
Statements by LaRouche

Understanding the war in the Mideast

The following has is taken from verbal remarks made by Mr. LaRouche, speaking from prison in Rochester, Minnesota.

The Middle East war must be understood in the following terms: There is a geopolitical conflict, avowedly by the Anglo-Americans of Britain and North America. This policy envisages the danger that a united Germany might lead Western Europe in giving economic assistance to the rebuilding of Eastern Europe, and Moscow, as creating a Eurasian land-mass threat to their world domination by the Anglo-American rim.

The Anglo-American rim group, which has orchestrated the situation in the Middle East, and which controls the government of Israel, at present, has two general objectives: One is to weaken Germany, and Japan, at all costs. The declaration of economic warfare against Japan and Germany as the strategic elements of the CIA, and so forth, is one illustration of this. The role of U.S. Special Trade Representative Carla Hills is another illustration of the same intent to destroy, virtually, the economies of Japan and West Germany.

The other side is to pit Russia against Germany. This is very much the same kind of thing that was done by the British to cause World War I, and, by reflection, also World War II. It is a natural outgrowth of the theory behind the Congress of Vienna, the Holy Alliance policy of Britain's most famous butcher, Castlereagh.

The other part of the British—or Anglo-American—policy, is to shift the conflict otherwise, to between the northern and southern parts of the world—that is, the war of the Northern White Race, against the Southern Colored Races, including Spanish-speaking people in Mexico, and south, as parts of the targets of this dirty operation.

The significance of the Middle East is that it's the crossing point for both of these issues.

Oil is not the issue of conflict

A shutdown of 60% of the world's proven oil reserves, which is what is threatened right now, or even the threat of doing so, drives up the price of petroleum, and drives down

the supplies of petroleum, to the point that Eastern European development is threatened, the development of continental Western Europe is threatened, and the development of Japan is threatened.

At the same time, this same war is a part of structuring the military capabilities of the northern part of this planet for perpetual population wars, and other murderous enterprises, against the people of the nations to the southern part of the planet.

The fact that the Israeli government at present is a bunch of warlike maniacs, and otherwise certifiably insane, and that the saner forces in Israel are not presently at the fore; the general situation in the Middle East; the instability of the condominium, that is, the East-West joint empire arrangement—all indicate that we're going into a summer-autumn period, in which a Middle East war would be the most probable event orchestrated by the Anglo-Americans in particular.

What is at conflict here, is not the price of oil; but, of course, the price of oil is very much affected. The stresses had reached the point in the economy generally, that any perturbation was likely to upset the appercart for George Bush. What the war might cause, as former Energy Secretary James Rodney Schlesinger has said, would be a rise of the price of oil to \$40 a barrel or higher; and a really bad war, or perpetual war in the Middle East, might drive the price of oil up to \$60, of course. Those are realities. But, that is not fundamental. It's very important, it's very painful, it's very crucial, but it's not fundamental.

A war of two images of man

The fundamental thing is a conflict in philosophy.

Since Solon of Athens, approximately, since the time of the Ionian revolt against the Persians, the suppression of that revolt, European civilization has been divided into two currents, which, for the past 2,000 years, has been a conflict between a Christian current, and a paganist current, sometimes calling itself Christian, but nonetheless paganist.

The two currents are called, respectively, republican, which is the Christian current, or oligarchical, which is the opposing current, the anti-Christian current, typified, for example, by King George III of Britain, back in the late 18th century and early 19th century. Or, the conflict between Alexander Hamilton, the Christian, the republican, as against the heathen, paganist Adam Smith of Britain. Those are simple facts; they're not contestable to anyone who understands the subject.

What we face now is the alignment, or attempted alignment, of Anglo-American pagans, people who would like to bring back a *Pax Romana*, some kind of a Roman Empire under their rule, in partnership with a significantly weakened Moscow. That's their game. These people who want that kind of game, the partnership with Moscow, for imperial rule, believe that this is a Third Rome. They wish at the same time to support policies which exterminate Christianity, at

least in the form associated with Jesus Christ and the Apostles or anything since—the republican form of Christianity—and to bring back in a pantheon, an assortment of religions, in which Christianity might be tolerated as one of them.

But, Christianity as a system of values would be exterminated, extirpated, from the political processes of society. These people are also radical environmentalists, radical ecologists. They wish to crush technological progress, not because it enables us to produce more people, although that's what they say; but, because technological progress means the development of the mind of the general population to a level at which it can generate, assimilate, and use advanced scientific knowledge in the form of improved technology.

Therefore, I say, that the conflict today is between these two philosophies: the oligarchical, or pagan, or pagan Rome, or those who would like to go back to pagan Rome, or New Age, on the one side; and on the other side, the Christian, republican tradition, which implicitly is traced from Solon and Socrates, so that we might say modern Western European civilization and American civilization is, essentially, that of a Socrates converted to Christianity.

Which of these two philosophies is going to prevail, is the question. If the former, the world is going to hell; the planet is going to hell. Only this upsurge of the latter, to say, "Enough. Enough evil; this evil must cease," leaves any hope for humanity.

In summary, the situation involving Iraq, Kuwait, and other states of the Arab world, is an internal Arab affair, and anyone from outside the Arab world, must proceed with a great degree of reserve and caution in this matter: not make ultimistic demands from the outside, which complicate and render difficult, the ability of Arabs to settle their own affairs.

Arabs have a right to develop, too

In general, this danger in the Middle East will continue, until the world accepts the right of Arabs to have basic economic development, including basic infrastructural development in the region. This means water systems, energy systems, including nuclear plants; this means transportation grids, and so forth and so on.

One would hope that Israel could become an integral part of such a joint economic development of the region as a whole. That, I see today, is the only hope for peace. But, the essential thing remains: It is time that the industrialized nations recognized the *human right* of Arab people to economic development, including basic economic infrastructural development. It is time that the world allowed the Arab nations to use their petroleum assets in particular, as a bargaining chip for development of basic economic infrastructure, and, thus, provide the foundation for the improvement in food production, the foundation for the development of small, high-technology firms, entrepreneurial firms, and thus, the basis for the development of a healthy, viable, manufacturing sector.

Natural \$30-35 oil price to shock U.S.

On Aug. 5, the foremost expert on physical economy, jailed political prisoner Lyndon LaRouche, explained why a \$30-35 per barrel oil price is a "natural" level. This price level will deliver financial and economic shocks to a disastrously mismanaged U.S. economy, he said, which has been propped up the artificially low cost of oil and other primary commodities. The following is edited from oral remarks.

The general estimate is that the rise in the price of oil will hit the highly vulnerable U.S. economy the hardest. The interesting thing to note here, is that a \$25-30 oil price is not to be seen as something specific to a Middle East oil crisis. Rather, if one looks at the movement of prices for petroleum products over the past quarter-century, we find that petroleum should be, on the international markets, between \$30-35 a barrel.

Now, what is the proper price of petroleum? It is a price which covers three elements of cost. One, is depletion: The cost of developing fields before you begin to produce even a gallon of oil from them. Second, the price of production, including capital replacement costs, that is depreciation and amortization costs, as well as direct production costs. Third, costs of distribution, especially physical distribution. On that basis, we can say that on the average, the world market price for petroleum should be \$30-35 a barrel.

The sole argument, from a physical standpoint, against this, is that given the extraordinarily low cost of production and large quantities of product available from Saudi Arabia, and so forth, why not produce all the world's petroleum supply in Saudi Arabia and other exceptionally low-cost regions, and not use the marginally higher-cost petroleum products of the North Sea and other higher-cost production areas?

That, obviously, is a fallacy of thinking, a fallacy which is exposed by the fact of the current Middle East oil crisis. Would you wish the world's petroleum supply to come entirely from one highly vulnerable region of the world, a region which could be shut down overnight, by some catastrophe?

So obviously, part of the cost of production of the petroleum involves the *security* of supplies of an essential product, petroleum. Petroleum is not something we can dispense with overnight, simply because we decide we're not going to use it tomorrow—that means shutting down our economy. We have to have the flow of petroleum to keep our economies