitals. The hospital is the center of mobilization of a community, of a county, for health-care problems, new diseases. What do you do? Laboratories; extensive research, tied to other research institutions, in touch with research institutions throughout the country and internationally. They go to work on a problem, which is newly discovered, and try to quickly discover an approach for dealing with a new type of problem. Or an outbreak of an old disease in a new form, like bubonic plague, for example, which may come out as pneumonic plague.

So, the doctors, now, are able to function, because you have a team relationship, between the individual physician, the local hospital or clinic, and the central hospitals, which are the mobilization points, the rallying points, for national security in health care, in health protection.

Now, Hill-Burton specified, therefore, that the United States should adopt—it's a very simple piece of legislation, not one of these pieces of nonsense, but simple legislation stating a principle: It is the objective of the United States, that we shall increase the number of beds of a predetermined, required quality, in hospitals, based on a county-population requirement. That is, every county should be getting an equitable approach to treatment of disease in that county. Because, if you do that, for the reasons I just gave, then you have a system which is capable of responding *intelligently*, sometimes in concert with government, to any kind of disease problem.

Now, the idea was, that you would form organizations in each state, with Federal protection—Federal sponsorship and protection. These would be organizations based on state facilities; they would be based on public facilities; based also on private hospitals and similar institutions. And these institutions would meet on an annual planning basis, to set out a budget based on required number of beds, estimated in that area, to improve the situation. And, to determine where the money is going to come from to support this number of beds, of these qualities, in that county. Therefore, what they would do is, the various institutions would estimate expected revenues from various sources that could be obtained, define the deficit, and then say, "Where are we going to get the money to fill the deficit?" They would go, first of all, to voluntary fundraising for hospitals and health care, in general. They would then go to municipal and state governments: What can the municipal government, the state government put into the kitty, to fill the deficit? And, if that isn't adequate, then they go to the Federal government, which is sitting there as an interested party, and say to the Federal government, "This state, in the coming year, is going to have the following deficit, based on currently determined sources of applicable revenues. We need some help. Get us a bill through the Congress, to authorize a special allotment for this state."

That's the way it worked, until 1973. It was one of the best health systems the world ever knew.

And Nixon destroyed it—with the help of a "great Democrat": Daniel P. Moynihan, who was in charge of this social reform, at that time. What came in, was the HMO legislation—health-management-organization legislation, *repealing Hill-Burton*. And you may have some idea of what happened to health care, as a result of the HMOs and the replacement of Hill-Burton.

So, we need a health-care system, as a matter of a *national-security interest*. A health-care system, while it probably includes many private aspects, must have the backing and support of public agencies and the public sector, *including the Federal government*. And the Federal government must act as a coordinating agency among the states, to determine a *national-security approach* to health-care requirements: whether strange diseases, or simply other disease problems discovered; maybe like how to remove a video game from a child, huh? To save the kid's life, or his neighbor's life.

Education for Citizenship

So, you have another area of national security interest, which is primarily the responsibility of government. *Education*: Now, I know that most of you hate education, because you're not getting any of it. But, we're doing the best we can, with our limited resources, and by going on the things which we think are most essential.

So, if you can't get a decent education at a university, create your own. It doesn't have to be a university, it has to be a process, in which you're engaged, in yourself, developing yourself, in a social kind of way—individually and socially; by getting at things *you need to know, to make you capable of understanding society, and understanding your place in it*. And how you can do work, that sort of thing. Base it in science, base it in Classics, base it in social relations—history. Those things, if you can't get them from the schools, or the universities, you must organize and provide them for yourselves.

Remember, healthy university systems were not created by God. He left some things up to man, to create for himself. And the best educational systems, came *in opposition* to previously established, *failed* institutions. And they were organized by young, vigorous people, who were dedicated to discovering the truth, and learning to master it. And, by mastering a few areas, in a few topics, they would open up themselves to the *capability* of knowing how to master others. So, what you need in education, essentially, is a foundation. You need a foundation, which enables you to fit yourself in society, as a person who can *think scientifically*, who knows what social relations are, who knows how ideas function in history, who knows how societies collapse or succeed; and you start from that kind of basic knowledge, and then reach out, to anything else which you think is important, or interests you. And you're able to do it, because you've created a process, in which you yourselves, can do it, for yourselves.

You become, then, a true citizen, not a beggar. The typical citizen of the United States, today, is a *beggar*. They beg!



The student who has been trained in Classical culture, reliving the creative discoveries of the past, has a solid foundation to understand universal history as well as physical science. Here, at a Schiller Institute Summer camp in Lucketts, Virginia, in July 2002, children painted a life-size mural of Raphael's "The School of Athens," and gave a performance of drama and song, based on Plato's Dialogues.



They beg from the news media. They beg for a place at the table, with public opinion. They beg for this; they beg for that. They don't think about what they can do for themselves. This is called "free trade": What can I sell myself for?

So, the basis of citizenship is essentially education, as Benjamin Franklin emphasized, and warned, when the Constitution had been adopted. And education means that you are, first of all, that you are a citizen, who is capable of thinking for *himself or herself, as a citizen*. This means, that, instead of depending upon doing as you are told, or thinking what you are told to think, that you have gone through the experience of discovering universal principles, which are universally true, with the powers of your own mind, usually doing this as part of a social process of dialogue with other people.

Once you know that something is true, in your own mind, in that way, then you can stand up, and say: "*I know.*" And when you can say, "*I know,*" then you're a citizen. Then, you are entitled to instruct government to pay attention. And if it doesn't pay attention, to make some changes. Not the kind of beggars, that call themselves "citizens" today: "I have to go along with the Party. I have to go along with public opinion. I have to go along with this."

And here you are, sitting in the middle of a *failed society*—this society has failed! Over 35 years, this society, this United States, has gone from the most powerful nation on the planet, the richest, the most productive, the most progressive, *to one of the worst! It's the bucket shop, of humanity!* We're blood-suckers. We don't produce our own wealth; *we steal it!* We

steal it, by free trade. We've rigged the value of the currency, of the peso in Mexico; we rigged this; we rigged that. Other countries *slave for us*, work under virtual slave-labor conditions, to give us the cheap goods that you buy at Wal-Mart! By some poor creature, standing, unable to move, because they represent destroyed people, who somebody's employing at X number of dollars per hour, to stand there and look as if they're working.

This is what we've done to the American people! We've done that to them. We've taken away their dignity, and one of the ways we did it, was with education. *Look at what is taught* in universities and schools. Look at the nature of the curriculum. Some kid thinks the teacher is stupid, he's got to have Ritalin. Do you know what Ritalin, and Haldol, and Prozac do, physiologically, to a human body, over several years of application? Do you know what this is? Read a book (but don't take it too seriously): *Brave New World*, by Aldous Huxley. Soma. What you are getting, no education in the schools, and if you don't sit there like a happy little zombie, the teacher says, [very nasal] "You've got an Attention Deficit Disorder." And you say to the teacher, "No, Teacher, I don't have ADD. You've got BDD—a Brain Deficit Disorder!"

But, this is a kind of menticide: The obvious purpose is, is to destroy the mental capability of the American youth to function. Because, once you get him on this dope, you don't come back so easily. Some of you have some experience with it, in yourself, or know it with others: You don't come back so easily. And, when you lose the years of your life, the years

when you are most susceptible of actually developing concepts; when you're going through the secondary-school age, and the university age, 18 to 25, that area, is the period of life, in which most people have the highest potentiality for developing the power of conceptual thinking. Once you have mastered that, in those age intervals, then you don't stop developing. You go on, and you become more powerful in your ability as a thinker, from that point on. But, if you don't lay the foundation, in cognitive thinking in those age intervals, you've lost those years—precious years of your life, you can't make up for so easily.

So, in a sense, the function of education is not simply to produce people who are qualified to pass tests which are designed by idiots. You know, multiple-choice questionnaires. (If you pass a multiple-choice questionnaire, you must have taken a lot of Exlax.) Those tests, by themselves, are evil.

What is a reasonable question? You're probably getting some of this here. But, what is a competent examination, in a secondary school or a university, say on a science subject? Fill out a questionnaire? No. Fire the teacher. If the school issues a questionnaire, fire the school administrators. If the teacher gives you a multiple-choice questionnaire, fire the teacher. You're not getting an education.

What is an education? The test of an education is a test of the school and of the teacher, as much as it is of the student. What are you testing for? A good test, which is done with the best—the best so-called “intelligence test,” would always have this feature in them. A good test will always challenge the student with a question, for which they have never been prepared in class or textbook. And you would test the student, therefore, on the ability *to solve that challenge*, at least in a credible and competent way at that time. That would tell you how well the school program and the student combined, had developed over the preceding period. So, the ability to think cognitively, to discover solutions for problems, to discover new principles, under stress: That is the test of education. Because that's what it is in production.

Entrepreneurship in production is the same thing. In production, what you face are problems you never saw before. In government, you face problems you never saw before. So, who do you want to deal with that problem? Do you want some bureaucratic idiot, who's filled out multiple-choice questionnaires? Or do you want someone, faced with an entirely new experience, a new challenge, unexpected, in some area, in which they have a certain competence, to be able to respond to that challenge in an intelligent, effective way? This is developing a new product, solving a problem that's never been solved before; this is what the best military training is: *Auftragstaktik*, it's called in German—the ability of the soldier, the commander, under a situation, which he did not expect, to be able to carry out a mission, under conditions which are slightly different than those which were anticipated. By finding a solution to that problem. Not by changing the mission, but accomplishing the mission, by discovering a new

way of correcting for the difference between what was expected and what you have.

The Problem Gauss Solved

That's what a good education is: the ability to think. The ability to invent valid approaches to previously not-known issues. For example: One reason I specified in response to the question, this issue of the 1799 paper by Gauss on the fundamental theorem of algebra. Every faker will go to a Lagrange approach to that problem. Every faker in school will teach that: It's one of the most important developments, in all modern mathematical physics, that particular paper by Gauss. And virtually every school, which teaches in that area, in that subject-area, *fakes it*. And says, there's a solution at the blackboard, as such; a mathematical solution at the blackboard, as Lagrange said, for that problem. If you accept that, in mathematical physics, if you accept the assumptions on which the Lagrange argument is made, you will never be competent in science, because you have never faced the crisis that you must face, the crisis posed by Gauss's attack on Euler and Lagrange, in that paper. You'll never understand what the word “physical science” means. You'll fake it. You'll think of some formula, you get out of a textbook, or look it up on the computer. And, it's not.

Also, important, that particular case, because it refers to knowledge which existed, long prior to that; knowledge which existed at the time, in particular, of a student of Pythagoras, Archytas, who was associated with Plato. And the circles of Plato, Archytas, and so forth, through the death of Archimedes and Eratosthenes, developed an understanding of the same issue, which was presented by Gauss's solution for the question of the fundamental theorem of algebra.

So therefore, if you solve this and understand this, not only do you know what real science is (and otherwise, you don't), but you also have an understanding of something about history. If you look at the connection, between what was known by Archytas, by Plato, by Eratosthenes—if you *know* that—then you say, “Where'd we get this?” “We got this from *them!* We got this from them, in a period 2600 years ago, or so. We got this, by a transmission of Classical culture—*despite* the Roman system, *despite* Romanticism—which was revived in modern Europe in the 15th Century, which was the birth of modern science, and the birth of modern society.

So therefore, the student who has gone through that kind of educational experience, has a *foundation* to understand both physical science, mathematics, and history. Because history is the relationship of the transmission of ideas that no monkey could ever understand, by human beings from generation to generation. *Culture* is the same thing. Language is the same thing. Languages have been developed, by the human species; different languages have evolved in this process of development. These languages are transmitted from generation to generation, as ideas. When you wish to communicate

with people, as I spent some of the weekend communicating with people who are Chinese-speakers, you run immediately into problems of understanding on both sides, where it's very difficult to communicate certain ideas. Because the language culture is different, and people think in ways, in which language is a crucial part.

And thus, the way to administer society—yes, we are a community of nations. But, we must also recognize that the primary responsibility of *citizenship*, is to organize around a specific national historical language-culture. Not because one culture is better than the other, in any intrinsic way—some have advantages, true—but, because you must reach the ideas. You must, in the case of giving an idea in a different language than you're using, you must also find some way to get the root of that idea, the paradox, into the mind of someone who's using the other language, in their national language-culture.

So thus, our education of the American young person, into age of 25 and so forth, in terms of our national language-culture—a Classical form of our national language-culture—becomes an essential basis for citizenship. Because it is through a language, so understood, so mastered, that we're able to communicate what Shelley describes as “the most impassioned and profound conceptions respecting man and nature.” And that's what citizenship is: To have a sense of what needs to be done, or at least what question needs to be asked. And, to be able to put that forward as a citizen, in a way which commands attention to what you propose, it commands attention to the matter of the answer.

That's the way we can govern ourselves. We don't govern ourselves by opinion. Most of the opinion in the United States, as you know, is idiocy. Would you want to be ruled by popular opinion? It's a mass of babbling idiots! Does that mean that you hate the people, because they're babbling idiots? No. You want them to be good people. You want to develop them. So therefore, you want to ensure that every child has access to that quality of education, which is required. You wish that for yourself; you wish to make that kind of Classical approach to communication, an integral part of the way society functions and makes decisions. We are not monkeys; we are not baboons. We do not communicate by sign languages or grunts or snarls. That should not be the way that we function, though often that happens in the Congress. We should be people, who are able to communicate by reason, and reason means exactly that.

So therefore, an educational system, *based on reason*, is a vital matter of national security. It's primarily a responsibility of government, in the collective sense, as such is the nature of things.

What We Can Do To Save Our Nation

This is what we have lost. This is why George Bush was—not elected, exactly, but inaugurated. They just said, “Well, who're we going to inaugurate? Which of these bums that

wasn't elected are we going to inaugurate?” And we did. But, how did that happen? How did we get to the process that we had a Dukakis, running for the Democratic nomination for President in 1988? *An absolute mental case.* Going into a severe crisis, do you want to put a mental case into the White House? Well, Gore is the same thing—a different kind of mental case. Bush is, shall we say—the only thing spectacular about him, are his disabilities. But, he's the President: And you and I have to manage this Presidency. I mean, you can't shoot him. It's not a good idea; and it wouldn't do any good. It would do bad. That's not the way you settle problems; you may do it in some neighborhoods—try to settle problems, by shooting the guy you don't like. That doesn't settle anything; that just makes the problem worse.

You don't try to overthrow the government, the way some populists do. You know, “The government's always bad. If we could only get rid of government, everything would be good.” You baboons would run the place, huh?

No, the point is, we have the responsibility of affecting the institution of government, to cause the constitutional institutions of government in particular, to respond to our perception of what our national security requirements are, as a nation, as a people. What we think is just, in terms of our relationship to people in other countries. We have to force government to behave itself. Not as the adversary, but just like a foolish child, that you have to sometimes keep them from putting their hands on the hot stove. That sort of thing. You must intervene as a citizen, to take responsibility, as a citizen, for what your nation does. And, we have a Presidency. We have the finest Constitution ever devised, so far: Use it! But know *how* to use it: Be ingenious, in using it. How do we get the Presidency to respond in a way which George Bush were not likely to do? How do you shape the environment *around* the President, such that the institutions of the Presidency, and government generally, and other influences, will act upon him, to accept what I've proposed, say, today: “Please, George Bush. Stop this nonsense! Accept reality. This system is coming down. No recovery will ever occur. I don't care what Dracula says, there's no recovery in progress.” “Please Mr. President, do a simple thing: Put DDT back in circulation. We don't want our people dying of West Nile disease. Just do the intelligent thing. Protect the national security interest, in terms of railroads; in terms of our air-traffic system; and a few other things like that—for starters.”

And, that's, I think, what we, as Americans, among other leading things, should be saying. That's what should have been said, in effect, at Crawford, or at Baylor. We should have said, “Hey! This is stupid. This system is coming down; let's stop kidding ourselves; let's stop the delusion. There are things we can do to save our nation, and save the world. *Let's do them!* They're not perfect solutions, but they put us on the road toward solutions.”

And that's the gist of the matter.

Rebuilding U.S. Rail System Is Top Priority

by Richard Freeman

The breakdown of the U.S. rail transportation system, for both passengers and freight, threatens the operation of the American physical economy and the integrity of the United States as a nation. A top priority reconstruction and overhauling of the rail system, that restores its functioning as a continental system extending into every population and industrial center, is urgent.

An examination of the working of the U.S. rail system, shows that part of it no longer exists, and what does still exists is run down. On the freight rail side, for Class I rail companies (the biggest ones), comparing 1980 to 2000, forty percent of the track has been contracted, 27% of the locomotives have been furloughed, and 63% of the labor force has been fired. Putting haulage of coal to one side, the Class I rail companies' transport of all other goods—the vast majority in an economy, ranging from grain, to iron, to chemicals—has fallen 45% on a per-household basis, compared to the 1970 level.

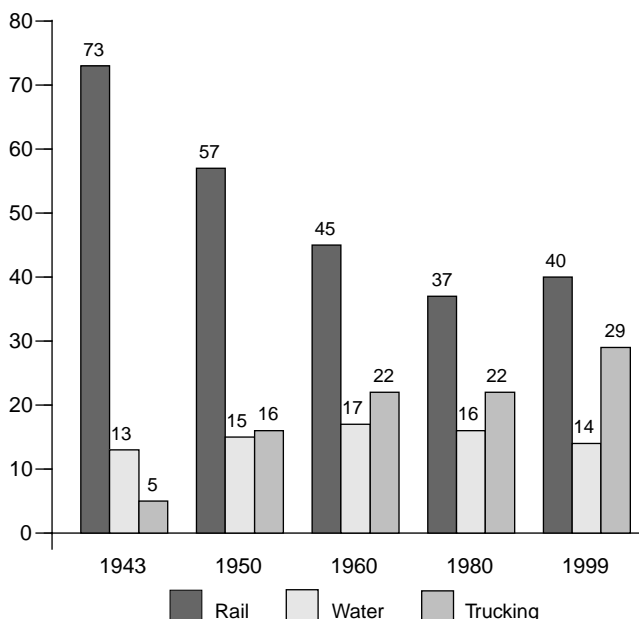
The passenger side of the rail grid is in the same condition. Amtrak, the largest inter-city passenger rail carrier, transporting nearly four-fifths of inter-city passengers, has been forced to live from month to month. Amtrak requested of the U.S. government, \$1.9 billion for fiscal year 2003, for operations, maintenance, and minimal capital investment. The Conservative Revolutionaries in the House and President Bush jointly said that Amtrak should receive \$521 million. Senator McCain and the *Wall Street Journal* have both demanded the busting up of Amtrak, which would mean closing down already inadequate service to many parts of the country.

The breakdown has generated deadly effects. On April 18, Amtrak's Auto Train out of Orlando, Florida derailed, tumbling 14 cars across the track, killing four and injuring 150. The track is owned and maintained by CSX Corporation. Five days later, in Placentia, California, a freight train plowed into a Metrolink commuter train, killing two and injuring 260 people. The Federal Railroad Administration has reported that in 2000, there were 2,059 derailments, already an increase of 18% from 1997, and a pace of 40 derailments per week.

Rail- and Nation-Building

The inability to move people and goods from one part of the country to another in a timely and safe fashion, is a marker of a general breakdown of the economy, and is the product of at least 30 years' deindustrialization policies. The link between rail-building and nation-building must be revived. Rail should be the leading mode of transport in a well-functioning

FIGURE 1
Percent Share of Domestic Intercity Freight Traffic, by Mode of Transport



Source: U.S. Department of Commerce.

economy. Today, this requires a two-phase process: maintaining and building the current rail grid; but moving as quickly as possible to overhaul it, through the introduction of high-speed rail and then magnetically levitated train systems. "Maglev" represents a scientific revolution, which uses entirely different methods of locomotion, and can travel at speeds of 250 to 300 mph (417 to 500 kph). The overhauled U.S. network can extend southward into Mexico and the rest of Ibero-America, and northward to Alaska, through to Russia and the Eurasian Land-Bridge. The bill of materials to build rail will revive steel and other critical industries.

It was President Abraham Lincoln who deliberately launched a rail-building enterprise, subsidized and directed by the U.S. government, which brought the United States from 30,626, to 163,359 miles of track in the 30 years to 1890. The railroad-building drove the expansion of the steel, iron, and national industries generally. During the New Deal, President Franklin Delano Roosevelt used the Reconstruction Finance Corporation to rescue and rejuvenate the rail industry, which had fallen into bankruptcy during 1929-33 under the hands of the Morgan bankers. FDR turned it back to Lincoln's intended purpose. Then in the economic mobilization for World War II, the volume of freight transported by rail, measured in ton-miles, doubled. Without rail, the mobilization could not have occurred.

Figure 1 shows that by 1943, railroads carried 72.6% of all freight in the nation, and inland waterways carried another

13.2%; trucks carried only 5.3%. The U.S. economy functioned at a very high, fully utilized and rapidly expanding level during the World War II mobilization, *with trucks carrying only 5% of all freight flows.*

One tow barge that travels on the waterways, carries as much physical freight volume as do 2.25 unit trains, the same physical freight volume as is carried by 870 trucks (35 highway miles of trucks). Water transport is the cheapest mode for freight transport, but much slower than rail traffic. Water and rail are the two complementary, fundamental modes of transport for an economy.

The U.S. government poured huge sums into highway construction from the 1950s—both for cited military-security reasons, and less-publicized real estate speculation—and thus, in effect, subsidized the auto and trucking industry. Truck service as a mode of transport exploded, while the railroads shrank. As Figure 1 shows, by 1999, trucking increased to 29.4% of all domestic goods transport. Ignoring for a moment the huge role of coal in rail transport—more than half of all ton-miles carried by railroads—truck would have surpassed rail in the volume of freight traffic carried.

The Assault Against Railroads

The culminating assault against rail occurred in the “post-industrial society” shift which began in the second half of the 1960s, and became an avalanche of industrial destruction with the 1970s oil hoaxes and the Federal Reserve “interest rate shock” of 1979-80. With railroad mileage in decline, in October 1980 President Jimmy Carter forced the deregulation of the rail industry, as the Congress passed the Staggers Act. Prior to the Act, the now-defunct Interstate Commerce Commission had worked with the rail carriers to set the freight rates charged to customers. The rates were set at what amounted to a “parity” level, covering a railroad’s cost of operation, and providing a moderate profit. This was eliminated, triggering a speculative wave of mergers in a pattern since familiar throughout the economy, accompanied by asset-stripping of plants, equipment, and labor force.

In 1980, there were more than 20 American major Class I rail carriers. Today, that has been whittled down to four: Union Pacific; Burlington Northern and Santa Fe; Norfolk Southern; and CSX. Class I carriers are defined by a minimum revenue level (in 2000, the threshold was \$261.9 million in annual operating revenues). The Class I lines, dominated by banks, control more than 90% of the revenues of the entire rail industry (the other parts of the rail industry are smaller regional carriers, and short-haul lines).

This fierce consolidation slashed apart the rail industry, without regard to the functioning and economic security of the United States. Indeed, the Big Four’s slashing accelerated the cutting of rail trackage under way decades earlier. In 1929, there were 229,530 route-miles in operation. This was reduced to 164,822 miles by 1980; in 2000, there were only 99,250 route-miles of Class I track left, a contraction of 40% since 1980 and 57% since 1929. The Big Four selected the

most profitable routes, carrying the most profitable commodities, and ruthlessly eliminated the rest, even though they had genuine national economic value. Many cities and towns were simply cut off from regular and timely rail service, forcing an even greater dependency on trucks. For example, in Iowa, nearly 2 out of 3 miles of rail track have been eliminated, severely affecting that agricultural state.

Consider an overview of the shrinkage and damage inflicted on the other critical features of Class I rail grid, by 20 years of relentless “free enterprise” cutting.

- In 1980, there were 458,000 railroad workers employed; by 2000, there were 168,000, a drop of 63%. Many workers forced into early retirement were 50-65 years old; most were skilled, such as engineers or trainmen, whose 30-40 years experience is lost.

- In an insane drive to squeeze out profits, rail crews per train, once at four workers, have been reduced to three and even two workers. This contributes to accidents, though the rail companies deny it.

- In 1980, in the United States, there were 28,094 locomotives in operation; in 2000, there were 20,028, a plunge of 29%.

- In 1980, there were 1,168,114 freight cars in operation; by 2000, that was down to 560,154, a collapse of 52%.¹

Coal Transport the Route to Efficiency?

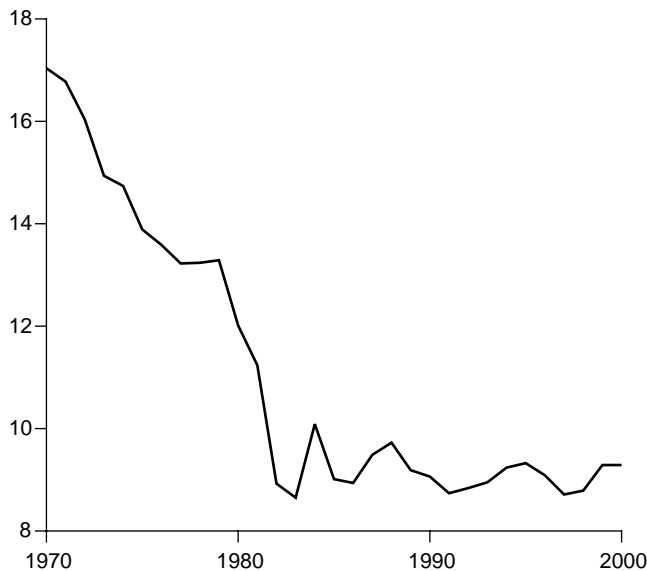
The Class I companies answer the charge of asset-stripping by reporting that in 1970, they originated (carried) 1.485 billion tons of goods, and in 2000, they originated 1.738 billion tons, 16% more. They say that they are “leaner,” but more efficient. But investigation proves this claim is not only largely fraudulent, but also discloses a fundamental flaw in the rail industry, a conclusive proof of the inadequacy of the U.S. rail grid.

Over the last 30 years, the railroads have become radically dependent on transporting coal. Many of the new improvements that rail companies have made, and the new locomotives they have bought, have been on the lines that come from Powder Basin, Wyoming, bringing low-sulfur coal to the East Coast. This raises a real question about American energy policy. While coal is a legitimate source for power generation, its use ultimately should be declining, were the United States serious about developing nuclear power, using high-temperature gas-cooled reactors (and eventually developing the higher energy-flux density fusion power). But instead, coal’s use is dramatically increasing: In 1970, of all the goods originated by the rail industry, coal constituted 405 million tons,

1. The percentage of reduction of the essential parts of the rail system may be less steep than initially reported, because some of the lost miles of trackage, some of the locomotives, etc., which the Class I rail lines abandoned, have been picked up by smaller regional and short-haul railroads. *EIR* is investigating this. But even if the percentages are smaller, they are still very substantial. Further, this equipment that is abandoned by the Class I rail lines and is picked up by the smaller regional and short-haul lines, is often not replaced, but patched up, making it less reliable and safe.

FIGURE 2

Rail Industry's Shipping of Tons of Goods Other Than Coal, Per Household



Source: Association of American Railroads; U.S. Department of Commerce, Bureau of the Census.

or 27% of the total; but by 2000, coal constituted 758 tons, or 44% of the total.

Thus, the rail industry has become an auxiliary of less and less efficient, deregulated energy industry. Covered up, is the absolute decline in non-coal goods carried by Class I roads: from 1.080 billion tons in 1970, to 981 million tons in 2000. Considered per household, the drastic, 45% reduction in rail freight other than coal, is shown in **Figure 2**.

Cutting the rail grid to the bone has had serious consequences. This was further demonstrated in 1997, after Union Pacific in 1996 swallowed up Southern Pacific: The combined railroad, which had slashed its infrastructure, lacked the locomotives and hopper cars to transport the grain out of America's grain-belt states. The grain piled up on the ground, and one analyst reported, that delays were "costing retailers, manufacturers, mines, and agricultural shippers more than \$100 million a month."

Passenger Service Gutted

Meanwhile, America's passenger rail service is only a remnant of its former self, and remains under severe attack.

Today, Amtrak operates 22,741 miles of track (see map, p. 31). America's other "commuter" railways between cities, operate 6,714 miles of track, bringing the total inter-city passenger trackage to 29,418 miles (for the most part, Amtrak and the other commuter railways lease the track they use from the rail freight companies). It is believed that, earlier, America's total inter-city passenger rail trackage was at least

50% higher.

Moreover, Amtrak is under siege. In 1997, the Conservative Revolutionaries in Congress passed the Amtrak Reform and Accountability Act, which specified that Amtrak must reach "operational self-sufficiency," without any funding from the Congress, by December 2002, or be radically "restructured and rationalized." This means that large chunks of Amtrak would be shut down, as under Sen. John McCain's (R-Ariz.) new proposals, which would leave entire sections of the United States without any inter-city rail traffic. The 1997 Act set up an Amtrak Reform Council, whose vice chairman is Paul Weyrich, the radical free-marketeer and Carlisle (fascist) co-founder of Christendom College in Front Royal, Virginia. The Reform Council seeks to greatly shrink Amtrak.

The December 2002 date to achieve "financial self-sufficiency" was clearly impossible, since Amtrak, created in the 1970s, inherited the wreckage of the looted Penn Central, after that company was put into bankruptcy. In order to function, Amtrak required major capital investments, which it has never received.

Amtrak operates a high-speed rail system in the Northeast Corridor between Washington and Boston. But it must share the track with freight railroads, which wear the track down. Amtrak should have its own dedicated track, as does the high-speed TGV in France, for example. On the 220-mile route between New York City and Boston, due to the condition of the track, and other limitations, Amtrak is able to run its Acela Express at maximum cruising speed (150 mph) for only 18 miles.

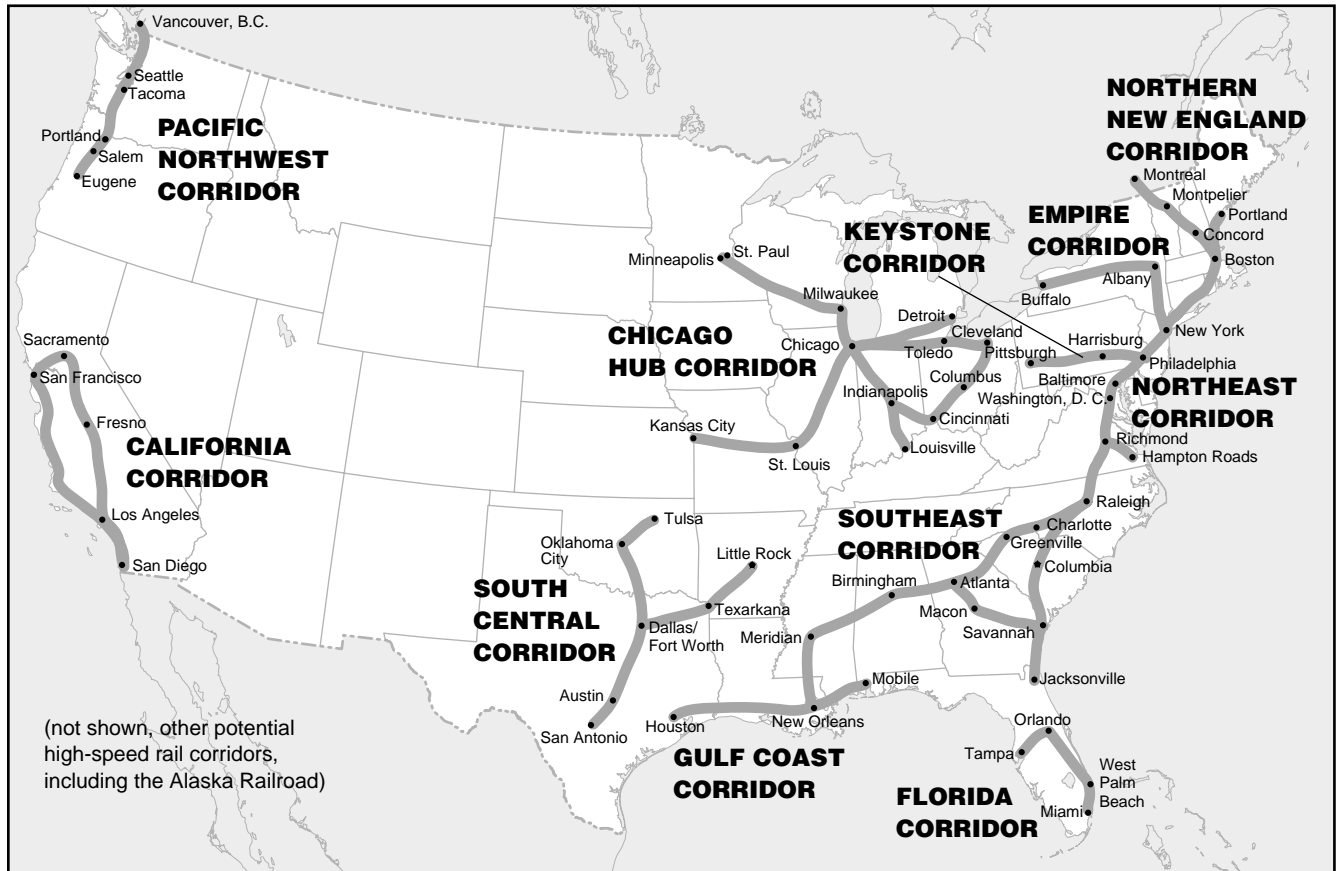
On Aug. 19, the *Wall Street Journal* stated in an editorial that when in June of this year, Amtrak asked the Congress for a measly \$200 million loan guarantee in order to survive, Congress should have refused, and forced Amtrak into bankruptcy. This, says the *Journal*, would have "allowed a [bankruptcy] judge to take the political heat for killing off Amtrak's dogs"—that is, Amtrak's routes outside the Northeast Corridor.

A Technological Revolution and Reconstruction

In a well-functioning economy, rail is the leading mode for transport. Relative to trucks, it is several-fold more fuel-efficient, has a higher energy-flux density, and requires far less physical space—an advanced rail line uses one-third the space of a highway system. It travels at far higher speeds than inland water transport, and carries a few orders of magnitude more freight than an airplane.

In 1929, the United States had 229,000 miles of Class I track-route miles for physical goods transport, which is now shrunken down to less than 100,000. It has currently approximately 30,000 miles of inter-city passenger mileage, but needs far more than that to adequately cover the country. The United States must have a transcontinental rail system reaching all major points safely, efficiently, and conveniently. With the rail system now near breakdown, the President and

FIGURE 3
High-Speed Rail Corridor Designations



Congress must now do what should have been done earlier: Extend the rail system to the proper operating dimensions, and introduce revolutionary technologies, which will transmit great productivity and economic growth, and supersede some current rail technologies still rooted in the 19th Century.

The United States must take two simultaneous measures. First, it must make the necessary capital investment and operating expenditures to keep the current system functioning. On the passenger side, Amtrak must be preserved and expanded. Second, it must overhaul and enlarge the existing system through technological advancements. In the area of safety, this involves Automatic Train Protection technologies. For operating systems, it means introducing high-speed rail, as an interim system, and moving on a crash basis to introduce magnetically levitated train corridors.

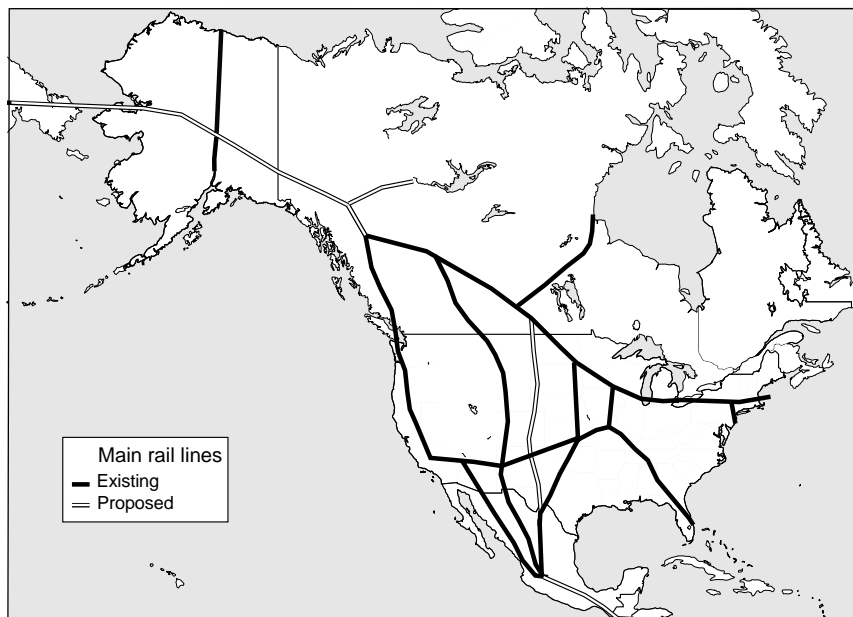
One can see the problems one will encounter. For example, due to the domination of the automobile, and underinvestment in passenger rail, taking all modes of inter-city passenger commuting—rail, car, plane, and boat—rail only accounts for a pitiful 0.6% of the volume. A rational first phase of rebuilding would expand inter-city rail tenfold. Second, 70% of all rail travels at less than 90 mph (150 kph), with

many freight trains crawling along at 30-50 mph. Existing high-speed systems in Europe and Japan cruise at top speeds of 125 to 150 mph (208 to 250 kph); the French TGV (Train à Grande Vitesse) at a top speed of 186 mph (300 kph); Japan's Bullet Train (Shinkansen) even faster. And new high-speed freight lines are capable of 90 mph (150 kph). Thus, high-speed trains travel 2-2.5 times faster than the average speeds that now prevail in America.

The High-Speed Train division of the U.S. Department of Transportation (DOT) advanced a high-speed passenger system in a plan it released a few years ago. This calls for building 12 high-speed corridors in the U.S. (see **Figure 3**). One such corridor, the Northeast Corridor, operates now, though sharing freight rails; new corridors would radiate out from Chicago and cover the Southeast, etc. The construction of high-speed corridors requires a transformation: replacing diesel locomotives by electric ones; building of catenary systems (overhanging wires) that provide the electric power to the train; advanced signal systems; and where possible, double tracking, so that the high-speed train can travel along its own dedicated lines in each direction. This phase would require a significant leap in electricity consumption, and in-

FIGURE 4

Rail Connections to the Eurasian Land-Bridge



creases in America's power generation.

The DOT projects that a 12-corridor system would cover approximately 12-15,000 miles in the most densely populated parts of the country, and cost between \$50 and \$75 billion, in 1998 constant dollars, over 20 years (over \$100 billion in non-inflation-adjusted dollars).

Breaking Through to Maglev

America should intensively push to develop a magnetically levitated train system. Maglev has several revolutionary features. There is no steel wheel riding upon steel rail, as in traditional rail transport since the 1830s. Magnetic forces lift, propel, and guide a vehicle along a guideway, so that it "flies" on a magnetic cushion. This eliminates the major source of vibration and friction on the vehicle, which slows all traditional modes of railroad transport. Maglev systems permit revolutionary methods of locomotion and control of the moving vehicles. Current-generation maglevs travel, in extensive tests, at top speeds of 280-300 mph (450-492 kph). This is a tremendous four to five times advance in speed for U.S. train travel. And maglev trains negotiate curves and inclines better than slower traditional trains.

Maglev would completely change the time for trips, relegating air travel to a long-distance role. A 250-mile maglev excursion between downtown Washington and New York City would take an hour. Compare this to the same trip by air, which, counting travel time, waiting time at the airport, and the travel time from the airport to downtown, takes at least

two to three hours.

For the most part, maglev would replace airline travel of 500 miles (900 km) or less, and be quite efficient for distances of up to 1,000 miles (1,500 km).

Of even greater consequence, a maglev system would produce tremendous breakthroughs for transport of freight. Freight-dedicated maglev would travel slower than maglev for passengers—initially, 150-200 mph—and would haul light to moderate loads; but it would progress to carrying heavier loads, and integrate, like a large conveyor belt, manufacturing regions of the country up to 500 miles apart.

Ultimately, maglev trains in underground vacuum tunnels may traverse long distances at supersonic speed. More important than these feats, the testing, construction, and development of maglev rail provides a laboratory for potential discoveries of other technologies which will advance the economy.

Loading/Unloading Systems and Intermodal

Other advanced technologies can proceed alongside maglev, to further upgrade the operations of the rail system. Consider loading, unloading, and warehousing goods at terminals. The German Thyssen company has developed a system for loading/unloading based on an overhead monorail transporter system for heavy loads, in which the containers are grasped and lifted from above by automatic carrier vehicles suspended from monorails running directly above the train tracks. The monorail can transport the containers either to a storage area, or directly to a truck loading area, where the containers are lowered from above onto waiting trucks (or vice versa from truck to rail car). This would connect rail and seaports.

China has a maglev route under construction. A prime purpose for a reconstructed rail-maglev system, would be to extend it northward, to connect through Canada and Alaska, across the Bering Strait, to Russia (see **Figure 4**). From there it would connect into the eastern terminus of the main lines of the Eurasian Land-Bridge, and on to Paris and Rotterdam. The rail grid would also be extended southward, through Mexico, to all of Ibero-America. America's relations to the world would be profoundly transformed. Reconstructing rail will call for a tremendous volume of goods from American industry.

America cannot survive the destruction of its rail system. A crash program for its overhaul is urgent, restoring Lincoln's policy of rail- and nation-building.

Save Bankrupt Airlines, But Re-Regulate Them

by Anita Gallagher

The Federal government will have to intervene into the ongoing, cascading bankruptcies of major U.S. airlines, to ensure that the air-transportation network of the United States is preserved, the labor force is kept intact, and the industry's capital is not sold for a song to the asset-stripping predators of airline deregulation.

The major carriers, with the possible exception of Southwest, will soon "hit the wall" of bankruptcy:

- seventh-ranked U.S. Airways filed bankruptcy on Aug. 11;
- second-ranked United Airlines has said it will declare bankruptcy by Sept. 12, without huge union and vendor "give-backs" and then a \$1.8 billion Federal loan guarantee;
- eighth-ranked America West avoided bankruptcy in 2002 only through a Federal loan guarantee;
- American Airlines, the largest in the world, announced huge cuts in capacity and workforce on Aug. 12 to avoid threatening bankruptcy.

This is the third and final phase of a "meltdown" of the airline industry which began early in 2001, accelerated after Sept. 11, and entered its terminal phase in August (**Table 1**);

this meltdown has cost 200,000 airline and aviation jobs in a year; has hit the aerospace industry hard; and will soon bankrupt municipal airports.

Use the General Welfare Clause

Addressing this emergency in transportation, 2004 Democratic Presidential pre-candidate Lyndon LaRouche said, "[W]e are losing our rail system, the last vestige of it. We are also in the process of crippling, and virtually destroying, our air-traffic system." LaRouche continued, in the same Aug. 24 webcast interview, "If this were to occur, . . . then the United States ceases to be an integrated nation. . . . It is no longer a unified, efficient national economy."

Using the legal authority of the "general welfare" clause of the Constitution, the Executive can turn around predatory bankruptcy reorganizations such as the unfolding Chapter 11 of U.S. Airways: a 38% cut in capacity; aircraft fleet reduced by 120 jets (30%); 13,000-plus employees laid off; union wage scales thrown out by bankruptcy courts; flights to mid-sized cities cancelled or reduced; and predator Texas Pacific "offering" to take 38% ownership for the pittance of \$200 million. The White House itself is worsening this: It must immediately scrap its wrong-headed policy of making Federal loan guarantees depend on such destructive measures.

Instead, after the now inevitable declarations of bankruptcy of major air carriers, the Federal government should freeze the debt, and provide new credit through an agency like Franklin Roosevelt's Reconstruction Finance Corporation, to protect the airlines' assets from predators, preserve the route structure, keep the workforce intact, and maintain union-level wage and pension obligations. Armed with new Federal credit

TABLE 1
Overview of Eight Largest U.S. Airlines, and Industry Employment

Carrier	Current No. Employees	Workforce Reductions 9/01-8/02	Deferred Aircraft Deliveries '02 '03	Retired Jets '01 '02	Current No. Fleet Aircraft	Average Age of Fleet (Yrs.)	Capacity Reduction (%)	No. Passengers 2001 (Millions)	Revenue Passenger Miles 2001 (Billions)
American	122,000	27,000	35 67	83	833	10.8	9	80.7	108.3
United	86,000	20,000	43	99	543	8	13	75	117
Delta	60,000	13,000	16 23	50	814	9.1	15	104.9	102
Northwest	45,700	10,000	6	39	442	12	20	54.1	73.1
Continental	60,000	6,000	67	49 11	352	5.2	17	44.2	61
Southwest	35,000	—	Plans +10	3 6	368	8	—	64	44.5
U.S. Airways	40,000	11,400	33	161	280	9.1	38	56	46
America West	13,900	—	17	11	145	10	—	20	19
Total Airline Industry Employment 7/01-7/02*	1,167,000	120,000							

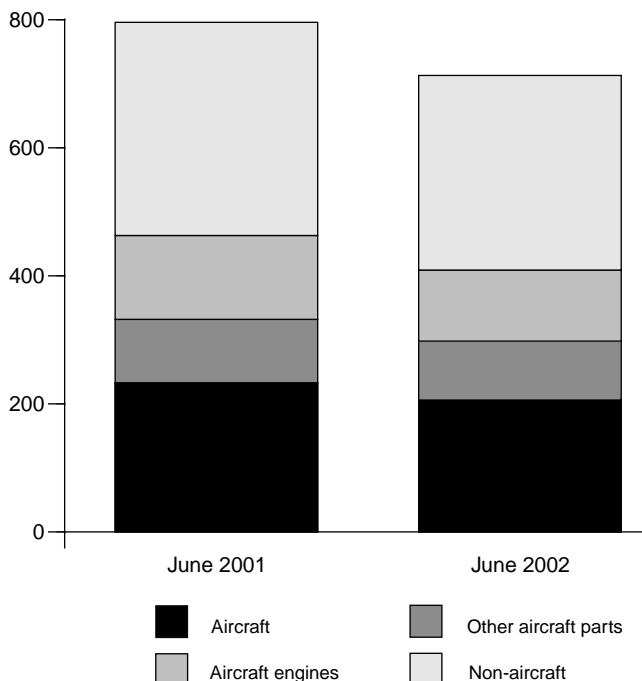
*Source: Bureau of Labor Statistics.

Sources: Airline corporate data; 2001 Annual Reports.

FIGURE 1

Total Employment in the U.S. Aerospace Industry Dropped 83,000 in One Year

(Thousands)



Source: Aerospace Industries Association.

to preserve the air infrastructure essential to national economic security, the reorganized airlines would emerge into a re-regulated air system serving all cities.

Aerospace Can Produce ‘Flying Trains’

The aerospace industry, where 58% of the workforce is employed in the aircraft division, is reeling from the collapse in the airline industry. Boeing, the only producer of commercial aircraft left in the United States, saw its production decline from 620 aircraft in 1999, to an estimated 375 in 2002, and projects it will produce only 275-300 jets in 2003.

Nearly 700 jets were “parked” in dry-climate Maintenance Repair Organizations between September 2001 and July 2002, according to *Air and Space* magazine’s September issue. Some are fresh from the factory, as airlines continue to defer delivery of hundreds of jets ordered.

Aerospace accounts for 4.6% of the manufacturing jobs of the United States, and is the largest exporter in America, by value. Just in the last year, 83,000 jobs have been lost (Figure 1); 38,000 of those in production.

Some of Boeing’s capacity could be converted to produce magnetically levitated trains (maglev) capable of 300 mph speeds, in the same manner the auto industry and its skilled

workforce were rapidly converted to airplane production in the 1940s. The United States needs high-speed and maglev rails, which are more efficient than air travel for distances shorter than 300 miles. Part of aerospace’s capacity, and aerospace and airline employees, could shift to production of “trains that fly.”

Re-Regulation vs. Deregulation

After deregulation was enacted in 1978, with the claim that it would cheapen fares, and end having high-traffic route passengers “subsidize” low-traffic route passengers, competition from upstart budget airlines led the large airlines to establish “hubs,” where outlying cities would connect with planes of the same carrier to go to many other destinations. The “trunk” carriers were able to use fewer planes to fly shorter routes with fuller planes, but passengers were stuck with ubiquitous plane changes and growing delays. To keep passenger loyalty, large carriers established “super-saver” rates to fill planes with leisure passengers, and “frequent flyer” (free) miles to any destination.

The result of these gimmicks, imposed in the war of all-against-all for the high-traffic routes, has been chaotic proliferation of flights, and intense competition for “slots” jammed into peak arrival and departure times at the hubs (see map, p. 30). While passenger enplanements increased from 175 million in 1975 to 622 million in 2001, passenger boardings from hubs that carry 1% or more of commercial traffic became highly concentrated:

- In 1991, major hubs enplaned 33% of all passengers;
- In 1999, major hubs enplaned 75% of all passengers.
- In 1999, just five major hubs—Atlanta, Chicago, Dallas/Ft. Worth, Los Angeles, and San Francisco—enplaned 25% of all airline passengers in the United States.

At these congested hubs, the density of flights further intensifies at four peak periods a day—an added danger in an already-strained system. Thus, in 2000, one in four major airline flights was late, or diverted.

Airlines should shift back toward point-to-point flights, with stops for medium routes. Air could become a type of development corridor immediately (while rail is rebuilt), relieving the isolation of cities in the Western states, now only accessible by car. These, and most Midwest cities, need more, not less, air service. These routes should be subsidized by the Federal government, in the interest of national economic security and the general welfare. Air is the appropriate travel mode for coast-to-coast or long-distance travel.

The Northeast Corridor is a useful study of air and rail symbiosis. As little investment as there has been in Amtrak, it nonetheless carries three times more passengers between Boston and Washington than do airlines, showing the rational pattern of travel which prevails when modern railroads are available.

This high-speed Northeast Corridor could be extended to Florida, relieving Atlanta’s congested airport, giving all the



A feature story in *Air & Space* magazine, September 2002, shows airplanes warehoused in a storage yard in Mojave, California. As of August, shrinking airlines may have “laid off” nearly 1,000 jets, as well as 200,000 employees.

cities in the South multiple connections to the entire East Coast. A Northeast Corridor Authority could manage both the air and rail transportation, regulating flight and train routes and prices, to maintain a full service schedule and utilization of facilities, as well as integrating local travel connections from train stations and airports. Family and group fares can allow planes and trains to offer the same economy in transporting four passengers for the cost of one, that a car does.

Safety of the System

The United States is facing a shortage of trained, qualified air-traffic controllers, supervisors, and managers in the near future, that requires accelerated hiring. None is currently planned. Furthermore, President Bush raised the question of privatization of air-traffic control on June 6, by removing language from a Clinton-era executive order, which terms air-traffic control “an inherently governmental” function.

The air-traffic control profession is recognized as one of the most high-stakes, exacting jobs a human being can hold, particularly under present conditions. It takes two to four years to train a controller, and far longer for him or her to acquire the skill and experience to run one of the busiest facilities. In the Federal Aviation Administration’s training academy, up to 50% of students fail to graduate.

In 1981, President Ronald Reagan fired 75% of the air-traffic controllers for striking. The replacement workforce hired *en masse* at that time, is now approaching the mandatory retirement age of 56 in a higher-than-normal concentration. In 2001, the FAA employed 15,600 controller specialists, who handle traffic at airports and the nation’s 20 “en route centers,” and 4,621 controllers who are supervisors and managers. Some 2,500 (12%) of the current controllers are now eligible to retire, and 5,000 (25%) will become eligible by 2007.

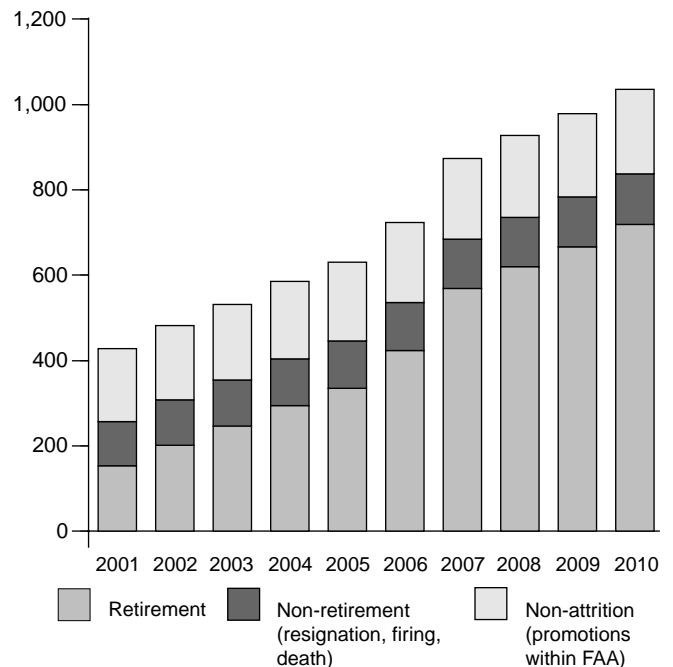
In June 2002, the Government Accounting Office released

a report, “Air-Traffic Control: FAA Needs to Better Prepare for Impending Wave of Controller Attrition.” Based on age, past trends, and survey responses, **Figure 2** shows estimated losses of air-traffic controllers in the next eight years (excluding supervisors and managers). The GAO also found that retirement potential among frontline supervisors and controllers at some of FAA’s busiest facilities doubles, from 6% to 12%, in 2007, and that 28% of the supervisors are already eligible to retire.

Thus, the Federal government must immediately recruit and train qualified controllers to prepare for the retirements ahead, and create the budget for it.

There must be no attempt at privatization of any regulatory function, such as air-traffic control. The role of government is to provide for the general welfare through regulation, not turn such regulation over private interests which may view safety measures as costs to be cut.

FIGURE 2
Air Traffic Controller Estimated Losses



Note: this graph represents air traffic controller “specialists,” 75% of all air traffic controllers.

Source: “FAA Needs To Better Prepare for Impending Wave of Controller Attrition,” June 2002, U.S. General Accounting Office.

The Waterways Are Aging and Neglected

by Mary Jane Freeman and
Richard Freeman

The nation's network of waterway traffic is experiencing difficulties that range from significant problems, to obsolescence, to breakdowns.

This network has developed since the early decades of the 19th Century, to the point where, today, it encompasses 12,000 miles of commercially active inland and intracoastal waterways; 240 commercially active locks and dams on the inland waterways; and 300 inland and coastal ports with 3,700 terminals. Through this system flows 2 billion metric tons of domestic and foreign goods annually. Some 95% of U.S. foreign trade passes through its waterways and ports.

But it is hardly adequate. Parts of the network cannot even handle the current freight flow. Were the United States to increase its commerce by becoming a heavy capital goods exporter of machine tools, power plants, tractors, cranes, etc. to Ibero-America, Africa, and Asia—some of these goods produced in the interior of the country and moved by the inland waterways to the U.S. coastal ports—portions of the system would collapse under the stress.

Obsolescent Locks and Dams

The great weakness which can shut down a good portion of the waterway infrastructure, is typified by the age and obsolescence of the lock-and-dam network. The lock chamber functions to lower or raise the water level allowing a barge to continue along a river. Currently, of the United States' 240 active inland waterway lock chambers, 113—or 47% of the total—are 50 years old or more, which is past their life expectancy. By 2010, 138 lock chambers—58%—are projected to be 50 years old or more, according to the U.S. Army Corps of Engineers. The reason so many lock chambers are over 50 years old, is that the Corps of Engineers receives vastly insufficient funds. The Corps is able to plan replacement construction work on only seven of these aging lock chambers, and most of these projects won't be completed until the year 2010.

The crisis has manifested itself acutely for the last several years at the Montgomery Lock and Dam System on the Ohio River system. The Montgomery Lock and Dam was first constructed in 1936—it is currently 66 years old—and it has never been replaced. Instead, temporary repairs are made on the lock. Thus in late June it was closed for several days; reopened in early July; and then closed from July 15-30 for

repairs. These temporary repairs wreak havoc on the transportation system of the Ohio River, one of the nation's most important and heavily travelled waterways. A tow made up of nine barges can normally go through the main 600 foot-long chamber of the Montgomery Lock and Dam in half an hour; but when the main chamber is closed, the tow has to be disassembled into its nine barges, and each barge goes through the adjacent, much smaller lock chamber, taking three and a half hours, after which the nine-barge tow must be reassembled.

The Montgomery system is but one lock/dam chamber on the Ohio River. The Ohio River Navigational System is essentially a 961 mile-long "staircase," making the river navigable. It starts at Pittsburgh, in western Pennsylvania (at more than 400 feet above sea level), and follows a course southwestward to Cairo, Illinois (at 250 feet above sea level) at the junction of the Ohio and Mississippi Rivers. The system has several locks that are more than 50 years old. As the chief executive officer of the largest barge company in the vicinity of the Montgomery Lock and Dam, Peter Stephaich, told the July 28 *Pittsburgh Tribune-Review*, "fixing one lock in itself doesn't do any good—you need to maintain the entire system."

Now, multiply the problem nationwide. The Army Corps of Engineers has calculated that queueing delays for ships and barges total 550,000 hours annually, and that this costs nearly \$400 million in operating expenses; but the delay in time and goods movement far outweighs the mere monetary loss.

The Nation's Ports and Rivers

The U.S. port system also poses several problems. There are two parts to the system, which consists of 300 ports. Most of these are inland, and many have shallow drafts. The deeper draft ports are located largely along the coasts (and on the Great Lakes). The top 50 ports handle 82% of America's water-borne trade, which totals 922 million tons for internal-domestic trade, and another 1 billion tons for foreign-overseas trade.

Some of the biggest ports handle containers, which is a more advanced system than loading and unloading separated cargo. But the big ports have several reported problems:

- Only five of the nation's ports have a draft depth of 50 feet or more, required by the new class of container vessels, which carry more than 6,000 twenty-foot containers or double-stacked trains.
- Half of them report that they have limited availability and location of turning lanes and multiple access routes.
- Half of the containerized ports report that they lack near-dock rail terminals—these are terminals at the docks where the ports interface directly with the rail system. The ports of Los Angeles and Long Beach in California built a 20-mile Alameda corridor where the port and the rail system can connect, using many advanced loading/unloading procedures. Unfortunately, that is more the exception than the rule.

FIGURE 1

Major U.S. Harbors Handling Over 10 Million Tons in 2000



Source: U.S. Army Corps of Engineers.

- Nearly one-third of all ports report bridge impediments resulting from highway access to the ports.

The Army Corps of Engineers, which supervises and constructs much of the nation’s water infrastructure, is itself under attack from Wall Street and the environmentalists. On April 29, the Corps had to suspend work on 150 Congressionally approved, essential water projects. For the first time in the nation’s history, every vital Federal water project is now suspended.

Flood Control

In 1993, the mid-section of the United States was hit with heavy rains, particularly along the Mississippi River Valley. Something very telling happened: The Mississippi is divided, at Cairo, Illinois, into the Upper and Lower Mississippi River systems for purposes of river and flood control. Under Franklin Roosevelt’s New Deal, the Army Corps of Engineers began the process of providing complete flood control on the Lower Mississippi River, which was completed in the 1950s. The grand project included building levees, dams, floodways, etc. Due to opposition by financial and financier-dominated rail interests, the Army Corps never built the same effective

flood control system on the Upper Mississippi. When the heavy rains of 1993 struck, the Upper Mississippi suffered billions of dollars of damage, loss of life, homes, businesses, and livestock. The Lower Mississippi, facing the same “500-year flood,” underwent comparatively little of that damage.

The nation’s dams are critical infrastructure for power generation, flood control, and agriculture. According to the Association of State Dam Safety Officials and the Army Corps, between 1998-2001, the number of “high-hazard dams,” defined as those “whose failure would cause loss of human life,” grew by 7%, from 9,281 to 9,921.

The need to complete the flood control systems—which are simultaneously river navigation systems—according to excellent plans that the Army Corps of Engineers drew up in the 1940s and 1950s, but never completely implemented, is still very great. Such undertaking begins with the Upper Mississippi, but includes also the James River in North Dakota and the Red River in Minnesota. It also includes Army Corps and local flood control district plans for cities, such as an excellent plan that exists for the City of Houston. Had it been instituted, it would have spared Houston much of the wreckage and loss of life in the year 2000 flooding.

Rebuild America's Energy Infrastructure

by Marsha Freeman

If you think sending a few Enron executives to jail will fix our decrepit energy infrastructure, think again.

For the past 25 years, the electricity generation, transmission, and distribution system of the United States, which had been the envy of the world, has been the victim of targeted financial disinvestment and political attack. This has left the electric grid system outmoded, frail, subject to equipment failures, inefficient, and unable to meet demand. On top of that, deregulation—also starting about 25 years ago, and becoming a financial cancer on the industry over the past five years—has looted not only the physical plant and equipment of the system, but also the industries and citizens that depend upon it.

As in transportation, technological innovation in the electricity industry ended, for all intents and purposes, in the mid-1970s. Inefficient 19th-Century steam turbines still produce most of our electrical power. Coal, a 19th-century fuel, still produces half of the United States' electricity. Power lines still run above ground, subject to the whims of weather and natural disaster.

California—which became the poster-state for how deregulation destroys infrastructure—provides the quintessential example of what has happened to our electric grid system over the past 25 years.

In the 1970s, Pacific Gas & Electric, the largest California utility, and now in bankruptcy reorganization thanks to deregulation, planned to go completely nuclear by the year 2000. Southern California Edison signed a contract in 1979 to build a 60 megawatt (MW) direct conversion magnetohydrodynamic (MHD) system, to double the amount of power it could generate from its fossil fuel plants, increasing productivity and lowering costs. Neither plan came to fruition.

In the 1970s, advances in superconductivity offered improved electricity transmission, which would have increased available power by eliminating losses between its generation and delivery.

But in the mid-1970s, the Carter Administration promulgated environmental hoaxes, amplified in California, in order to stop construction of any fossil fuel power plant. Anti-nuclear “environmentalists” demonstrated at nuclear plants, to shut them down. Plant construction was endlessly challenged in court, forcing dozens of utilities to cancel more than 100 plants already on order.

Carter and his entourage promoted the hoax of non-prolif-

eration—that any nation that wants nuclear power really plans to build bombs—as another part of its Malthusian zero-growth program to kill the nuclear energy industry, both for export to developing nations and at home.

Quackademics at universities and think-tanks assured the American people that the “energy crisis,” could be alleviated, if Americans cut back energy use, and built windmills and burned waste. California implemented this self-destruct policy with zeal. Then, in October 1979, Federal Reserve Chairman Paul Volcker raised interest rates, which soon topped 20%, ending the possibility that the capital-intensive electric industry could afford to build new facilities.

No-Growth in Electricity Demand

The only reason there have not been widespread blackouts, is because of the stagnation in demand from the industrial sector, whose electricity consumption over the past 30 years has fallen from nearly half of total national consumption, to about one-third. This is a result of the U.S. becoming the “importer of last resort”: rather than producing goods (which consumes energy), importing electricity in the form of steel, capital goods, food, and consumer goods. And over the last two years, electricity growth has taken a new, downward ratchet, with the collapse of the manufacturing and commercial sector of this “New Economy,” and the looting through deregulation.

In fact, the economy should have become increasingly *more* electricity-intensive. By now, commuter and high-speed electric rail should have replaced a good deal of auto travel. Primary metals processing should have progressed to high-temperature plasma and directed-energy processes. U.S. railroads should have been electrified, and magnetic levitation (maglev) could be replacing short-haul passenger airline flights.

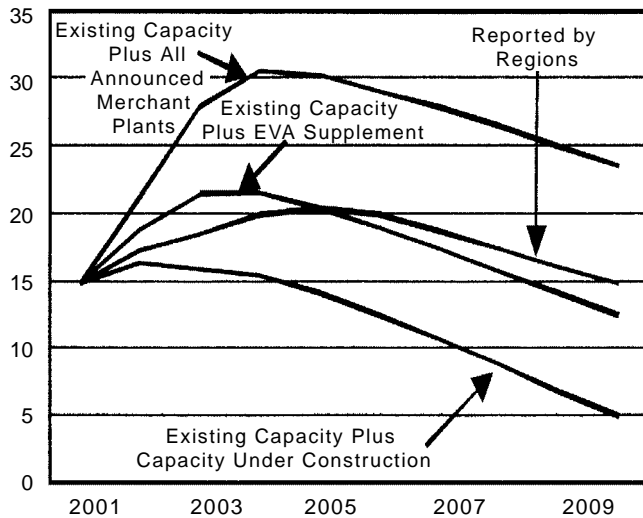
In its assessment, released in May, of the reliability of the bulk electric supply system for this Summer, the North American Electric Reliability Council (NERC) projected a 2.7% increase in peak demand compared to the actual 2001 Summer peak, but only a 0.4% increase compared to the peak demand that had been projected for Summer 2001. (The “actual” peak demand reflects the incidental conditions that can drive up demand briefly, such as heat waves. The projected demand is the baseline projection of what will be needed under normal weather circumstances.) NERC explains: “The relatively flat growth in the projection for this Summer, compared to 2001, is reflective of the slowdown in the North American economy. To put this growth rate in perspective, the historical average annual demand growth for the last ten years has been about 2.5%,” as compared to 0.4%, leaving weather fluctuations aside.

Learning a lesson from last year's electricity shortages—both real, and manipulated by Enron and fellow energy pirates—municipal and private utilities nationally planned to add 48,000 MW of new generating capacity between March

FIGURE 1

Projected U.S. Summer Capacity Margins

(%)



Source: North American Electric Reliability Council, "Reliability Assessment: 2001-2010," October 16, 2001.

and September this year, or a 5% increase in total generating capacity. But of the more than 250 power plants slated to begin operation during the Summer months, only about 40 are baseload plants of 500 MW and up, designed to operate 24 hours a day. The rest are designed for peak load operation. Almost all of the new power plants are of the gas turbine or combined cycle variety, wasting this useful chemical feedstock to produce heat to turn turbines.

In order to gear up the production of the steel, concrete, specialty metals, plastics, and other materials that will allow the reconstruction of bridges and tunnels, ports, municipal water systems, hospitals and health-care facilities, railroads and advanced transport systems, and power plant construction itself, there will have to be a massive crash program of power-plant construction.

During the 1960s, when the United States was expanding industrial capacity, led by the innovation required to put men on the Moon, electricity consumption had a ten-year doubling time, or a growth rate of about 7% per year. That slowed to a crawl in the 1970s, especially after the 1975 oil/energy "crisis," and dropped further by the early 1980s to near zero, after the Volcker measures.

By the early 1990s, with deregulation becoming a serious threat, utilities refused to build anything, because they had no way of knowing who would end up owning, and paying for, the capacity. California, New York, and Pennsylvania started passing deregulation laws in 1996, with other states close behind, crippling state authorities' ability to regulate electric-

ity. Deregulation unleashed not only speculation and looting, but created chaos, in this high-precision, highly coordinated industry, as utilities were now supposed to "compete."

The system today is so old and fragile, that a single natural perturbation, such as a heat wave, causes equipment failures and interrupts service. In some states, the price of electricity has risen up to an order of magnitude higher than it was five years ago, imposing a speculative tax on the citizens, industry, and agriculture, and lowering the productivity of the economy and living standards.

Without an adequate, reliable, affordable, universally available supply of electric power, there can be no massive expansion of other infrastructure, or the overall economy.

An Immediate Mobilization

When President Franklin D. Roosevelt instituted measures to regulate the financial and physical operation of the electricity industry in the 1930s, he declared that electricity was no longer a luxury, but a necessity. As such, it comes under the General Welfare clause of the Federal Constitution, and its availability must be guaranteed to the entire citizenry.

Living up to this mandate today requires a number of immediate steps:

1. Industry must gear up to build sufficient online generating capacity to ensure the reliability of the system. Utilities and municipal agencies must be required, under the supervision of state regulatory bodies, to maintain approximately a 15% reserve margin of capacity, which protects the system from breakdown should plants need to be taken offline. The volume of gigawatts of new electric-generating capacity needed for that 15% margin will increase geometrically, once a reconstruction program is under way, to keep in step with the increasing growth rate in demand.

Even the lackluster Bush Administration projects that by the year 2020, some 393,000 MW of new generating capacity will be needed (about a 50% growth in capacity over 20 years, a far cry from the actual ten-year doubling time of the 1960s). This would add up to 400-800 power plants, or nearly one every other week. The Bush Administration has offered no plan to accomplish this.

2. Transmission system capacity must be upgraded and expanded. Deregulation has promoted the practice of wheeling power from hundreds, if not thousands of miles away from the point of consumption, both in search of a "cheaper" supply and because deregulation has helped create regional shortages. This has strained the transmission grid to near-breakdown, and increased inefficiency in the system.

Transmission Breakdown

The transmission bottleneck is worsening in many parts of the country. California had blackouts a year and a half ago, because available power could not be transported through Path 15, from the southern to the northern part of the state. New York City has to generate all of its own additional new

power, because the transmission lines from outside the city are filled to capacity. Nationally, thousands of miles of new transmission capacity must be built, and existing infrastructure must be upgraded. Transmission investments are required in the tens of billions of dollars.

3. In order to carry out the generation and transmission investment programs, many of which will take up to a decade to complete, long-term, low-interest credit must be made available to municipal and investor-owned utilities. This is not an industry that should rely on Wall Street for financing, or be measured by its stock valuation.

It is true that energy crooks stole billions of dollars from workers, investors, and consumers; that they looted the physical infrastructure, by closing capacity in the context of mergers; and they made little or no repairs or improvements. However, the problem of disinvestment in the energy grid did not start in the 1990s. In California, for example, more than *half* of the state's power plants (30,000 MW), are over 30 years old. For years, nearly as many power plant megawatts of capacity have been retired, as have come online.

4. We must reverse and repeal deregulation, which requires that we reverse state deregulation legislation, which is already under way in some states, as well as Federal laws that have undermined the utilities' ability to safely, economically operate the electrical system.

Congress must repeal the 1978 Public Utility Regulatory Policy Act and the 1992 Energy Policy Act, both of which "promoted" (subsidized) "non-utility" generation, lowering the energy density of the entire economy. These laws opened the transmission system to use by "non-utility" generators, thereby threatening the integrity of the grid; and further, by allowing exceptions to the 1935 Public Utility Holding Company Act, they opened the door to huge mergers and monopoly control over a rigged "market," which the abuses of Enron and the other financial/energy pirates epitomized.

The Federal Energy Regulatory Commission (FERC), which is overseeing the national implementation of deregulation, should be disbanded, and the Federal Power Commission reinstated, with the single purpose of overseeing the needed infrastructure expansion program.

Moving Into the 21st Century

If investment in government-sponsored research and development in energy technologies had not been sabotaged, virtually ending it by the mid-1970s, we would have had:

- Nuclear power plants, including high-temperature reactors (HTR), as the core of nuplex-style agro-industrial complexes and the rebuilding of cities; breeder reactors, which produce fuel while producing power; reprocessing facilities to recover the 90%-plus of usable material from spent nuclear fuel; fusion-fission hybrids as the intermediate step between fission and fusion; next-generation laser and other uranium-enrichment techniques to produce nuclear fuel; and an array of demonstration fusion power plants, using various configurations and techniques.

MHD systems would be designed in energy cascades, in which the highest temperature needed to ionize the working fluid would produce power directly. The lower-temperature heat could be used for high-temperature turbine cycles, and the lowest-temperature heat could be used for a technology like thermionics. Upwards of 80% of the energy produced would be turned into electricity, compared to the 34-45% for steam turbines today.

- Superconducting transmission systems, originally studied by Brookhaven National Laboratory in the 1970s, would be more economical today, using higher-temperature superconductors. Presently, about 10% of the electricity generated is lost in transmission, depending upon the distance, and many transmission failures occur in hot weather. Using underground, superconducting cables, in which no heat is generated because there is no resistance, losses could be largely eliminated. However, all that is left of the earlier R&D program, is a small test project of Detroit Edison.

The commercial introduction of these technologies will require a "full-set" mobilization of resources. In the United States today, there is *no* factory that can produce pressure vessels for even conventional nuclear power plants, much less equipment for high-temperature and other advanced nuclear technologies. For the near term, we will have to import such equipment, while at the same time we build the manufacturing plants that can mass-produce standardized next-generation nuclear reactors.

Today's civilian magnetic and inertial fusion energy R&D programs are less than half the effort of 20 years ago, thanks to "budgetary considerations." The only limit to research into this technology, which can produce virtually unlimited, high-quality energy and electricity, should come from a lack of ideas, not funding.

No other aspect of rebuilding American infrastructure will be possible, without a revitalization of the energy and electricity industries that are its foundation.

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Rebuild, Expand U.S. Water Supply System

by Marcia Merry Baker and Arthur Ticknor

Over the past 25 years, U.S. water infrastructure has not been expanded and repaired at rates required to provide for needed economic purposes (industry, agriculture, residential, navigation, flood control) in terms of amount, quality, and distribution. Over the 15 years from 1980 to 1995, the population grew 16%, while water use declined 10%! Just “efficiency” or “wise use”? Not at all. **Figures 1-3** show how the U.S. economy is “drying up.” The data, shown from 1950 to 1995, are from the U.S. Geological Survey (USGS), a division of the Interior Department, which began water-use estimates after World War II, for purposes of planning how to expand supplies for the future.

Figure 1 shows that U.S. total daily water withdrawals (water diverted for use, from streamflow, groundwater, and any other sources) grew each year from 180 billion gallons per day in 1950 up to 440 bgd in 1980. Then total daily withdrawals fell back to 399 bgd in 1985; reached 408 bgd in 1990; and fell back to 402 bgd in 1995. The graph also differentiates major uses of water in the economy. Since the 1970s, less water is being used for industrial purposes, for thermoelectric power uses, and for irrigation. The categories for which water use has grown are “public supply” (urban residential, commercial, and amenities), and “rural domestic and livestock,” most of which reflects non-urban sprawl, in both residential and commercial use.

On a per-capita basis, the overall decline in water in use in the economy, has dropped dramatically since the mid-1970s. To put this into perspective, note that the U.S. economy in 1900 averaged about 500 gallons per day per capita, rising to nearly 2,000 as of 1975, and falling to 1,505 in 1995.

Figures 2 and 3 show what this means for industry and agriculture. Over the 1950s and 1960s, daily average water use in U.S. industry per capita varied, but mostly stayed at a level of 240 gpd, reflecting the impact of certain technological advances in obtaining more output of product per unit input of water required. However, as of 1995, the rate of industrial water per capita had fallen to 109 gpd. This reflects the shut-down of U.S. industry, and the shift into the “post-industrial” era of outsourcing and increasing import dependence.

The use of irrigation water, in Figure 3, likewise shows a sharp decline from a high of 653 gpd in 1980, down to 543 gpd in 1990, and 502 gpd in 1995.

These drops in water use directly reflect the way that the U.S. market basket for consumption and capital goods has been made dependent on foreign water utilization associated with the imports of goods and food. For example, it takes 10,000 gallons to produce an automobile; 26,450 gallons to tan a ton of hides for shoe leather; 6,340 gallons to produce a ton of fruits, vegetables, and juices. Multiply these water factors by the quantities of cars, shoes, and food items being imported into the United States, and you see how the U.S. is “getting by” with using less and less water in the economy: by looting foreign trade partners, and cheating the future.

The volume of water in use for manufacturing of all kinds in the United States, as of 1995, was way lower than in 1950, the year the USGS began keeping records!

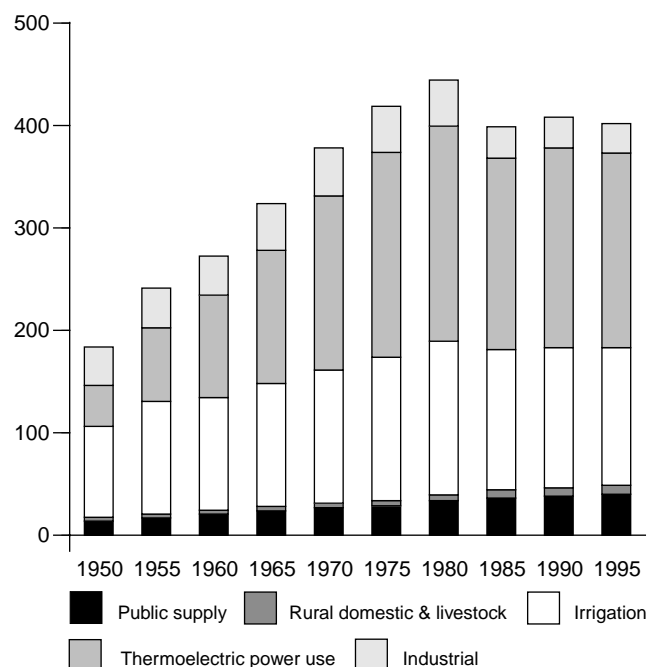
Deficit in ‘National Water Budget’

Most people erroneously think of “natural resources” as a given, when in fact, they are man-made. Intervening with infrastructure expands and improves the resource base. Hydrologists use a helpful term: the “water budget.”

In all of North America, the annual precipitation amounts to an estimated average of 4,200 bgd. Of that, about 1,200

FIGURE 1
U.S. Water Withdrawals, Total and by Sector, 1950-1995

(Billions of Gallons per Day)

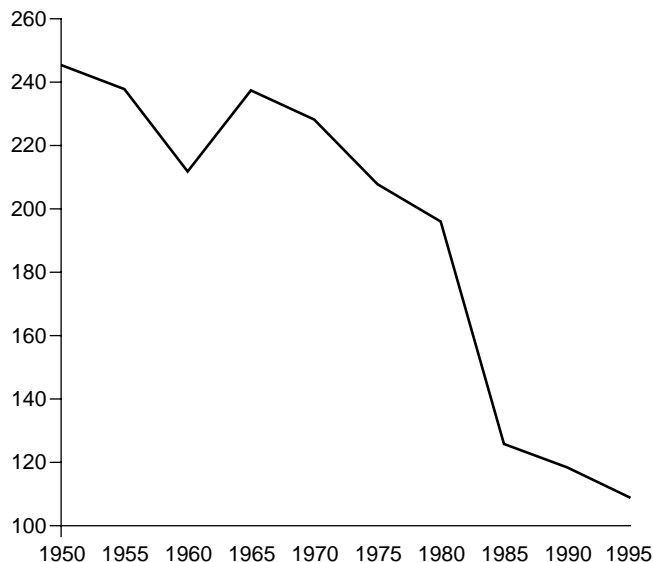


Source: U.S. Geologic Survey.

FIGURE 2

U.S. Per-Capita Industrial Water Use, 1990-1995

(Gallons per Day)



Source: U.S. Geologic Survey.

bgd reaches the 48 states, where man’s intervention over the past 200 years has directly affected what water engineers call the “average dependable supply of runoff.” In recent decades, this dependable supply has totalled about 515 bgd for the United States. It is not a fixed figure, but the result of man’s activities to clear channels, drain swamps, prevent evaporation, and create storage capacity.

As of the mid-1960s, the United States had a “budget surplus” of water. With over 190 million people, the nation was using about 308 bgd, which was 60% of the average dependable supply of 515 bgd. This supply reflected the dam-building of the inter-war period—the Grand Coulee and the Hoover dams, the Colorado River development, the Tennessee Valley Authority, and the post-war California Water Plan (adopted in 1957).

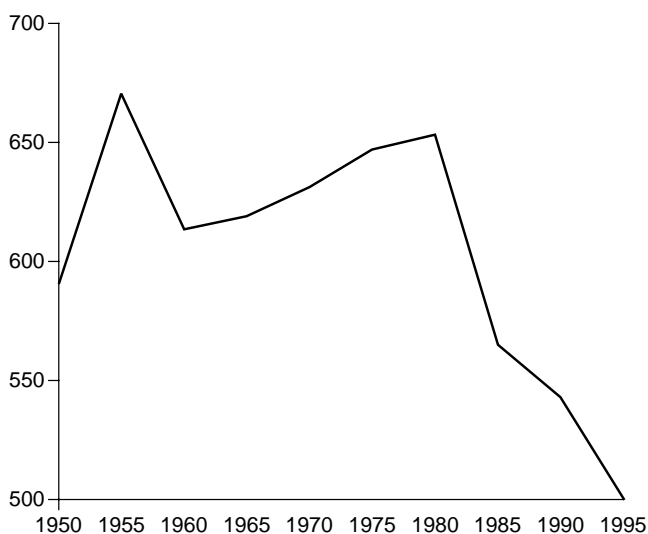
In the 1950s and 1960s, there were engineering plans to continue large-scale water projects to provide for the future. It was projected then that the 1990 U.S. population would be about 250 million, and the economic base would require 588 bgd of average dependable water supply.

Where would the “new” water come from? From continuing the geo-engineering, continental-scale water projects—the priority one being the North American Water and Power Alliance (NAWAPA), shown on p. 33; from finishing and undertaking other, smaller-scale projects in and across other river basins; and also, from creating fresh water by desalting sea water with nuclear-powered desalination plants.

FIGURE 3

U.S. Per-Capita Irrigation Water Use, 1950-1995

(Gallons per Day)



Source: U.S. Geologic Survey.

Overall, NAWAPA would add at least 135 billion gpd to the U.S. “water budget,” and additional water supplies would be available to Canada and Mexico as well. For the United States, this would be a 20% increase in supply, concentrated in the Western, arid states. Had such programs been pursued, we would not have the water problems that are common today. But these projects were blocked.

Therefore, when the U.S. population in 1990 did reach some 252 million, there were many regions where water supplies were inadequate, even though the economy was only using about 408 bgd, and nowhere near the previously projected 588 bgd. This means that whenever an episode of extreme weather happens—such as the current El Niño phenomenon affecting the Pacific Rim lands—the regional effects are acute, because of the lack of infrastructure.

Drought is now parching over half of the United States, and causing vast damage in Mexico and the Canadian Prairies. Even in “good weather,” saltwater intrusion in coastal regions—on the Atlantic, and in the Gulf of Mexico—is now a problem.

In this context, it is particularly outrageous that the governments of the United States and Mexico are today at odds over how to fix blame for non-compliance with the bilateral 1940s water-sharing agreement—in other words, how to share non-existent Rio Grande River Basin water! Here water resources have been below requirements for decades, yet this region was targeted for locating *maquiladoras*—slave labor factories, just over the border, inside Mexico—and also free

trade “factory farms.” The lower Rio Grande Basin has become a biological breakdown zone because of lack of safe and sufficient water. Water-borne diseases, including dysentery and hepatitis, are spreading; cholera has appeared; the West Nile virus arrived this Summer.

Already in 1975, based on its prior surveys, the U.S. Geological Survey forewarned against any more population influx, or expansion of economic activity in the Rio Grande region, until and unless new volumes of water and water treatment systems were provided. The 1975 USGS warning said: “Water quality is a serious problem in the lower Rio Grande Valley and precludes or inhibits expanded use of the valley under present conditions. . . . 20% of the lower valley population is not served by a public water supply system. This situation is likely to be aggravated by the increasing population in that area.” The engineers’ warnings were ignored. The U.S.-based multinationals moved in and set up shop, *without infrastructure*.

If real accounts are kept, a huge *repayment for water debts* is owed to Mexico by the U.S. consumption of *maquiladora* goods! What is required is to launch NAWAPA in the mutual interests of Canada, Mexico, and the United States, and act on other sister projects that have already been mapped out.

Overhaul Aging Water Treatment Systems

Besides building infrastructure to increase water supplies, it is urgent to overhaul and expand the aged treatment and distribution systems. There are about 237,600 water-main breaks each year—650 per day—and chronic leaks in pipes losing 20% of the water carried by many aging city systems. Boil-water alerts and sewage overflows are now common. By 2016, the Environmental Protection Agency (EPA) projects, more than 50% of the 700,000 miles of pipes will be in poor condition, or broken.

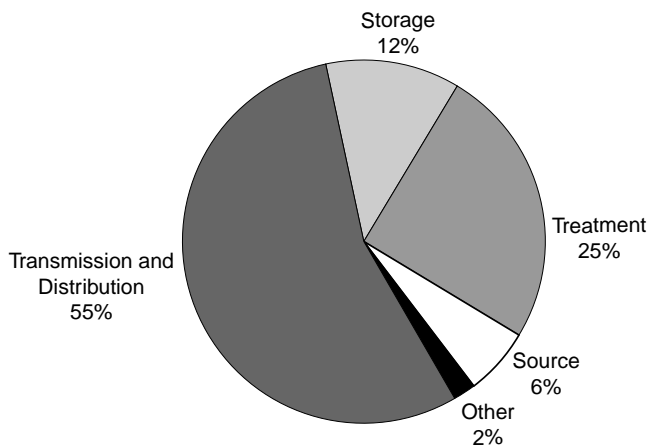
For drinking water, there are four categories of concern—source, transmission (to the purification plant) and distribution, treatment, and storage. A 1999 EPA “Drinking Water Infrastructure Needs Survey” gave an overview. Replacing aging and deteriorated water mains and installing pumping stations, represent the largest category of need (**Figure 4**). Three generations of water mains are in need of replacement or upgrade: cast-iron pipes of the 1880s, with a life expectancy of about 120 years; thinner conduits of the 1920s, that last up to 100 years; and post-World War II tubes, the most numerous, good for about 50-75 years.

Next in order of need, is to repair or replace aging treatment plants, to reduce contamination. Plant components need to be replaced after 25-40 years or less, while the concrete structures last 50-70 years. The third largest need is to repair or replace finished water storage tanks, which are prone to rupture as they age.

The nation’s municipal wastewater system is also in a big mess, as raw sewage spews out of pump stations and manholes, into streets and waterways, whenever rainfall or snowmelt fills crumbling sewers to overflowing. About 770

FIGURE 4

Pipes and Mains Are Biggest Area of 20-Year Restoration Projects for U.S. Drinking Water Systems



Source: Environmental Protection Agency Drinking Water Infrastructure Needs Survey, 1999.

of the nation’s older cities and towns face a health threat from overflows of combined sewer systems (CSO), the single-pipe sewers that move both sewage and storm water to treatment plants, built around the turn of the 19th to 20th Century. Only about one-third of the communities comply with minimum Federal CSO controls.

New or improved secondary wastewater treatment, such as replacing or upgrading overburdened treatment plants, the basic statutory requirement of the 1987 Clean Water Act Amendments, represents 27% of the total cost. New collector and interceptor sewers, which carry sewage to the treatment plant, make up 16% of the need.

What is required is a coordinated approach to bring decaying systems up to standard, while identifying high-tech water and power for new development sites on priority corridors. Cost estimates for refurbishing drinking water systems (not for growth or operations), range from the very low figure of \$253 billion by the EPA (1999 survey), to \$325 billion by the American Water Works Association (December 1998 study), for a 20-year period. For wastewater infrastructure investment (again, not for growth or operations), EPA estimates only \$140 billion over the next 20 years—with states estimating an additional \$34 billion.

Only an FDR-scale public works projects approach, can address this situation. “We need something like the Manhattan Project in World War II,” was the plea this year, by John Hertel, chairman of the Macomb County, Michigan Board of Commissioners, referring to his area, where \$52 billion of work is required for local sewerage and water over the next 20 years. “Like the Manhattan Project, this is something that only the Federal government could handle.”

Hill-Burton Way Can Restore Public Health

by Marcia Merry Baker

The hospital bed ratio by county in the United States as a whole has fallen, as **Figure 1** records, to barely three beds available per thousand people as of 1999. *This is below the 1940s U.S. national average*, that gave rise to the post-World War II remedial hospital-building program in the first place! The United States is fast going backward to conditions prevailing pre-World War II, when appendicitis, maternal child-birth deaths, and accidents claimed lives for no other reason than the absence of hospitals.

Not only hospitals—the defense-in-depth against disease—but now also public health programs (pest control, inoculation, county nurses, surveillance for disease, water and food safety) are being dismantled by budget cuts to the point of guaranteed epidemics, as this year's West Nile fever outbreak now shows.

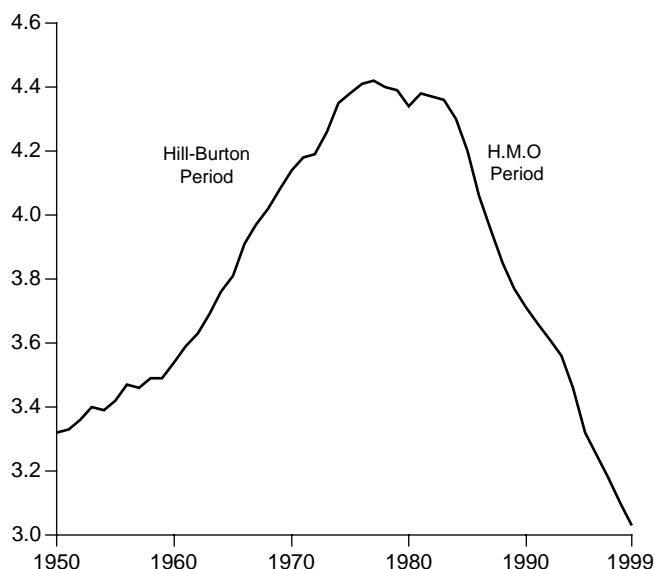
Enacted Aug. 13, 1946, the Hospital Survey and Construction Act is known as “Hill-Burton” for its co-sponsors, Sen. Harold Burton (R-Ohio) and Sen. Lister Hill (D-Ala.), the latter also a leader in the TVA program. The law mandated Federal and local cooperation and funding, to achieve a goal to have a community hospital in every county, to guarantee hospital care to citizens: in rural areas at a ratio of 5.5 beds per 1,000 (sparsely settled regions require redundancy); and in urban areas, 4.5 beds per 1,000.

At the same time that this hospital construction boom proceeded—providing many of the 3,089 U.S. counties with their first hospital ever—public health programs and applied medical R&D all but eliminated polio and tuberculosis. Pertussis (whooping cough) declined from a peak of 156,000 cases in 1947 to 14,800 in 1960; diphtheria declined from 18,700 cases in 1945, to 900 in 1960. The use of the insecticide DDT, begun in the 1940s, was on the way to eliminating malaria and other mosquito-borne disease.

By the mid-1970s, the Hill-Burton goal of 4.5 beds per 1,000 was nearly reached as the national average. Intervening laws furthered the approach: Amendments to the Hill-Burton Act in 1954 authorized funds for chronic care facilities; in 1965, the Medicare and Medicaid health insurance programs were begun.

Then came the shift. On Dec. 29, 1973, President Richard Nixon signed into law the bipartisan Health Maintenance Organization and Resources Development Act, which ushered in the era of deregulation of health care delivery, to the point where over 2,000 hospitals have shut down. Likewise, core public health functions have been drastically reduced. For

FIGURE 1
U.S. Community Hospital Beds, 1950-1999
(Per Thousand Persons)



Source: U.S. Statistical Abstract.

example, in Louisiana—the epicenter of West Nile fever epidemic—two of the six parishes (counties) with 91 cases and eight deaths (as of Aug. 15), *had no mosquito monitoring nor abatement program at all as of 2002*. This situation prevails in large parts of the Gulf Coast states.

In Fall 2001, during the anthrax attacks, public health networks were barely up to the task. Mohammad N. Akhter, MD, Executive Director of the American Public Health Association, warned at the time, “The demands to investigate these latest anthrax cases are rapidly outpacing our ability to act.” Dr. Tom Milne, Executive Director of the National Association of County and City Health Officials, told *EIR* in October 2001, that of over 3,000 counties nationwide, 180 are without any kind of state or local public health center, and many are lucky to have only a lone nurse. This Summer, Larimer County, Colorado, reported that they must cut 15 full-time public health staff, for budget reasons, while the Homeland Defense program promises to provide 3 new staff—a net loss of 12! This epitomizes the current insanity.

What is required: Repeal the 1973 and subsequent HMO legislation, and go back to the Hill-Burton approach that works; restore the community hospital system at the needed ratios of modern care, comprised of beds, nurses, physicians, therapists, diagnostics, etc.

For public health, parallel measures are needed. This means selectively freezing debts and providing new credit and funding, in order to reopen, build, or restore priority medical treatment and public health functions. But the overall policy method expressed by the Hill-Burton model, is the key.

DDT Ban Is a Weapon Of Mass Destruction

by Marjorie Mazel Hecht

Democratic Presidential pre-candidate Lyndon LaRouche, has called on “the President of the United States to take necessary measures to overturn the banning of DDT. . . . We can not kill people for the sake of condoning a fraud—as we should have learned from the Enron case.”

The 1972 American ban on DDT is responsible for the needless deaths since then of 60 million people, of malaria; hundreds of millions more, mostly children, have suffered needlessly from this debilitating disease. Of the 300-500 million new cases of malaria each year, 200-300 million are children, and malaria now kills one child every 30 seconds. Africa has 90% of the reported cases of malaria; 40% of the world’s population, inhabitants of tropical countries, are threatened by the increasing incidence what is called “the queen of diseases” because of its killing powers.

Malaria is a preventable mosquito-borne disease. DDT, which came into use during World War II, saved the lives of millions of soldiers and refugees from louse-borne typhus, and was on the way to wiping out malaria in the three decades after the war. DDT spraying dramatically reduced the incidence and death rates of malaria. Moreover, agricultural production, for example, increased as much as 40% where malaria control protected farmers.

Before DDT, India had more than 100 million cases of malaria and 2.5 million deaths per year. After the government began a spraying program, the number of cases dropped to fewer than 100,000, deaths to less than 1,000. Sri Lanka had 2.8 million cases of malaria and more than 12,500 deaths in 1946. In 1963, after a large-scale DDT spraying campaign, the number of cases fell to 17, with only 1 death. But five years after spraying was stopped, in 1969, the number of deaths had climbed to 113, and the cases to 500,000. The incidence of malaria and its death rates have kept climbing. In South Africa, the malaria incidence increased by 1,000% in the late 1990s.

The Malthusian Response

DDT was banned solely for Malthusian reasons of depopulation, 30 years after its World War II introduction and its spectacular success in saving lives. The reason was stated bluntly by Alexander King, co-founder of the Malthusian Club of Rome, who wrote in a biographical essay in 1990, “My chief quarrel with DDT in hindsight is that it has greatly added to the population problem.” King was concerned that DDT had cut death rates in the developing sector.

The director of the Sierra Club, Michael McCloskey, was equally frank, stating in 1971: “The Sierra Club wants a ban on pesticides, even in countries where DDT has kept malaria under control. . . . By using DDT, we reduce mortality rates in underdeveloped countries without the consideration of how to support the increase in populations.”

Contrary to the myths promoted by environmentalist groups and the press, DDT does not cause cancer in human beings, does not cause birds’ eggshells to thin, and is not long-lasting in the soil or ocean water. In all the years of DDT usage, there were no human deaths caused by DDT use; none of the estimated 130,000 spray men during the years of DDT use ever got sick from it.

Rachel Carson’s popular 1962 book *Silent Spring*, which was used to ban DDT, was a fraud, selecting and falsifying data, as entomologist Dr. J. Gordon Edwards documented in his analysis of the original scientific studies that Carson cited (see *21st Century Science & Technology*, Summer 1992).

At the Environmental Protection Agency (EPA) scientific hearings under Hearing Examiner Edmund Sweeney in 1972, every major scientific organization in the world supported DDT use. After seven months and 9,000 pages of testimony, Sweeney ruled that DDT should *not* be banned, based on the scientific evidence. “DDT is not carcinogenic, mutagenic, or teratogenic to man [and] these uses of DDT do not have a deleterious effect on fish, birds, wildlife, or estuarine organisms,” Sweeney concluded.

But without reading the testimony or attending the hearings, EPA Administrator William Ruckelshaus overruled his hearing officer and banned DDT. He later admitted that he made the decision for “political” reasons. “Science, along with economics, has a role to play . . . [but] the ultimate decision remains political,” Ruckelshaus said. The State Department then made U.S. aid contingent on countries not using any pesticide that was banned in the United States. The U.S. Agency for International Development discontinued its support for DDT-spraying programs, increasing funding for birth control instead.

The campaign against DDT was the “mother” of many environmental hoaxes that followed. In economic terms, this environmentalist claptrap is costing society billions of dollars in increased health-care costs, loss of human resources, and totally unnecessary regulatory measures. The United States, for example, will spend trillions of dollars to clean the dirt in areas around former nuclear power production sites, up to nearly edible standards—all because of the lie that radiation is harmful at *any* levels. Extensive research and experience shows that radiation at low levels is beneficial, and even necessary, to human health. (Radiation only becomes dangerous above a certain threshold.)

How much more beneficial to the health of U.S. citizens it would be, to invest these trillions into building new economic infrastructure, transportation, upgrading water, sewerage, and power systems, and reinstating an aggressive public-health system.

FDR's Reconstruction Finance Corp. Model

by Richard Freeman

In the period 1933-45, President Franklin Roosevelt used the Reconstruction Finance Corporation (RFC) as a Hamiltonian instrument to direct cheap and abundant credit into the physical economy to produce magnificent new infrastructure projects, generate explosive economic growth, and thereby defeat the Depression.

Today, the critical task defining America's survival is again, a mobilization to construct vital technology-transmitting infrastructure projects, with a 25- to 50-year horizon, to overcome America's severe infrastructure breakdown. Financing this infrastructure mobilization requires a national credit-generating institution, with power like that of the RFC to generate abundant long-term credit, at 1-2% interest rates.

Only a sovereign government can create the basis for the revival of an economy, when the "private sector" had failed utterly. It is the sovereign government that has the responsibility to set the broad parameters for a pathway for the science and infrastructure policy one or two generations hence, and must have national credit institutions that will realize that vision. Private banks and Wall Street are incapable of doing that, though the private sector can support the effort by participating through sufficient lending to achieve the objective of recovery measures.

Franklin Delano Roosevelt's wielding of the RFC can serve as a working precedent of the method by which a "Hamiltonian" credit policy can bring an economy out of collapse and revitalize it. As with Roosevelt then, today's deeper crisis requires simultaneously putting the bankrupt financial system through reorganization.

'Hamiltonian' Banking Policy

On Roosevelt's inauguration on March 4, 1933, the banking system had collapsed, and the physical economy was in Depression. The Reconstruction Finance Corporation already existed, having been created by President Herbert Hoover and the Congress in January 1932. But Hoover used the RFC in a disastrous way, without putting the banks through bankruptcy reorganization, or making any fundamental change in the economic and financial policy of the country. Hoover's RFC made loans to the troubled banks and insurance companies, to try to bail them out. During 1932, it dispensed \$1.624 billion in this manner, but the bail-out policy was a failure:

the economy and banking system continued to get worse.

Roosevelt used the RFC in an entirely different way: he made it part of a interconnected package—bankruptcy reorganization, restoring the banking system, building technology-transmitting infrastructure, creating productive jobs through public works, and revitalizing manufacturing and agriculture. This was an integral package, and no part could succeed, simply by itself.

FDR immediately appointed a new RFC director, Jesse Jones, a former lumberman and banker from Texas, who generally shared Roosevelt's mistrust of Wall Street. Working with Roosevelt, Jones was crucial to the RFC's success. With Jones, Roosevelt first used the RFC to put the banking system through reorganization and restore it to functioning. He could then give it a larger-scale role in building infrastructure and the physical economy.

With the March 5, 1933 National Bank Holiday, President Roosevelt closed all of the nation's banks (superseding state bank holidays which had already closed them in all 48 states). On March 9, FDR sent the Emergency Banking Act to Congress, which passed it and sent it back for signing into law the same day. It carried out a partial but substantial bankruptcy reorganization, facilitating the writing off of portions of the banks' speculative financial paper (much of that had already been "written off" by the crash and Depression). It set up three classifications for action: banks that were sound and could open under their own power; banks that required an RFC capital infusion; and banks that a conservator (created under the Act) would liquidate.

Next, abandoning the unsuccessful Hoover policy of bank-bailout loans, the RFC instead purchased capital (stock equity) and capital notes of troubled banks. The purchases would capitalize the troubled banks, without adding to their debts.

By March 15, some 70% of the 18,300 nationally chartered banks that had been in existence, before the March 5 bank holiday—sound and unsound—had reopened without RFC assistance; and 76% were so operating by April 12. Some knew they needed RFC assistance from the get-go, but others, which thought they could open on their own power, soon had to take RFC help. By June 1935, the RFC had made cash investments to the tune of \$1.3 billion in the purchase of stock and capital notes of 6,800 banks; it owned more than one-third of outstanding capital in the American banking system.

At that point, with the banks stabilized, the RFC started a disinvestment from them which it completed in a few years. The hemorrhaging of the banking system had been halted, but with aid as well of the other parts of the New Deal package.

Building the New Deal Infrastructure

In the period 1933-37, Roosevelt's New Deal stopped the descent into Depression, most of all by building infrastructure. Typified by the revolutionary Tennessee Valley Author-

ity, the projects would transmit new technology, increase productivity and the productive powers of labor; create millions of productive public works jobs; and through creating industrial orders, revive private manufacturing, re-open factories, and re-hire workers.

Many of the large money-center commercial banks, still dominated by Wall Street, refused to extend credit to the physical economy, in an attempt to sabotage the New Deal; among some Wall Street bankers, this was part of a plot to overthrow Roosevelt.

Roosevelt knew with great urgency that he had to get directed, "Hamiltonian" credit into the economy, and the RFC was his chosen instrument. He transformed it by using the full powers inhering in enabling legislation and mode of operation. At its inception, the RFC had issued stock bought by the U.S. government, meaning that the government owned it. But it was a self-supporting public corporation, financed through its own revolving fund; by selling its own notes to the public through the Treasury Department, it could pursue an independent policy.

In June 1934, FDR gained from Congress a change in the RFC's charter, which enabled it to make direct loans to business and industry. Roosevelt told an American Bankers Association meeting in 1934, "The old fallacious notion of the bankers on the one side and the Government on the other side, as being more or less equal and independent units, has passed away. Government by the necessity of things must be the leader, must be the judge of the conflicting interests of all groups in the community, including bankers."

Under Roosevelt and Jones, the RFC functioned almost as a Hamiltonian national bank. Between 1933 and 1938, the RFC loaned \$9.5 billion, including \$4 billion to banks, \$1.5 billion to infrastructure/public works, \$1.5 billion to agriculture, \$1 billion to railroads, and hundreds of millions to housing. *It became the largest single investor in economic projects, and biggest bank, in terms of volume of lending, in the United States.*

Consider what the RFC achieved. It extended at least \$500 million to the Federal Emergency Relief Administration (FERA); with these funds, Harry Hopkins ran FERA's Civil Works Administration that built infrastructure and provided jobs to the unemployed. The RFC spent hundreds of millions of dollars purchasing securities from Harold Ickes' Public Works Administration (PWA), the program for great infrastructure projects in the United States, such as the Hoover Dam. The RFC lent \$246 million for programs carried out through the Rural Electrification Administration, including the construction of power lines across rural America, and providing financing for rural families to purchase electrical appliances. And it lent money to 632 different levee and irrigation districts, so that these districts could construct water-management and flood-control projects.

In 1934, the RFC created the Export-Import Bank of the United States as a division. Initially it financed trade with the

Soviet Union; a few years later the Export-Import Bank's charter was changed, to finance and expand American capital goods and other exports worldwide.

The RFC set up two public corporations, whose stock it wholly owned, which were of great note between 1933-36: the Home Owners Loan Corporation (HOLC) refinanced one-fifth of the private urban home mortgages and stopped the flood of home foreclosures; the Federal Farm Mortgage Corporation (FFMC) refinanced more than 20% of all farm mortgages nationally, savings tens of thousands of farms.

Roosevelt declared, "Government by the necessity of things must be the leader, must be the judge of the conflicting interests of all groups in the community, including bankers."

RFC Mobilizes for World War II

Between 1940 and 1945, Roosevelt and Jesse Jones used the RFC to disburse \$23 billion to the economic mobilization for World War II, while utilizing the infrastructure that had been built during the New Deal. The RFC set up agencies like the Defense Plants Corporation, and through them sent disbursements, including:

- \$4.5 billion to the aviation industry, including the air-frame industry, and those sections of the auto industry that converted to aircraft production.
- \$1.5 billion to aluminum and magnesium producers. Both industries are largely products of World War II.
- \$250 million to build 45 plants to produce high-octane gasoline to fuel airplanes.
- \$1.223 billion to build and upgrade 183 steel and pig iron plants, adding 11 million tons of new capacity.
- \$715 million to build 51 synthetic rubber plants, which were wholly owned by the government. Before this, the United States had no synthetic rubber industry.
- \$2 billion for building an abundant number of new machine tool production facilities, and greatly upgrading machine tool design.

The extension of credit by the RFC, as an instrument in the mold of Hamiltonian national banking, facilitated the transformation of the U.S. economy around its machine-tool sector, producing anti-entropic growth. *For the period of 1933 to 1945, the RFC extended a stunning \$33 billion in new credit, more than the volume of new loans of the entire U.S. commercial banking system.* Through such an instrument today, the President and Congress could successfully direct an American crash program of reconstruction of economic infrastructure.

Sharon in Sept. 11-Type War Provocation?

by Jeffrey Steinberg

Among senior intelligence analysts in the United States, the Arab world, and Israel, the fear is growing that Israeli Prime Minister Ariel Sharon is about to covertly launch a Sept. 11-type terrorist attack targeting the United States—in order to drag President Bush into war against Iraq. Two factors may be impelling Sharon to take such provocative steps.

First, there is a growing chorus of leading U.S. military figures, active duty and retired, and Republican Party foreign-policy mandarins, who are publicly opposing the war against Saddam Hussein's Iraq. On Aug. 25, former Secretary of State James Baker III added his name to the list of opponents of a unilateral American attack on Iraq, on the op-ed page of the *New York Times*. The previous day, the *Tampa Tribune* had reported that Gen. Anthony Zinni (USMC ret.), who was the previous Commander-in-Chief of the Central Command, and now an adviser to Secretary of State Colin Powell, came out strongly against an Iraq attack.

Zinni also assailed the group of Bush Administration neo-conservative war advocates who never served a day in uniform. This grouping—including Paul Wolfowitz, Richard Perle, James Woolsey, Rep. Tom DeLay (R-Tex.), and even Vice President Dick Cheney—is being widely referred to as the “chickenhawks” (see box). “It’s pretty interesting,” Zinni told an audience in Tallahassee, Florida, “that all the generals see it the same way, and all the others who have never fired a shot and are hot to go to war, see it another way.”

The second factor that may be driving Sharon and his backers toward a false-flag 9/11-type terror attack in the United States, is his falling popularity in Israel. It is almost a certainty that there will be a government crisis before the end of the year, and early elections over Israel's dire economic crisis and the inability of the Sharon government to agree on a budget that can pass the Knesset (parliament).

In recent weeks, Haifa Mayor Amram Mitzna, a decorated, retired general, has declared his intent to run for the

Labor Party chairmanship and nomination as candidate for Prime Minister. He is committed to reviving the peace process, and has endorsed President Bush's “two-state” solution to the Israel-Palestine conflict. His emergence as a “new Yitzhak Rabin” peace-maker, has added to Sharon's desperation and willingness to take risks.

The Ashcroft Spy Scandal Factor

One factor emboldening Sharon to want a “made in Baghdad” or similar terror attack, on U.S. soil or against American targets abroad, is the cover-up of the Israeli spy scandals, led by U.S. Attorney General John Ashcroft. These spy networks form an integral part of the events of Sept. 11, 2001.

Within hours of the Sept. 11 attacks on the World Trade Center and Pentagon, reports surfaced that a group of Israeli nationals, ostensibly working for a moving company in New Jersey, had been detained by the FBI for suspicious behavior, behavior which had been reported to police in Hoboken, New Jersey. It was later confirmed that the men were working for the Israeli Mossad foreign intelligence agency, and that the moving company was a Mossad front.

Further revelations established that the Hoboken team was part of a vast Israeli military spy operation that had been activated throughout the United States beginning no later than early 2000, and which continued to operate following the Sept. 11 attacks. In early 2002, it became clear, as first reported in *EIR's Executive Alert Service* on Dec. 4, 2001, that U.S. intelligence and security agencies were investigating this. Fox-TV, later that month, established the existence of a Drug Enforcement Administration report on more than 100 arrests of Israelis suspected of surveillance in the United States, between January 2000 and July 2001.

Sources report that the Senate Judiciary Committee is now reviewing evidence that the Israeli espionage probe has been covered up, top-down, by Ashcroft's Justice Department.

Lyndon LaRouche, Democratic Party 2004 Presidential pre-candidate, issued a call on Aug. 27 for the cover-up to end. He warned that continuing effort by Ashcroft to suppress the spy scandal would increase the likelihood of another 9/11-type attack on the United States, and, by constituting reckless disregard for the national security of this country, would be cause for Ashcroft's removal.

Iraq War, Palestinian Mass Expulsion

LaRouche also warned that a staged terrorist incident against a U.S. target—whether orchestrated by Sharon or by Sharon-allied covert networks inside the U.S. military/intelligence apparatus—could impel President Bush to violate the Constitution by launching a unilateral military action against Iraq without consulting with Congress, and without proof of Iraqi involvement. This kind of action would delight the President's enemies, who might then move to impeach him.

For his part, Sharon would use the occasion of a U.S. attack on Iraq to launch mass expulsion of the Palestinian population from the West Bank and Gaza Strip. This could trigger a general Mideast conflagration beyond belief.

One well-placed Arab intelligence source pointed to signs that Sharon is preparing to activate his longstanding "Jordan is Palestine" scheme. For the past month, the Israeli press has been full of violent attacks against the "Arabs of 1948," the Arab inhabitants who remained in Israel after statehood, and who now constitute 20% of the Israeli citizenry. These attacks may signal a move to expel them from Israel, as part of the

mass-transfer operation of Palestinians into Jordan.

Sharon is aware that the Bush Administration, in recent meetings with Jordan's King Abdullah II, has pledged that Israel will be stopped from carrying out the mass transfer if the United States goes to war on Saddam. However, one source warned that Sharon is already planning the overthrow of King Abdullah, and handing Jordan over to Islamic radicals linked to his own secret allies in Hamas. Sharon would use the overthrow of the Hashemite ruler as further "justification" for the ethnic purification of the West Bank and Gaza, claiming the need to expel all "terrorists" from Israeli-occupied lands.

A second source, whose information has not been independently verified, provided what he claimed were details of the terror plot. He says Rafi Eytan, former Mossad European operations director and Jonathan Jay Pollard spymaster, has been assigned by Sharon to set in place a "mega-terror" operation in the United States.

According to the source, Eytan, the target of an American arrest warrant for his role in the 1980s Pollard espionage affair, has been smuggled into the United States from Mexico, and is now believed to be in the Ohio area. Several associates of the late Rabbi Meir Kahane, of the Jewish Defense League terrorist organization, are said to be protecting Eytan.

Whatever the truth about the Eytan lead, the threat of a Sharon-staged terror provocation is deadly serious—and must be stopped now. One way to do that, LaRouche reiterated, is for Attorney General Ashcroft to end the top-down cover-up of the Israeli spy operations in the United States.

'Chickenhawks' Become Democratic Target

The threat of a fateful, spreading war being set off by neo-conservative ideologues who've never done active military service themselves—raised by veteran military figures such as Gen. Anthony Zinni in his Aug. 27 blast against an Iraq war—has been picked up by Democrats and press under the label, "Chickenhawks."

The *New Hampshire Gazette* has established its own "Chickenhawk Database," which provides the following official definition: "A chickenhawk is a term often applied to public persons—generally male—who (1) tend to advocate, or are fervent supporters of those who advocate, military solutions to political problems; and who (2) have personally declined to take advantage of a significant opportunity to serve in uniform during wartime. . . . There is another, less savory definition of the term chickenhawk. It is not relevant to this discussion." The *Gazette* then published a list of nearly 100 well-known GOP warhawks, who, it says, all share the background of hav-

ing dodged the draft.

Fred W. Crawford wrote an opinion piece entitled "Character Matters," in which he juxtaposed the Vietnam War military service of Congressional Democrats Dick Gephardt, David Bonior, Tom Daschle, and even Al Gore, to the four GOP Congressional dodgers—Newt Gingrich, Richard Armey, Tom DeLay, and Trent Lott.

Gene Lyons, a staunch Clinton supporter during the Richard Mellon Scaife-bankrolled impeachment drive of 1999, wrote an Aug. 21 op-ed, "Chickenhawk Day-Dreams," where he chided the Democrats for sitting on the sidelines during the debate over war in Iraq, and leaving it to Republican foreign-policy "realists" to battle it out alongside Gen. Colin Powell. Lyons cited the harsh confrontation between Sen. Chuck Hagel (R-Neb.), a decorated Vietnam veteran, and draft dodger Richard Perle, over the *Wall Street Journal* column by Gen. Brent Scowcroft (ret.) (which was also published with permission in last week's issue of *EIR*). Hagel had told the *New York Times*, "Maybe Mr. Perle would like to be in the first wave of those who go into Baghdad." Lyons added, "Unless they start producing 'Meet the Press' on location from the Baghdad Hilton, that won't happen."

Headaches for Washington: Anarchy In Afghanistan, Elections in Pakistan

by Ramtanu Maitra

Despite occasional reassurances from Washington suggesting that things are getting better in Afghanistan, on the ground, all indicators point the other way. Afghanistan is steadily returning to the state of lawlessness and anarchy that dominated the 1980s, including that most of the Afghanistan-Pakistan border has ceased to exist. The lawlessness has spilled over into the tribal areas of Pakistan and the port city of Karachi.

In addition, mainstream Pakistan, represented by Islamabad, Lahore, and Karachi, is bracing up for new political upheavals, and fresh problems associated with the Oct. 10 general elections are bound to affect U.S.-Pakistan relations in a most adverse way. That is to say, Washington will soon find that its main anchor in Pakistan, President Pervez Musharraf, is enjoined in a battle, not against al-Qaeda or the Taliban, or even Pakistan's Islamic fundamentalists, but against a vast majority of people who had welcomed both President Musharraf and the United States in their war against terror—a development that could only sour U.S.-Pakistan relations. But overextended itself, the United States may not be able to dig Musharraf out of trouble.

Afghanistan: Situation Untenable

Washington would have been on a stronger footing in Pakistan, had it ushered in even a semblance of stability in Afghanistan. But the Afghanistan situation, which is by no means an easy one to solve, is worse than ever. Washington is shouldering a weak Pushtun leader, Hamid Karzai, who is now physically protected by the U.S. State Department's security detail. President Karzai stays inside his Presidential residence in Kabul. Meanwhile, the warlords in the provinces continue fighting each other for territorial control. A major clash is expected to break out between the Tajiks and the Uzbek-Turkmen combine in northern Afghanistan. In the south and east, Pushtuns are now under the control of the opium warlords, who may or may not be with Kabul.

The situation is worse than untenable. Mass graves of Pushtuns, imprisoned and killed by the U.S.-backed Northern Alliance troops, who are very much a part of the present set-up in Kabul, were found last year, but highlighted only recently, and cannot be investigated because of the tenuous situation, according to UN representative Lakhdar Brahimi.

Earlier, two of Karzai's Cabinet ministers were assassinated, but Karzai could not conduct an investigation, for fear of the consequences. The assassination of Haji Abdul Qadir, one of Karzai's three Vice Presidents, and Kabul's inability to find the culprit has virtually demolished the President's credibility with other Pushtuns.

Beyond Kabul, the parched fields were abloom with opium poppies. Once again, about 3,000 tons of opium will be produced this year, strengthening the financial and military power of the opium warlords. Meanwhile, the bombed-out irrigation canals, which used to bring water to the farmlands, remain clogged for lack of funds to clear them.

Kabul is flooded with refugees, hoping to renew their lives and give their children a better future. It is estimated that up to 1.5 million refugees have returned so far—far more than the 400,000 predicted earlier. There are still 2.5 million Afghans living in refugee camps in Iran and Pakistan, and many of them will show up soon. Kabul, however, is a devastated city. Water is short and infested with *E. coli* and other deadly bacteria. Reports of water-borne diseases, such as cholera, have surfaced.

Thousands of miles away in Washington, well-heeled Congressmen and Senators, oblivious to realities, talk about rebuilding Afghanistan. What they don't talk about, includes the fact that, at the Tokyo Conference last January, the world's richest nations had pledged \$1.8 billion in aid by the end of the year, but so far, only \$570 million has shown up and has gone entirely to easing the daily miseries of millions. The U.S. stands out as the biggest donor, having delivered the promised \$250 million.

With such deterioration, the Afghan environment is becoming highly insecure, particularly for American and British troops. Reports of attacks against U.S. troops are filtering out; Afghans have pulled in the "welcome mat." American zeal to nab al-Qaeda and the Taliban is hardly shared by the Afghans, particularly since the effort has brought death to many innocents.

'Restoring Democracy' in Pakistan

In the neighboring tribal areas of Pakistan, where reportedly a large number of al-Qaeda and Taliban fugitives have taken shelter, the local leaders have warned Islamabad that

U.S. troops will be attacked if they make incursions into the region to strike at al-Qaeda.

Washington's "man" Musharraf is in dire straits. Even if one chooses to ignore reports of at least three recent assassination attempts, including one on Pakistan's Independence Day, Aug. 14, the President is no more secure than is Karzai in Kabul. General Musharraf stays mostly in his army residence in Rawalpindi and, according to the Jamaat-e-Islami Emir, Qazi Hussain Ahmed, who was called in to work out an election strategy, President Musharraf is "shaken up."

In the wake of Sept. 11, President Musharraf was told by Washington to get on the bandwagon. He allowed the United States to have four airbases within Pakistan, allowed the FBI to post their operatives in hundreds of district offices, and agreed to dismantle the Islamic fundamentalist structure in Afghanistan and Pakistan, which he had nurtured over the years. In reality, he did not dismantle the Islamic fundamentalist groups, nor did he rein in the Inter-Services Intelligence (ISI), but did say in public, that they should be contained. Washington pressed him no further than that, perhaps because someone finally realized that truth is more difficult to deal with than fiction.

But for President Musharraf, the Damocles' sword was his promise that he would restore democracy. When he seized power through a bloodless coup on Oct. 12, 1999, he had to promise Washington a "free and fair" election by October 2002. The post-Sept. 11 American reactions, and Pakistan's direct involvement in the war against terrorism, made the situation dicier for the President. On one hand, he is courted by the highest levels in Washington for help. On the other, he antagonized the Islamic fundamentalists, the pro-fundamentalist faction within the Army, who were his friends, and many others, who chafe at the physical presence of Yankees on Pakistani soil. Washington tends to forget that the American troop presence in Saudi Arabia was one of the predicates that helped Osama bin Laden recruit and build his network among Saudi Arabia's faithful.

In all this, Musharraf, despite his closeness with Washington, missed the point. He does not know, that Washington may ignore many of his oversights, such as his half-hearted clamping down on terrorists, or restraining the ISI "nasties" who are in cahoots with al-Qaeda, but will not allow wrecking democracy. Being the champion of democracy, Washington would never relent on its demand for free and fair elections, a weapon it has used so often, that it has become standard issue in its foreign policy. This, Pervez Musharraf had not realized.

However, when he did, President Musharraf began to scramble. He set up the National Reconstruction Board (NRB) to outline the constitutional amendments he needed to strengthen his hands. He rammed through a referendum which made him President and chief of armed services till the year 2007. In August, Musharraf adopted 29 amendments (the United States in its 226-year history has 26) allowing

him to dismiss an elected government and Parliament, and appoint and sack heads of important constitutional offices, powers previously entrusted to the elected Prime Minister. Washington watched all these developments coolly, but did not protest.

But now, a new phase has begun. Pakistan is preparing for elections. President Musharraf has already helped to bring about convictions against three important political leaders: Nawaz Sharif, the two-term Prime Minister and leader of the PML(N), whom Musharraf overthrew, and who is now in forced exile in Saudi Arabia; Mrs. Benazir Bhutto, another two-term Prime Minister, leader of the Pakistan People's Party (PPP), who is in self-imposed exile in Dubai and London; and Altaf Hussain, leader of the Muttahida Qaumi Movement (MQM), in self-imposed exile in London. PPP and the PML(N) are the two largest political parties in Pakistan, while MQM is a force to be reckoned with in the province of Sindh. President Musharraf said all these leaders will be arrested, if they come to Pakistan, and they will not be allowed to contest in the elections.

Musharraf then floated the PML(Q) and brought in a number of PPP and PML(N) deserters to lead the group. He also contacted the religious groups to lend support and work out a power-sharing arrangement. The plan, however, began to founder early in August, when news reports suggested that the PPP is sure to sweep the elections, if they are free and fair; PML(N) will also do well, the reports claimed. On the other hand, the PML(Q)—known to the cynics as the "King's Party"—and the Majlis-e-Amal, the religious political grouping, will bite the dust unless the elections are rigged.

The reports rejuvenated both Mrs. Bhutto and Nawaz Sharif. They filed their nominations from abroad and have threatened to land in Pakistan and campaign. Their plans have already become a subject of popular discussion, although their nomination papers have not been certified. The U.S. State Department has issued a statement that it cannot ensure that Mrs. Bhutto would not be arrested if she returns to Pakistan.

Washington defended its good name as champion of democracy, when President George W. Bush told reporters, that Musharraf "is still tight with us in the war against terror and that is what our priority [is] and which we all appreciate. . . . However, we will continue to urge Musharraf to promote democracy, give people a chance to express their opinions the proper way." (Washington's private Project Democracy think-tank Freedom House is also calling for free and fair elections.)

President Musharraf is worried that if the PPP-PML(N) combine is allowed to back in power, the National Assembly will not get to ratify his constitutional amendments. From there, it is a short step out of power. There is no doubt that the elections must be "fixed," but will Washington allow him to do that? This is the worry of President Musharraf and a big headache for Washington.

Floods Shift National Elections to Reality

by Our Special Correspondent

The devastating August “100-year floods” of the River Elbe, which wreaked \$20-30 billion worth of damage on Germany, have profoundly shaken up the national parliamentary campaign in the last month before election day, and further increased the influence of the slate of Helga Zepp-LaRouche and the growing Civil Rights Solidarity Movement (BüSo).

Already before the floods hit, the rise of official national unemployment to more than 10% had become the major issue, and in early August the government’s Hartz Commission proposed actions demanded for months by Zepp-LaRouche: “job floater” infrastructure project bonds on a large scale, issued through the Kreditanstalt für Wiederaufbau national reconstruction bank. (Italy’s government “floated” the same LaRouchian proposal at the same time). Then came the Elbe floods, and in an Aug. 29 national parliamentary discussion of how to rebuild, it looked as though the European Union’s whole disastrous Maastricht Treaty, with its straightjackets on spending and real economic growth, would be swept away, as Zepp-LaRouche has insisted it must be. Both Social Demo-

cratic and Christian Democratic leaders agreed that reconstruction credits must be created on a large national scale. Chancellor Gerhard Schröder’s Social Democrats also proposed, in order to give the Federal and state governments funds to rebuild, to stop the ongoing rounds of tax cuts which Germany had copied from the Bush Administration’s lunatic “free market” policy.

At the same time, the Christian Democrats—lead candidate Edmund Stoiber, parliamentary leaders Wolfgang Gerhard and Wolfgang Schäuble—joined the Chancellor’s already loud and public opposition to an American attack on Iraq—the third front on which Zepp-LaRouche, a few months ago, was campaigning alone.

As Deutsche Welle television put it in reporting the Aug. 29 Bundestag sessions, it “almost seemed as if the election debate had been suspended,” as the unreal polemics of a few weeks ago gave way to a unified national dialogue on required action.

The Cabinet proposed to create, by stopping the tax cuts, a “Reconstruction Solidarity Fund” of 7 billion euros. The Transport Ministry will make another 1 billion available for the reconstruction of roads, highways, and railroads, and the German government will set up a 2002-03 dike reconstruction program in the range of 330 million euros. Interior Minister Otto Schily proposed a special state bond project for after-flood reconstruction, with bonds that can be purchased by private citizens as well as by corporations. This resembles the LaRouche/BüSo call for state bonds.

The Kreditanstalt für Wiederaufbau initiated a post-flood reconstruction loan program of 1 billion euros in total, at an interest of 2.5% over 30 years, with a grace period of five



Helga Zepp-LaRouche’s BüSo campaign took to the North with large meetings in Saxony (here, left, in Hannover) in early August, as the government began to discuss anti-depression measures which she had proposed. Her campaign posters (right), against “financial crash and danger of war,” are going up around the country.

years. The German savings banks launched a post-flood reconstruction 30-year loan program of 1 billion euros, at zero interest for the first year and 1% interest for the second. And the German Minister of Economics decreed debt cancellation for firms whose machines, buildings, and other property have been wiped out by the flood, stating that one cannot expect someone to pay the debt for things that have been destroyed by the flood.

Zepp-LaRouche Campaigns in North

The chairwoman of the BüSo, whose campaign policies are now at the center of Germany's new axioms of debate, has posters all over the country which say, "Financial crash and danger of war: I know what must be done!" She spoke to over 150 citizens and supporters, and the cameras of the ARD national television channel, in three meetings in Hanover and Hamburg in mid-August, as her campaign turnouts grew dramatically in the usually reserved North of the country. They wanted to find out, in this time of crisis, whether Mrs. Zepp-LaRouche could deliver, as the saying goes, "butter with the fish," on what her election poster announces. She told them that the small BüSo is the most important party, because it uniquely has a solution to the systemic crisis, as the events in Germany are making clear. And more provocatively, she made clear that the epicenter of this crisis is not in Argentina, Brazil, or somewhere else in the Southern Hemisphere, but in the United States.

Describing the worsening debt crisis of the large American banks and corporations, Zepp-LaRouche said, "It's an illusion to believe, as Wall Street and some in the American administration do, that a war on Iraq would stop the crash. There is a growing resistance against that eventual Iraq war. In the United States, my husband Lyndon LaRouche is leading the resistance to this war faction with his 2004 Presidential campaign. To this extent, the BüSo is the only party that has an active American policy."

Helga Zepp-LaRouche's political career is defined by plans of reconstruction and development, up through the reunification of Germany, and since then with the Eurasian Land-Bridge. "Now is the last chance to realize those plans," she emphasized.

At the end of her presentations at all the meetings, Zepp-LaRouche described her concept of a "dialogue of cultures," in German poet Friedrich Schiller's sense of grasping what is best and most universal in each culture, as essential to peace through economic development. "For the first time in history, we are all sitting aboard the same boat!" she said. "We live in an epoch where AIDS, nuclear weapons, and underdevelopment are threatening all mankind. There is therefore only one solution: the immediate transformation of the political economy and the revival of the best aspects of every culture!"

Nothing could be felt of the famous stiffness and coldness of Germany's North; citizens stayed until late in the evening to discuss with "a real politician one can talk to," as one put it.

LaRouche Factor Grows In Australian Politics

by Allen Douglas

As the world economy sinks into depression, 2004 U.S. Presidential pre-candidate Lyndon LaRouche's influence is growing worldwide; Australia is no exception. There are two, most recent markers of this rising influence downunder, linked to the activity of LaRouche's co-thinkers in the Citizens Electoral Council (CEC), a national political party. The CEC has led a successful fight against the Liberal/National Party government's attempts to pass draconian, police-state laws. And now the CEC has generated wide support for its campaign for a national bank, and for great infrastructure projects modelled on the legendary Snowy Mountains hydroelectric scheme, which the American Society of Engineers called "one of the seven engineering wonders of the world."

On Aug. 27, the Australian Labor Party (ALP), the main opposition party to the ruling coalition, announced that it would reject the government's "ASIO bill" in the Senate. This is the final piece in the "anti-terrorism" package that had been passed by the House in late March, and then by the Senate (in an altered form, and minus the ASIO bill) in late June. The thus-doomed ASIO bill would have turned the Australian Security Intelligence Organization (ASIO) into a Gestapo or KGB, with the right to detain anyone indefinitely—even if they were suspected of only having "information" about terrorism—with no lawyer, no right to remain silent, and the threat of a five-year jail sentence for "non-cooperation." The ALP had voted for the rest of the government's "anti-terror" package in the Senate in late June. So why their sudden, staunch opposition to the ASIO bill?

Shortly after the House passed the "anti-terror" package—the most far-reaching changes to the nation's legal system since World War II—LaRouche's CEC began an intensive nationwide mobilization against it, notwithstanding an apparently unstoppable government/ALP alliance to push the bills through the Senate as well. The CEC issued 500,000 leaflets denouncing the bills as "identical to Hitler's *Notverordnung*." (This was the Feb. 28, 1934 "emergency decree" the day after the Reichstag fire, which laid the juridical basis for the Nazi seizure of power.) The CEC also organized a phone call and e-mail campaign which hammered Liberal/National and ALP senators with 200 calls or e-mails per day; and sponsored a full-page ad in the country's major daily, *The Australian*, signed by 220 elected officials and other prominent Australians, which denounced the bills as, "in the most literal sense of the term, *fascist*."



CEC organizer Ross Russell (left) and local Queensland members of the expanding movement, organizing in the drought-hit town of Dalby, Queensland. Drought has hit 80% of the state; the CEC is mobilizing for new projects of water infrastructure which have long been left undone.

Although the bills could have easily been defeated then, had the nominally pro-civil rights ALP voted against them, the ALP was forced at least to demand that they be watered down significantly before the Senate passed them in late June. The Attorney General's power unilaterally to ban organizations was dropped. It later emerged, that the government *had already drawn up a list of organizations to be banned*. With the ASIO bill put off until August, a continued CEC mobilization sparked sufficient resistance to make the ALP withdraw its earlier, implicit support, and demand that the bill be consigned to committee in the Senate, a review which will likely drag on for months. Observers say that the bill, in its present form, is dead.

Fight for a National Bank

In February 2002, one month before the government rammed its "anti-terror" laws through the House, the CEC issued a special report, "The Infrastructure Road to Recovery," in its *New Citizen* newspaper, with the headline, "Facing the Depression: A Fascist Police State, or Economic Development?" The report outlined an inspiring vision for the dry, largely unpopulated continent. First, it proposed a population of 50 million by the year 2050, harking back to the "Populate or Perish!" slogan of the optimistic, post-war years, when Australia welcomed millions of immigrants from war-torn Europe to its shores—the labor force that largely built the monumental Snowy Mountains hydroelectric scheme.

The report's centerpiece was a proposed series of new, Snowy-style projects to harness a number of Australia's mighty rivers on the northern and eastern coasts, which now flow unutilized to the sea. Such great water projects could

almost make the continent drought-proof, and provide jobs for Australia's unemployed. The nation already had significant water problems when the report was published; since then, it has suffered one of the worst droughts of the past 50 years, with at least one state, Queensland, 80% covered by drought. The report has met intense interest around the country.

The *New Citizen* also proposed to construct a network of maglev trains linking the major cities; in particular, Melbourne in the Southeast to the port of Darwin on the northern coast, the gateway to the huge population centers of Asia via high-speed shipping, in which Australia has been a world leader. Other elements included the construction of a new nuclear industry featuring ultra-safe high-temperature gas-cooled reactors, a revitalized space program, and a dramatic upgrading of the country's collapsing health and education systems.

Immediately after its late-June success in watering down the government's first package of fascist "anti-terror" laws, the CEC relaunched its infrastructure campaign around the re-establishment of a national bank. The party issued 500,000 leaflets (1 for every 38 Australians) under the title, "A National Bank, for National Sovereignty!" citing LaRouche's forecasts and calls for a New Bretton Woods conference and national banking.

Australia once had a national bank, the Commonwealth Bank, established in 1911 by American immigrant King O'Malley, a federal MP who called himself "the Alexander Hamilton of Australia"; but that was privatized in 1995 by ALP Prime Minister Paul Keating. The CEC intends to get 1 million signatures for the bank, and has already secured the

signatures of 700 elected officials and other prominent figures, from all sides of Australian politics.

Australia's Political Parties: A Potemkin Village

The clout which LaRouche's associates are now wielding in Australian politics is seemingly paradoxical, given that the CEC is invariably blacked out of the major press, and that its electoral vote totals have been rather modest, reaching a high of 8% for one CEC candidate in the West Australian state elections of 2001. But LaRouche's ideas spread in the global crisis, where the reality of Australian politics is far different than the media portrays.

First, the "major" parties, the Liberal/National party coalition and the ALP, are widely despised for fanatically pushing privatization, deregulation, and free trade, which have savaged Australia's once-vibrant economy. The collapse in these parties is seen in: 1) their falling vote totals, and 2) their plummeting national membership. For decades, the two major parties split almost the entire popular vote between them, with a small slice going to the Democrats, founded as a third-party alternative 25 years ago and turned into a "balance of power" in the Senate for many years. But, in the federal election in October 2001, almost 20% of the population voted for someone outside the major parties. Only 5.4% of that went to the Democrats, some to the Greens, and a slice to another third-party effort, Pauline Hanson's One Nation party, which had borrowed some policies from the CEC, and which had been pumped up by the major media beginning 1996 in an effort to derail LaRouche's soaring influence in rural Australia. One Nation is also now disappearing, leaving the Greens—a spin-off of the Prince Philip-founded Australian Conservation Foundation—as the third-party safety valve for popular anger.

But the parties' respective membership figures are a far more accurate gauge of their genuine popular support, than media-manipulated voting patterns. This is where the reality of what the CEC represents, shines through. When Liberal Prime Minister John Howard won the federal election in 1996, his Liberals had 64,000 paid members, and the ALP had 57,000—leaving aside the Liberals' junior partners, the National Party, which is widely admitted to be heading for oblivion. Those memberships have collapsed dramatically, as the parties have continued to push globalization. Some figures have leaked out over the past months in the media, along with statements by various party members themselves, which document that collapse throughout Australia's six states and two territories.

The Liberal Party's New South Wales branch, its largest, has only 6,000 members, according to political writer Paul Sheehan of the *Sydney Morning Herald*, and two-thirds of them are age 65 or older; while its Western Australian (W.A.) branch has 800 and its Tasmanian branch has only 600. With the other states/territories, the Liberals have a national mem-



Australia's World War I-era leader King O'Malley established its national bank, the Commonwealth Bank. LaRouche's CEC, 2000 members strong, is generating wide support in the country for its demand to revive the national bank, and take the "infrastructure path to recovery."

bership of perhaps 15-20,000, at best. And many of these are bogus, according to W.A. Liberal MP Don Randall, who recently said that 90% of Liberal dues-paying members are "phantom members." "As far as phantom members are concerned, 90% of people who become members don't play an active role," he told the Aug. 4 *Sunday Times*. "And many don't even remember they are members—it doesn't stick in their minds."

Taking Randall's 90% phantom members estimate, one counts, at most, 2,000 active members of the ruling party of Australia! Even if this underestimates slightly, it is a far, far cry from the popular perception. The ALP is not much better, since, as is frequently reported even in the major media, much of its membership is the result of "branch stacking," where a local ALP honcho will pay for the phantom "memberships" of local party branches, many of whom come from local non-English-speaking ethnic communities.

As former ALP Sen. Chris Schacht recently told the "Lateline" TV show, "You've probably got less than 10,000 genuinely active members" in the Labor Party. It may be significantly less: The ALP could not even mobilize enough local members to man the polling booths in the Melbourne district of its national leader, Simon Crean, at the last election.

As for the more prominent "third party" efforts, the Democrats had 2,500 members at the time of their last leadership vote over a year ago, and the Greens, who have no national office nor any significant organizational structure, have perhaps a few more than that.

The LaRouche-affiliated CEC, by contrast, has a highly active membership of 2,000 (which is growing rapidly, toward a target of 5,000), with a full-time headquarters in Melbourne at least as large as the national headquarters of the Liberals or the ALP. LaRouche's influence, already evident in the campaign against the "anti-terror" laws, and for the national bank, will rapidly intensify as the depression deepens.

Courts Blow the Whistle On Ashcroft Police-State Moves

by Edward Spannaus

Attorney General John Ashcroft—already widely seen as a threat to constitutional rights and an increasing embarrassment to the Bush Administration—has also been the subject of two dramatic rebukes recently by Federal courts. The first was an extraordinary rebuff by the secret court that approves national-security surveillance; the second was a Federal appeals court ruling which held that the Justice Department's policy of holding secret deportation hearings since Sept. 11, is unconstitutional.

While the number of voices publicly protesting Ashcroft's police-state methods is increasing weekly, there is another, equally serious, and even more explosive, matter bubbling just beneath the surface: that is Ashcroft's suppression of any investigation into the Israeli espionage scandal in the United States.

The revelations about the Israeli "art students" which first surfaced after the Sept. 11 attacks have never been thoroughly investigated—and numerous intelligence and law enforcement sources point to Ashcroft as the key nodal point of this obstruction of justice. The potential penetration of U.S. law-enforcement and intelligence facilities by the so-called "art students" is a matter of great concern to law-enforcement and intelligence officials across the country; of even greater concern, to authorities in the know, is the Israeli penetration of U.S. telecommunications, and even of the wiretapping capabilities of U.S. law enforcement agencies. This has been carried out over the past decade by a number of Israeli-owned companies, the most notable of which are Amdocs and Comverse—the latter company now also known as Verint. (See EIR, Feb. 1, 2002.)

Any mention of the Israel spy scandal in the news media, is met with a barrage of charges of "anti-Semitism"—and similar pressures are levied against those agents within U.S.

law-enforcement agencies who have attempted to pursue the matter. As Lyndon LaRouche has demanded, with reports and rumors of a new "Sept. 11" terrorist atrocity circulating widely, it is critical that this Israeli spy apparatus be thoroughly investigated and dismantled.

Detention Camps Planned

As we previously reported (see *EIR*, Aug. 23), Attorney General Ashcroft and the Bush Administration are preparing to expand their policy of military detentions, which has so far been applied to two U.S. citizens who are being held incommunicado in military jails, without any charges being filed or access to lawyers. The Administration is reported to be considering creating a high-level committee which will determine who should be labelled as an "enemy combatant" and detained by the military. The implications of the expanded detention policy, are that the Administration would begin moving to re-establish the notorious detention-camp policy which was used against Japanese-Americans during World War II, and later held camps in readiness for the potential roundup of "national security risks" for three decades from the late 1940s through most of the 1970s.

Even without this "enemy combatant" designation, hundreds of Arabs and Muslims, who were rounded up in dragnets after Sept. 11, were also held incommunicado without access to family or lawyers, and many were then deported in secret hearings.

Congress has been slow to exercise its oversight powers over Ashcroft's Justice Department, but both the Senate and the House Judiciary Committees have recently accused Ashcroft of withholding information they need to evaluate how the Department is using its new powers under the USA-Patriot law passed last year. The chairman of the House Judiciary



The LaRouche movement fights Ashcroft's nomination. Lyndon LaRouche demanded, on Jan. 2, 2001, that Congress reject the nomination of John Ashcroft as U.S. Attorney General, because under crisis conditions, Ashcroft would go for police-state measures, corrupting the powers of office until "you don't have any justice left in the United States."

Committee, Rep. James Sensenbrenner (R-Wisc), has threatened to subpoena Ashcroft if information is not provided by Labor Day.

Leading members of the Senate Judiciary Committee have expressed their increasing frustration over Ashcroft's failure to provide needed information to them; this included the DOJ's stalling on providing an unclassified opinion from the national-security surveillance court (see below). The Justice Department asserted that it would only provide certain information to the Intelligence Committees, rather than to the Judiciary Committees which are charged with Justice Department oversight.

Secret Hearings Blasted

On August 26, the U.S. Court of Appeals for the Sixth Circuit in Cincinnati ruled, that the Bush Administration's policy of closing all immigration hearings related to Sept. 11, is unconstitutional. The Sixth Circuit's ruling upheld an earlier ruling by a Federal district judge in Detroit, who had said that the government could not block the public and the news media from such hearings. This was the first such ruling by a Federal appeals court—and it was issued with unusual speed for such a court, less than three weeks after hearing oral arguments.

"The executive branch seeks to uproot people's lives, outside the public eye, and behind a closed door. Democracies die behind closed doors," wrote Judge Damon Keith for a three-judge panel. (Notably, Judge Keith wrote the famous 1971 wiretap ruling against the Nixon Administration, when Attorney General John Mitchell was claiming the power to conduct warrantless wiretaps in national-security cases.)

The Appeals Court noted that the government seeks the power to carry out secret deportations in what the government calls "special interest" cases. "When government begins closing doors, it selectively controls information rightfully belonging to the people," the ruling stated. "Selective information is misinformation."

Courts Slam Ashcroft's DOJ

When the Justice Department finally turned over, to the Senate Judiciary Committee, the May ruling from the secret court which was created by the 1978 Foreign Intelligence Surveillance Act (FISA), it became clear why Ashcroft and his cronies were so anxious to keep it secret. The ruling, which was then made public by the Committee, was an unprecedented rebuke of the Justice Department and the FBI, from a court which has always operated in secret, and never published an opinion

in nearly a quarter-century of existence.

In the ruling, written by the then-chief judge of the FISA court, Royce Lamberth, the court rejected efforts by Ashcroft's Justice Department to expand the ability of prosecutors in criminal cases, to use information obtained under national-security wiretaps. The court said that the Ashcroft measures would give prosecutors too much control over counter-intelligence investigations, which are supposed to be conducted independently from criminal cases.

The opinion reported that in September 2000, the Justice Department "came forward to confess error in some 75 FISA applications related to major terrorist attacks directed against the United States." The errors related to "misstatements and omissions of material facts." The court had held a special meeting in November 2000 to consider what it called "the troubling number of inaccurate FBI affidavits in so many FISA applications." Among the steps taken, was that one FBI agent handling major anti-terrorism cases, was banned from ever appearing before the FISA court again.

"In March of 2001," the court said, "the government reported similar misstatements in another series of FISA applications, in which there was supposedly a 'wall' between separate intelligence and criminal squads in FBI field offices to screen FISA intercepts, when in fact all of the FBI agents were on the same squad and all of the screening was done by the one supervisor overseeing both investigations."

The legal principle underlying the FISA law, is that, whereas prosecutors must show "probable cause" to obtain a wiretap in a criminal case, the standard for obtaining a wiretap (or approval for a break-in) is lower in a foreign-intelligence or national security case. However, because of the lower stan-

dard, evidence obtained under national-security wiretaps is not supposed to be made available to prosecutors in criminal cases except under controlled special circumstances (a prohibition more honored in the breach, as *EIR* has been told since the time of the LaRouche Case in the 1980s).

The “USA-Patriot Act” anti-terrorism law, passed last Fall, eased the standards to obtain counter-intelligence warrants, and for information-sharing. The FISA court ruling did not directly deal with the new law, but came in response to new regulations proposed by Ashcroft in March, which the court said would have allowed the Justice Department to misuse intelligence information. The court accused the Justice Department of trying to use FISA as a shortcut—instead of using the authorized procedures for obtaining wiretap authorizations and search warrants under the criminal laws and rules of procedure—and the court charged the Justice Department with attempting “to amend the Act in ways Congress has not.”

Was ‘Millennium Challenge’ War Game Fixed for U.S.?

by Carl Osgood

The *Army Times* dropped something of a bombshell, on Aug. 16, when it reported charges that Millennium Challenge 2002—the huge joint war-fighting experiment run by U.S. Joint Forces Command in late July and early August—had been rigged to produce a victory by the “American” forces. Retired Marine Lt. Gen. Paul Van Riper, who acted as the opposing force commander in the war game, charged that the exercise, rather than validating the concepts it was supposed to be testing, “was almost entirely scripted to ensure a win” by the Blue (American) Forces.

These large-scale exercises were supposed to be testing new military concepts of U.S. forces fighting “in the 21st Century, in the post-Westphalian era”—that is, where nation-states are no longer assumed, but terrorist and other “threats” within states, pre-emptive actions against them, etc. (see *EIR*, Aug. 23 for report and interview). This is the kind of war-fighting which Vice President Dick Cheney, Secretary of Defense Donald Rumsfeld, and many others in and out of government have, since Sept. 11, 2001, called “continual war,” with Cheney even speaking on one occasion of “100 years of war.”

Van Riper’s charges went against all the assertions of senior military leaders before the exercise. On July 18, Gen. William Kernan, commander of Joint Forces Command, had told reporters at the Pentagon, “This is free play. The OPFOR

[opposing force] has the ability to win here.” Van Riper vehemently denied that that had been the case. He told the *Army Times* “Instead of free-play, two-sided games as the Joint Forces commander advertised it was going to be, it simply became a scripted exercise. They had a predetermined end, and they scripted the exercise to that end.”

Recipe for ‘Cakewalk’

Senior leaders at the Pentagon and at Joint Forces Command had made much of the fact that Millennium Challenge was an “experiment” rather than an exercise. An exercise, as General Kernan explained it, simply validates the readiness of forces using current doctrine, systems and procedures. “If you’re truly experimenting,” he said, “you’re looking at what’s within the realm of the possible, and you don’t know until you get into it. If you already know what the after-action report’s going to look like on an experiment, you’ve probably not got an experiment. You’ve just validated a known concept.” Col. Phil Mixon, the Director of Concept Development and Experimentation at the Joint Experimentation Center in Suffolk, Virginia, told *EIR* on Aug. 1, “there’s some things we think we’re going to learn . . . but, no, we’re not writing the final chapter before this is over with.” Mixon added, however, that the concepts had been put through a process of workshops, seminars, smaller-scale experiments, and so forth, and that by the time of the big experiment, “we’ve already put them through significant rigor, that they show merit,” and all that remains, is to put them through the large-scale war game, “to put stress on it, to make sure that it holds up under stresses.”

General Van Riper, who retired in 1997 as head of the Marine Corps Combat Development Command, gave a completely different picture to the *Army Times*. He said “We were directed . . . to move air defenses so that the Army and Marine units could successfully land. We were simply directed to turn [the air defense systems] off or simply move them. . . . So, it was scripted to be whatever the control group wanted it to be.”

Ambassador Robert Oakley, who served as the civilian leader of the opposing force in the exercise, backed up Van Riper’s account. He described to the *Army Times*, how Van Riper used low-tech methods of transmitting orders, delivering weapons, and so forth, in order to outflank the technological advantages enjoyed by the Blue (U.S.) Forces.

Opposing Force Was ‘Constrained’

After Van Riper’s charges began circulating, slightly different descriptions of the experiment began to emerge. Vice Adm. Marty Mayer, Kernan’s deputy at Joint Forces Command, told the *Army Times* reporter that having the Blue Force and the opposing force “was merely to facilitate the experiment and enable us to look at the different pieces. It was not to see who would win . . . but rather to be able to stress these different things so we can look at our abilities to react and

make decisions.” Mayer admitted that there were times when the opposing force was “constrained,” “in order for us to examine certain things.” He vehemently denied that “the books were cooked, or whatnot.”

Vice Chairman of the Joint Chiefs of Staff Gen. Peter Pace amplified Mayer’s remarks, speaking at the Pentagon on Aug. 20. He noted that there were as many different experiments going on at the same time as there were exercises also taking place. So, “if what the opposition force commander wanted to do, at a particular time in the experiment, was going to change the experiment to the point where the data being collected was no longer going to be valid as an experiment, then he was asked not to do that.”

Like Mayer, Pace insisted that the exercise was not rigged but “if some people in a particular part of the experiment felt like their life was being controlled more than they would like it to be, that wouldn’t surprise me.”

Problem Comes From Civilian Leadership

Van Riper’s objections were very specific, however, in terms of how new concepts should be tested in an exercise. He is known as an expert in running opposing forces in exercises. He apparently went into Millennium Challenge believing he would have the freedom to “stress” the concepts of the supposed 21st-Century military transformation to its limits. In an Aug. 14 e-mail quoted by the *Army Times*, Van Riper wrote, “Unfortunately, in my opinion, neither the construct nor the conduct of the exercise allowed for the concepts of rapid decisive operations, effects-based operations, or operational net assessment [all described in *EIR*’s Aug. 23 report] to be properly assessed. . . . It was, in actuality, an exercise that was almost entirely scripted to ensure a Blue ‘win.’ ”

Van Riper told the *Army Times*, “My main concern was we’d see future forces trying to use these things when they’ve never been properly grounded in any sort of experiment.” He blamed the culture of Joint Forces Command, itself, for this situation. “There’s very little intellectual activity,” he said. “What happens is a number of people are put into a room, given some sort of slogan and told to write to the slogan. That’s not the way to generate new ideas.”

If there’s a cultural problem within Joint Forces Command, it comes from above. As *EIR* has reported, the troika of Deputy Secretary of Defense Paul Wolfowitz, Undersecretary of Defense for Policy Doug Feith, and Defense Policy Board chairman Richard Perle is committed to a Clash of Civilizations outlook and “perpetual wars” of religion. Linked to this is desire to ignore the sovereignty of other nations, and the immediate insistence, by them and their fellow neo-conservative ideologues, on a war against Iraq—which they claim will be “a cakewalk,” in the words of former arms control official Kenneth Adelman.

Would they willingly permit any events or developments within the military establishment that would tend to invalidate the operational concepts that they are demanding?

Selma Honors Its Civil Rights Heroes At Last

by Marianna Wertz

Civil rights heroes Amelia Boynton Robinson and her late husband, Sam W. Boynton, were honored for their leadership in the civil rights movement in a beautiful, though long-overdue celebration Aug. 17-18, sponsored by the City of Selma, Alabama and the National Voting Rights Museum & Institute. Sam Boynton and Amelia—she is the Vice Chairwoman of the Schiller Institute and a world-renowned leader of the LaRouche political movement—pioneered the fight for voting rights for black Americans in Alabama, beginning in the 1930s.

Together, they spent decades laying the groundwork for the movement led by Dr. Martin Luther King, Jr.; they invited King to launch the famous fight in Selma which resulted in passage of the 1965 Voting Rights Act; and they supported him, when virtually everyone else shrank back in fear. The great danger and personal cost involved led to Sam Boynton’s early death from a heart attack, and left Amelia Boynton gassed and beaten on the “Bloody Sunday” march across the Edmund Pettus Bridge, on March 7, 1965.

Yet, until this long-overdue celebration, the two had never been honored in the city where they gave so much.

‘Don’t Know Our History’

Civil rights attorney J.L. Chestnut, author of *Black in Selma*, who worked with the Boyntons, noted in his tribute at the event that Mrs. Boynton Robinson “has been honored all over the world, and all over the United States. But the question was, when will Selma get around to honoring Mr. and Mrs. Boynton?” The reason for the delay, he said, is “because we don’t know our history. There would have been no Selma civil rights movement except for S.W. and Amelia Boynton. . . . There is no way to measure the influence of the Boyntons on this town and nation. The [Civil] Rights Bill of 1964,” which was the fruit of the Boyntons’ work, “changed the world. . . . They inspired Martin Luther King. They inspired me. . . . I am glad,” Chestnut concluded, “that Selma has come to do for you, Amelia, what the world has already done.”

Finally, perhaps 30 years later than it should have happened, that celebration was done right at the “Boynton Weekend,” planned to coincide with Mrs. Boynton Robinson’s 91st birthday. The LaRouche movement was there to give the hundreds gathered a sense of the work which this brave woman has accomplished in these last two decades, as she has traveled the world to teach the lessons of the civil rights movement



A Selma, Alabama artist's painting of civil rights heroes Sam and Amelia Boynton, is part of the monument finally being built to them by the city where their struggle led to the Voting Rights Act. It was unveiled by Selma City Councilwoman Bennie Ruth Crenshaw (left) and Felecia Pettway of the National Voting Rights Museum.

and to campaign for the man who, as she said, has picked up the broken pieces of that movement and leads it today, Lyndon LaRouche.

Youth Festival

The weekend began Saturday with an all-day festival at Selma University, attended by about 300 youth, with sporting events, music, speeches, and food. The highlight was the unveiling of an exhibit by the festival organizers, Selma Councilwoman Bennie Ruth Crenshaw and Felecia Pettway of the National Voting Rights Museum. This features a portrait of the Boyntons, painted by local artist Nate Brown, which will be housed in a waterfall monument being constructed at the campus.

Amelia Boynton Robinson addressed the Saturday gathering briefly, urging the youth to exercise their right and duty as citizens by registering to vote and running for office, a message she has brought to youth all across this country over the past decade. Mrs. Boynton Robinson had been, herself, among the first ten black Americans to register to vote in Selma's Dallas County, which she succeeded in doing in 1930.

The event was filmed by local television and the *Selma Times-Journal*, which ran front-page headlines for two days on the celebration. Mrs. Boynton Robinson is aware of the Selma press blackout and slander of LaRouche's political

movement in recent years; she immediately made a point, in her interview with CBS-TV affiliate WAKA, to say, "I work with Lyndon LaRouche, who is picking up the broken pieces of the civil rights movement. Have you heard of him? I'm sure you haven't heard anything good, just as you didn't hear anything good about Dr. Martin Luther King, or about Jesus Christ when he was being persecuted."

On the Saturday program, at Mrs. Boynton Robinson's request, Schiller Institute Vice President Marianna Wertz brought greetings from Lyndon and Helga LaRouche, and then introduced German Bundestag candidate Louis Donath (who had travelled to Selma especially for the occasion), who beautifully sang a German Lied for the assembled youth.

Political Leaders Pay Homage

The Sunday event was a four-hour celebration, including a sit-down dinner prepared by young volunteers, which included speeches honoring Mrs. Boynton Robinson by virtually every Selma politician, including the recently elected Mayor James Perkins, Jr., as well as resolutions passed

in her honor by both houses of the Alabama State Legislature. U.S. Congressman Earl Hilliard, whose district includes Selma, and who recently lost his reelection bid due to an intense campaign against him by the Zionist lobby, sent a message of congratulations.

Mayor Perkins called the Selma civil rights fight "our Ground Zero." "It takes a long time for ground zero to heal," he said. "We ought to consider ourselves blessed because God decided to use Selma as Ground Zero. I thank God that in every instance and generation, he raised up such leaders. Thank God for the Boyntons." Three members of the Selma City Council then presented Mrs. Boynton Robinson the Key to the City.

State Sen. Hank Sanders read the State Senate resolution and a birthday message from Gov. Don Siegelman (D), who thanked Mrs. Boynton Robinson for her "many years of dedication to preserving the noble principles of equality, fairness and truth . . . which continue to greatly benefit our nation's citizens." Sanders, himself a noted civil rights leader, added that "Don Siegelman would not be Governor today except for Amelia Boynton Robinson, and he knows this."

Former Tuskegee Mayor Johnny Ford, who is now a state representative, read the Alabama House resolution paying tribute to Mrs. Robinson. He promised to honor her similarly in Tuskegee, where she lives today, saying, "I would not be where I am today, were it not for Sam and Amelia Boynton."

Ford also commended her for her “work with Lyndon LaRouche around the world today.”

Civil rights attorney Rose Sanders choked back tears as she thanked Amelia Robinson for giving her the courage to fight today, against many of the same problems which the Boyntons confronted 50 years ago. Sanders reported that her radio station, a key support for Hilliard’s unsuccessful re-election campaign, had just this year been burned down by still-unknown persons. “Fifty years later, we are still having some of the same troubles,” she said. “And I hope I will have the courage that you had then. You are as needed now as you were then,” Sanders told Mrs. Boynton Robinson. “It’s painful, but if you can stick it out, maybe I can, too.”

Attending the ceremonies on both days were nearly 20 members of four generations of the Boynton family, some of whom came from as far away as California. Bruce Boynton, Sam and Amelia’s son and a civil rights attorney himself, who won a landmark Supreme Court decision on busing while a law student, spoke on Sunday, representing the family. He recounted, in an emotional speech, the memorial service for his father which was the first mass gathering in Selma’s nascent civil rights movement. He recalled looking down the street at the thousands of faces, “the people my father never saw,” as Sam and Amelia Boynton struggled almost alone for years. That mass demonstration, sparked by the death of this great man, was the beginning of the movement which resulted, just one year later, in passage of the Voting Rights Act, Boynton said.

A Beautiful Soul

The LaRouche movement’s Marianna Wertz then introduced Mrs. Boynton Robinson. “As Vice Chairwoman of the Schiller Institute since the late 1980s, Amelia has travelled the world, joining with Lyndon and Helga LaRouche, her adopted son and daughter, in fighting to bring the lessons of the American civil rights movement to a sorely troubled world. Though they couldn’t be here themselves today, the LaRouches asked that I convey their greeting and wish for the success of this wonderful celebration. Amelia is the embodiment of what Friedrich Schiller calls a ‘beautiful soul’ and a ‘citizen of the world,’ ” Wertz continued. “Her work with the Schiller Institute is typified by her trip just last month to Iran, where she was invited by the Iranian National Television to speak to audiences across the country about the real America, the America she and the Schiller Institute represent. She spoke with thousands of people there, who are watching in horror as the other America prepares for yet another senseless war on distant shores. She gave them hope that there is a movement in this country today which still is fighting to realize the dream of Dr. King, and will not let



Amelia Boynton Robinson holds the plaque from Alabama Gov. Don Siegelman, as her 91st birthday is celebrated in Selma. A state legislator observed that Siegelman would not have reached office without Amelia Robinson’s decades of work, and other elected officials said the same of themselves.

this nation become a new Roman Empire.

“Wherever she goes—be it the war-torn Balkans, East Berlin just after the fall of the Wall, or to hundreds of classrooms across this nation, Amelia has inspired audiences worldwide with the fierce, yet loving determination which she brings to the fight for dignity and fundamental rights for all human beings. Thank you, Amelia, for all that you’ve given to the world.”

Amelia Boynton Robinson spoke briefly but poignantly at the close of the Sunday banquet. “I am glad that I have been given the opportunity by the Schiller Institute to go about this country and tell the truth. We have good people in America, but we’ve got to kill the cancer of hate. They hate me today, but tomorrow they hate themselves. I have given children the will to be somebody, and I have seen the results. These young people,” she said, pointing to the youth in the audience, “are our future. At 18 they can go to the electric chair; they can also vote. We need to give them the good foundation they will need to make the right decisions in life.”

At 91 years young, Amelia Boynton Robinson is inspiring youth today with her courage and determination, just as much as she and her husband did 50 years ago. The honor bestowed on them at last by Selma, was a fitting testament to their enormous contribution to humanity.

The Precious Elder Generation

Our loss in the death, on Aug. 26, of America's great teacher and singer of poetry and music, William Warfield, reminds us again how precious are those, the best men and women of his generation. They learned to live with a commitment to the truth, and to the special beauty and dignity of human life, which Americans of subsequent generations compromised, and which the best youth of today are seeking to rediscover in this national crisis.

William Warfield was known worldwide, since the end of World War II, as an ambassador of the embattled best qualities of America; he was, as his friend Dennis Speed wrote in a tribute just published in *New Federalist*, a man who "knew Beauty, not as a goal, but a place where he resided," and where he knew all human beings could reside. His fame as a baritone, as an interpreter of Classical song and Spirituals, and as one of the most sought-after teachers of song and poetry in America, came from the same quality of beauty and truth which made him—effortlessly and without changing his outlook and activities—a leader to especially the younger activists of Lyndon LaRouche's movement in recent years.

Thinking of that sublime quality of William Warfield, it was impossible not to hear the extraordinary words of another great and precious man of his generation—Pope John Paul II—only a few days before Bill Warfield's death. The Pope, speaking to the 23rd Meeting for Friendship among Peoples in Rimini, Italy, took as his provocative subject the unity of Beauty and Truth.

"In this world of ours," the Pope said, "thought tends often to insist that truth should be extraneous, as such, to the world of art. Beauty is supposed even to concern sentiment alone, and to represent a sweet evasion from the iron laws ruling the world. But is it really so?"

"Nature, things, persons, are truly able to astonish us through their beauty. . . . Such a reflection brought Greek thought to insist that Philosophy is born out of Wonder, never decoupled by the charm of Beauty. Even what escapes the sensible world has its intimate

beauty, which strikes the spirit and opens it to admiration. Think of the power of spiritual attraction exercised by an act of justice, by a jest of forgiveness, by the sacrifice for a great ideal lived with joy and generosity.

"In the Beautiful," the Pope continued, "Truth reveals itself and attracts through the unmistakable charm which emanates from great values. Thus, Sentiment and Reason find themselves radically united by a call to the person as a whole.

"Beauty possesses a pedagogical power of its own in effectively introducing to the knowledge of Truth."

Lyndon LaRouche, whose own 80th birthday will be celebrated very soon, had been scheduled to get together with William Warfield to work with a group of young students in California, just at the time of Warfield's death, as Dennis Speed reported. LaRouche had written to the great singer just before, "We must make such matters clearer to those who, being of the post-war generations, because of the circumstances in which they lived until now, tend to be foolish." And he proposed again to his friend and contemporary that issue of Beauty and Truth: "Those discoveries of universal principle which uplift the human condition, are immortal, since the original act of discovery lives afresh in the imagination of each person who recreates that act of discovery in his, or her own, sovereign creative powers of mind. By bringing the greatest discoveries of science and art to life today, we hear the joy expressed by those long past, whose immortal dreams reach us, and move us today.

"We must persuade those assembled on this occasion, and others as far as we can reach, to learn this lesson. It is important to master the art, but it is sublime to inform and enlighten the soul."

The lesson for so many people who wish to make a difference with their lives—especially now, in these times—and who look at a wonderful figure like Bill Warfield and think, "Am I capable of creating Beauty like that?" is that the question to start with is, "Am I willing to stand up and tell the Truth?"

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Centerfield

Gunnison

Sundays & Mondays
6 pm & 10 pm

SEVIER

Mallard-Suntel
Anabella Ch.29
Central Ch.29
Elsinor Ch.29
Glenwood Ch.32
Monroe Ch.29

PLAINSBORO

Sun—1 pm & 8 pm
Mon—1 am & 8 am
Precis Cable Ch.10
Aurora
Redmond
Richfield
Salina

VERMONT

• GREATER FALLS
Adelphia Ch.8
Tuesdays—1 pm

VIRGINIA

• ARLINGTON
ACT Ch. 33
Mondays—4 pm
Tuesdays—9 am

BLACKSBURG

WTOB Ch.2
Mondays—6 pm
• CHESTERFIELD
Comcast Ch. 6
Tuesdays—5 pm

FAIRFAX—Ch.10

Tuesdays—12 Noon
Thursdays—7 pm

LOUDDON

Adelphia Ch. 23/24
Thursdays—7 pm

ROANOKE—Ch.9

Thursdays—2 pm

WASHINGTON

• KING COUNTY
AT&T Ch. 29/77
Mondays—6 pm
(starts Oct. 7)

KENNEWICK

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

PASCO

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

RICHLAND

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

SPOKANE—Ch.14

Wednesdays—6 pm

WENATCHEE

Charter Ch.12
Thu—10 am & 5 pm

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