

EIR

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Impeachment trial: Stop the bipartisan coup d'état
Russia-China-India strategic triangle forms
Lazare Carnot's leadership in a time of crisis

Al Gore and Adolf Hitler



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The Substance of Morality

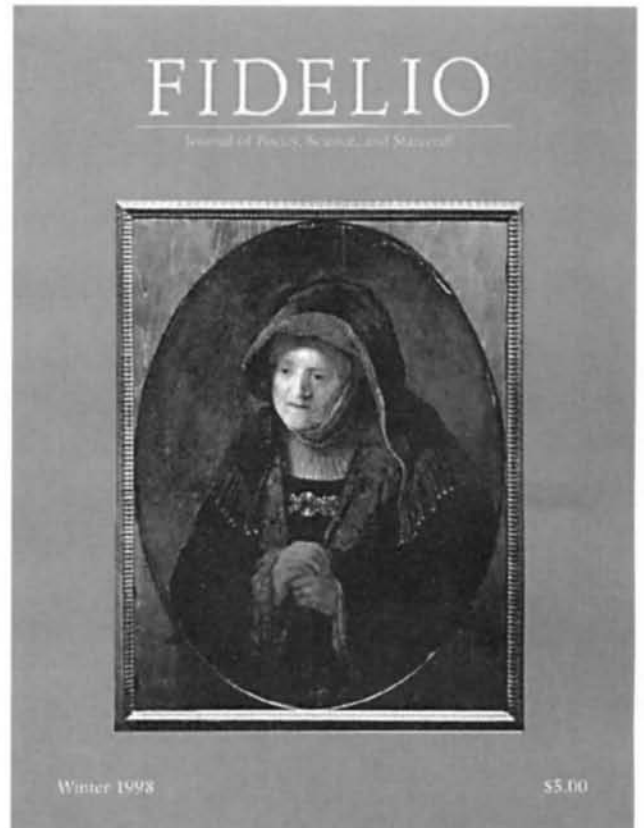
by Lyndon H. LaRouche, Jr.

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

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The Case of Classical Motivic Thorough-Composition

Florentine *bel canto* • J.S. Bach and Inversion • The Scientific Discoveries of Bach's *The Art of the Fugue* • The 'Royal Theme' from *A Musical Offering* • Mozart's Fantasy in C minor and the Lydian Principle • 'Time-Reversal' in Mozart's Works • Motivic Thorough-Composition in Late Beethoven • Brahms' Fourth Symphony



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From the Associate Editor

Some among our readers may be provoked, or shocked, at the image on our cover, and the headline that accompanies it. “Al Gore?” “Adolf Hitler?” “You gotta be kidding!”

Please turn to page 20 and study carefully the argument LaRouche makes, and the accompanying documentary dossier. This is no simplistic comparison. We are not talking about armbands with swastikas. We are not talking about personalities. The key to the scientific comparison we are drawing, is the fellow marching to the right of Hitler in the photo: Hjalmar Schacht, the representative of the British-led financier oligarchy that installed Hitler in power, at a time when the world financial and monetary system had broken down—as it is breaking down today. Today, that same oligarchy views Al Gore, the zero, the cigar-store Indian, as their tool of the moment, in a strategy to destroy the republican institutions of the United States *in the immediate days ahead*.

It is the political-economic process as such, which has determined both coups d’état—the British direction of the coup which brought Hitler to power, and the same British interests’ direction of the coup in which Gore figures as a foolish and malicious puppet. The process is the British financier-oligarchical monarchy’s continuing, decades-long reaction against each perceived systemic threat to its “world-government” scheme, a state of mind which had arisen, in 1929-34, and again during 1992-98, in response to a systemic political-economic crisis within the oligarchical world financial order.

In this issue, we put together various elements of this total strategic picture, including the *positive alternative* against which the British oligarchy is furiously reacting. In Weimar Germany, Dr. Wilhelm Lautenbach circulated an economic recovery program that would have blocked Hitler’s rise to power (see *Feature*); so, today, the “strategic triangle” being created by China, Russia, and India, points in the direction which the United States must go (*International*).

And, in our *Strategic Studies* section, we present an in-depth study of how a great man in an earlier time of crisis, France’s military and scientific genius Lazare Carnot, provided the kind of leadership that is so urgently required today.

Susan Welsh

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Oil price collapse puts Mexico in existential crisis

by Carlos Cota Meza

Mexico's budget plan for 1999, which was presented to the nation's Congress last November in accordance with the law, confirms in spades that Mexico is rapidly moving toward a crisis similar to that of 1994-95, despite the 1996 financial bailout which was, at the time, considered the largest in the world.

As is typically the case, specialized publications around the world have failed to report what is actually at stake. Instead, Wall Street propaganda has insisted that the most important thing for Mexico was the "approval of Fobaproa," the bank rescue package which is costing the public treasury more than \$60 billion.

As a result of the recent combined vote of federal deputies from the Institutional Revolutionary Party (PRI) and the National Action Party (PAN), Fobaproa (the Bank Fund for Savings Protection) is now officially part of the government's 1999 public debt. Since 1995, the Bank of Mexico has been using this fund to "capitalize" all Mexican commercial banks which had gone bankrupt in the 1994 payments crisis, by buying up their huge portfolios of non-performing loans. Notwithstanding the gleeful cackling of the international banks, the "approval of Fobaproa" resolves nothing with regard to the Mexican banking system—although it does impose yet another burden of public debt upon the Mexican people.

The transfer of private bank debt to the public treasury has been accompanied by another program, "support for debtors" with non-performing loans. This new program, entitled "End Point," will be in effect from January to September of 1999 and, according to official information, will entail reschedul-

ing "loans contracted before July 30, 1996." This means that it is going to reschedule the very unpaid loans that were supposedly restructured through Fobaproa!

As some bankers have already warned, a new bank rescue package "will become necessary" when the "End Point" program concludes in September 1999, and the actual amount of non-performing loans accumulated since July 1996 becomes known. Fobaproa was involved in dealing with the mass of non-performing loans which accumulated during the six-year term of Carlos Salinas de Gortari (1988-94), and which blew up in December 1994. But it appears that, despite the Fobaproa rescue, the banking system has already gone bankrupt—a second time.

Oil chaos

But this bankruptcy will be worse than the first, because, when the banking system actually blows, the Mexican economy will find itself in a much worse crisis because of the ravages already caused by the collapse in the international price of oil.

At the time of this writing, the United States government has already bombed Iraq, and not even this has caused oil prices to rebound. Throughout 1998, Mexico has sold its oil at half of what it was worth in 1997.

Given that Mexico is an oil-producing country, despite some claims to the contrary, the fall in the price of crude has caused 1) a destabilization of its balance of payments (in other words, the danger of default on its foreign debt); 2) a gigantic deficit in its balance of trade, which presages an "abrupt devaluation" of the peso; and 3) a budget deficit which has placed

President Ernesto Zedillo's government at risk of political disintegration, since the oil industry provides up to 40% of the government's tax revenues.

This extremely serious economic situation has been aired in House discussions on the 1999 federal budget, although the congressmen may not have been aware of the fact.

In November 1998, the Executive sent its 1999 budget for income and expenditures to Congress for review and approval. By itself, the government plan, with its drastic cutbacks in expenditure and investment, was criminal. But not a week has passed that the Executive has not called on congressmen to approve yet another, more austere version of the plan, because of the continuing decline in international oil prices.

It is interesting to analyze what the Zedillo government's vision of the future was, a future which is now out of the question. The General Criteria of Economic Policy for 1998, which was officially prepared by the Finance Minister, establishes guidelines "for the purpose of facilitating examination" of the budget plan by the Congress. The Finance Minister informs Congress that what it seeks for the coming year is "to protect to the maximum, levels of growth and employment, without causing future vulnerabilities, and to guarantee an ordered transition to the next administration." This government statement of intent is sustained by the mistaken axiom that "the Mexican economy succeeded in overcoming the 1994-95 crisis."

This supposed success by the federal government was due to a "relatively favorable international situation" which, unfortunately, changed "drastically" as of late 1997, with events—according to the ministry—that no one could have anticipated for their "intensity and virulence with the financial instability [that] would extend to the world's principal financial markets during 1998."

The government thus recognizes that this financial crisis produced a "severe restriction of foreign resources for the totality of emerging economies, among them Mexico; and the severe fall in the price of oil."

Kill people, but keep paying

What the Finance Ministry does not report, is that, throughout 1998, the government was on the verge of falling into insolvency with its foreign creditors. The way in which the ministry chooses to inform Congress is that the fall in oil prices is "36% with respect to 1997, representing a more than 1% decline of the GNP in public income." The government's fiscal policy "responded through three adjustments to government spending," which prevented the budget deficit from increasing.

Trying to clarify this confusion, we turn again to the General Criteria of Economic Policy for 1998. Remember that these "criteria" were established by Guillermo Ortiz Martínez, who served as Finance Minister before he was

installed as Governor of the Bank of Mexico.

In November 1997, the Finance Ministry told Congress: "For 1998, the public sector has allocated payments on the foreign public debt in the amount of \$11.7 billion. Of that amount . . . \$4.479 billion correspond to overdue payments that must be refinanced." Budget cutbacks imposed by Miguel Angel Gurría, who replaced Ortiz Martínez as Finance Minister on Jan. 1, 1998, are, not surprisingly, similar to the amount that was to have been refinanced, but which was not because of "financial instability."

When President Zedillo said, before the financial crisis hit, that he had "taken the bull by the horns," he was only referring to the fact that Mexico has not yet fallen into default with its international creditors, and that everyone should be proud of this. Things, however, are not that simple.

When Guillermo Ortiz Martínez presented his General Criteria of Economic Policy for 1998 in November 1997, he told federal deputies that "the current consensus among the principal analysts of the international economy are that: 1) the economies of our main trading partners, and particularly that of the United States, will continue to grow; and that 2) conditions of liquidity on the international financial markets will not be significantly affected."

Therefore, said Ortiz Martínez, "with regard to the foreign debt, we will continue to carry out refinancing operations that will permit us to improve the current conditions for [debt] contraction, while at the same time encouraging diversification of the markets . . . for future [debt] issuance, both of the public and the private sectors."

Further, in the 1998 Budget of Income and Expenditures, modified just one month after its approval, the federal government had established that "public finances would contribute to economic growth," through the following actions: "In hydrocarbons, a growth in total investment of 59.7% in real terms is contemplated. . . ; In electricity, growth in total investment of 50.6% in real terms is proposed. . . ; In hydraulic infrastructure, it is hoped that strong encouragement can be given to projects that increase coverage of potable water and sewage services. . . ; In communications and transportation infrastructure, an investment growth of 18.4% in real terms is proposed."

We may assume that new oil infrastructure, new thermo-electric plants, and new hydraulic, communications and transportation infrastructure are real necessities of the Mexican physical economy, at any time. However, none of this was carried out in 1998 because of drastic budget cutbacks to pay the foreign debt.

Regarding the private sector, the 1998 "Criteria" takes as its driving force "investment in internationally viable sectors (exports)." The 1997 trade balance, clearly in deficit, is nonetheless presented as the unmistakable sign that the Mexican economy has overcome the 1994-95 debacle (see table).

Trade balance, 1997

(millions of \$)

Exports

Oil	11,323
Non-oil	
Agriculture	3,823
Extractive	478
Manufacturing	49,636
Total exports excluding maquiladoras	65,265

Imports

Consumer goods	9,326
Intermediate goods	49,034
Capital goods	15,116
Total imports excluding maquiladoras	73,476
Trade balance excluding maquiladoras	-8,211

Maquiladoras

Exports	45,166
Imports	36,332
Balance	8,834

Source: Banco de México.

In 1997, excluding the maquiladoras—the free-trade spawned cheap-labor plants on the Mexican-U.S. border—the trade balance deficit was \$8.211 billion, due to an increase over 1996 of 28.6%, 15.5%, and 27.7% respectively, for each of the categories in which imports are considered. If one includes the maquiladoras, one can just barely produce a “surplus” of \$623 million.

For 1998, the trade balance deficit in the first 10 months of the year was officially \$5.978 billion. The exporters association, Anierm, estimates that the annual trade deficit will end up between \$6.5 and \$7.3 billion, including the maquiladoras!

With the fall in the oil price, which in 1999 will represent an accumulated loss of \$7.3 billion, not counting the “deceleration” of non-oil imports because of the undeniable economic recession of its trade partners, Mexico will have no ability to continue participating in the “globalized markets.” Plain and simple, the model of “economic opening” has come to an end.

1999 budget: a poorly embalmed corpse

The Zedillo government ended 1998 without being able to positively muster a single element of “globalism” in its favor. Without these elements which come from abroad, Mexico’s rulers have realized that they never had their own ideas.

For 1999, the federal government is now sadly admitting that the only way the budget can be financed is through “foreign financing” or through “a budget deficit.” And since it

cannot rely on either option (there is no foreign financing, because of the financial crisis, and deliberately incurring a deficit is considered a sin against neo-liberalism), Mexico hopes to stay in “equilibrium” with “our own resources,” thereby prostrating the national economy.

In the first budget plan sent to Congress, the Finance Ministry stated that programmable expenditures by the federal government “are at their lowest level of the past two decades.” To reduce the level of spending even further, insists the ministry, “would endanger the provision of goods and services, which are the responsibility of the public sector.”

Despite this statement, the Executive is calling on the House of Deputies to approve a new budget “adjustment,” because of the free fall that oil prices are registering on the international markets. By definition, the federal government cannot meet what it itself calls “great national priorities.”

At the same time, in order to maintain some kind of “equilibrium,” they are proposing a policy of taxation which would reach “the highest percentage of the GNP in the last four years.” The means of achieving this, states the federal government, is by establishing a “special tax on telephone service,” as well as “an adjustment on the price of gasoline and diesel.”

The 1999 “Criteria” implicitly recognize that all of the government programs undertaken in the past four years, have reduced the national tax base. The Finance Ministry states that in the past seven or eight years, “collection of tax revenues” has fallen by 14%, “going from 10.17% of GNP, to 8.71%.”

These same programs, in turn, have taken a growing fiscal bite, causing the budget deficit or “disequilibrium.” Such is the case, for example, with the so-called “social security reform” that handed workers’ pension funds over to the manipulations of a corrupt banking system and which has cost the budget the equivalent of 1.5% of the GNP. Another is the controversial “financial restoration program” of the banking system, better known as Fobaproa, whose cost through February 1998 totalled \$65 billion, equivalent to 14.5% of the GNP.

If it continues down the present path, President Zedillo’s government simply has no future. The 1998 federal budget lasted a scant month, while the 1999 budget was stillborn. One by one, Dr. Zedillo’s economic theories have proven to be utter failures.

The moment has come for President Ernesto Zedillo to radically change those economic axioms upon which he has operated throughout his professional life. His government is not facing a technical budgetary problem, but the serious danger of disintegration in the face of a total incapacity to confront the economic crisis. President Zedillo must tell the truth to the Mexican people: that during the last 16 years of IMF dictatorship, the country has had no economic growth.

The global financial crisis reaches the Texas 'oil patch'

by Brian Lantz

Well-informed people have known, what yahoos only guessed at: that the price of oil has been, throughout the 20th century, rigged. Witness the role of Henry A. Kissinger, and the London-centered "Seven Sisters" oil cartel, in orchestrating the oil price hoaxes of the 1970s. Now, however, with the world economy disintegrating, we see that oil and gas prices are also subject to *reality*. Driven by the ongoing collapse of the world's physical economy, the price of oil is moving steadily downward, despite all contravening efforts. From an average price of \$22 per barrel in 1996, and \$20.50 per barrel in 1997, oil is now headed well below \$10 per barrel. "Operation Desert Fox" only spiked oil prices upwards for a matter of hours, which then dropped back when it turned out that Iraqi oil fields were a politically unacceptable target. It is therefore to be anticipated, with oil prices for 1998 expected to average \$14.50 per barrel or less, that the Texas "oil patch" will be reeling.

In a sober analysis in the Dec. 6 *Houston Chronicle*, two private-sector oil industry figures, Mark Harrington, the former CEO of an independent energy company who now heads "an investment concern," and Alan Gaines, who co-founded a brokerage house dealing in global energy markets, wrote that the Texas oil industry is, again, facing disaster. Under the title "Hard Times for Houston," with the kicker "Another '86-Style Depression in the Offing for the Oil Patch—Maybe Worse," they warn that with the mergers and "bankruptcies/restructurings" already under way, the loss of Houston jobs "could swell to a multiple of 10,000." Only weeks earlier, Houston boosters, including the circles of George Bush, described the city as enjoying its most sustained growth ever, due primarily to globalization and the North American Free Trade Agreement (NAFTA).

Mergers and layoffs

Already in August and September, multibillion-dollar acquisitions in the energy service sector were closed in Houston, with Halliburton acquiring Dresser Industries (\$6.1 billion), Baker Hughes acquiring Western Atlas (\$4.7 billion), and Schlumberger acquiring Camco International (\$3.1 billion). Global Marine, the largest U.S. oil-drilling contractor, has since announced that it is "aggressively seeking merger partners." "We are talking to anybody who wants to talk," said CEO Robert Rose.

Waves of layoffs are under way—in the international companies, the independents, the machine shops, among suppliers, and down to the "hotshots" and land men. Among recent developments in the Texas oil patch, Seagull Energy Corp. and Ocean Energy Corp., with combined equity capitalization of \$2 billion, have agreed to merge, due to the "uncertain pricing environment." One-third of the merged workforce of 1,200 will be laid off. In Houston, the British Petroleum takeover of Amoco is reported by employees to be laying off 800 white-collar jobs locally. Of course, mergers are not the only cause of layoffs. Wells are being "shut-in," and capital expenditures curtailed. The future is already the present in the West Texas oil fields, where independents dominate. There, two-thirds of the oil field workers have been laid off, in just the last 12 months.

Layoffs have been ongoing for months in the "upstream" refining and petro-chemical industries, under the guise of rationalization and cost-cutting. While recent layoff figures for the U.S. refining industry are not available, the U.S. Department of Labor reports that total U.S. refining jobs have been reduced by 11% over the past three years, to 91,800, down from 103,000. Now, companies, and their refinery workers are worried because new capacity is coming on line, just as demand slumps.

'Globalism' has failed

The "Baker Hughes U.S. rig count," a key indicator of oil and gas activity and a strong measure of the health of the U.S. domestic oil industry, at the end of November 1998, said that the rig count was down 34%, from 1,014 rigs a year ago. Only 70 oil rigs are now operating in West Texas, compared to the 220-250 that were reported as operating at the beginning of 1998. West Texas intermediate crude petroleum prices have recently set new lows, in the \$11 per barrel range. Local oil production company officials, including Mike Varnadore, president of Silver Oil and Gas, were quoted in the Dec. 5 *San Angelo Standard-Times*. "This here drop is having a crippling effect on everyone," said Varnadore. "Those people out in the field are losing money, producers are losing money, even landowners are losing money on royalties they would receive for the oil. When things get this bad, everyone suffers. People tighten their budgets and quit spending, which hurts the whole area." The *San Angelo Standard Times* reports talk among



This 1973 picture shows the Houston Ship Channel Bridge, spanning a heavily industrialized area. The channel gives Houston access to the Gulf of Mexico. Now, with the collapse of the oil price, the economy of Texas faces devastation.

the independent producers, of the need for tariffs to restrict foreign oil imports.

In the mid-1980s, during the last oil patch blow-out, *EIR* Founder Lyndon LaRouche called for a floor to be put under the price of domestic oil, through a tariff on cheaper oil imports. He warned that the cult of deregulation was destroying the economy. Others, notably including then-Texas Gov. Mark White and Sen. Lloyd Bentsen (D), also called for an oil-import tariff. However, opponents of regulation carried the day, arguing that the entrepreneurial spirit just had to be given free rein. “Free trade” in the global market, through the General Agreement on Tariffs and Trade and later NAFTA, would bring prosperity to all, they said. It is LaRouche, not the ideologues, who has been proven to be correct.

Port activity declines with oil

Houston is one of the largest ports in the United States, due to the value and tonnage of petroleum and petroleum products, servicing the global petroleum industry. Here again, the Texas-based oil and energy service companies have been hit by the effects of collapsing petroleum demand. Foreign drilling is winding down, effecting the large number of Houston-based manufacturing companies which supply the oil industry. In Ibero-America, oil rig activity has dropped to 209 by October, from 279 at the same time last year, according to Baker Hughes. Venezuela has been the hardest hit, dropping to 62 rigs from 106 last year.

In the last decade, U.S. trade with Ibero-America did ex-

pand, in the context of NAFTA and globalization, as a “wild-cat” phenomenon. Now that the speculators have taken their toll, that trade is contracting. In the first half of 1998, U.S. Census Bureau statistics show that exports to Ibero-America through all Texas ports increased by only 5% in the first half of the year, compared to a 23% increase in the same period of 1997. This slow-down closely paralleled the decline in exports through all U.S. ports to Ibero-America, for the same period. Total Texas exports to Colombia have fallen 22.9%; Venezuela, 5.9%; and Brazil, 0.3%, for the first three quarters of 1998.

For the Port of Houston, the biggest single factor in declining exports is Venezuela, the port’s third-largest customer after Mexico and Canada. Venezuela was touted as the projected growth area for oil and gas companies for years to come, due to the *apertura*, or opening of the Venezuelan energy sector to international exploration companies. In 1997, some 15.2 million tons of petroleum, as well as steel, aluminum, and iron products, passed through the Port of Houston, from Venezuela. In return, \$1.5 billion in equipment for the oil and mining industries sailed from the Port of Houston to Venezuela. Now, equipment and supply sales to the oil, gas, and mining industries in Venezuela have nose-dived. Freight forwarders and shipping companies in Houston have reported a halving of outgoing exports. During 1998, there has been a 30-44% collapse in Venezuelan exports and imports with the United States. Port of Houston-based shipping companies have seen trade with the region drop by as much

as 40% in both their exports and imports, to and from key Ibero-American nations, with ships now leaving the port half-full.

These anecdotal and statistical reports reflect the grim truth of the worldwide collapse of the physical economy. Total Texas exports to mainland China have dropped 41.4%; Japan, 16.9%; the Republic of Korea, 39.3%; Russia, 25.5%; and Kuwait, 40.9%, compared to 1997 figures for January-October. Only temporary continued growth in Texas exports to Mexico, by 18.7%, prevented Texas export figures, measured in dollar value, from going negative for January-October 1998. Mexico import figures will soon reflect the collapse of Mexico's oil revenues.

A New Bretton Woods system

The *Houston Chronicle* cites new factors, that didn't exist in 1986, compounding problems in the Texas oil patch. These include:

- The "meltdown" of so-called lesser developed nations and the resulting collapse of energy consumption growth in Asia, which may take years to reverse. Asia had been projected to account for almost all world growth in petroleum utilization over the next decade.
- "Just-in-time" inventory management by integrated oil companies means that the current 4 million barrel "glut" in world oil supplies is equivalent to the 14 million barrel "glut"

that existed in 1986. It will not go away soon. The authors do throw in the caveat that just-in-time management also means volatility in pricing, if market conditions change.

- The independent oil industry has been hit by "poor bottom-line results" from the new technologies of 3-D seismic and horizontal drilling, which "has hardened capital markets to further investment." These technologies were expected to increase yields from existing fields, but not at market prices of \$11 per barrel, or lower. The independents are now up the creek without new sources of capital, as is seen in West Texas.

- Natural gas is even now overpriced, as against middle-distillate refined oil products which have significantly lower BTU costs. Natural gas prices could go to \$1.40 per 1,000 cubic feet, "even with a severe winter." Therefore, investors and speculators in natural gas are not going to have a safe-haven from the crisis in the oil patch.

The *Houston Chronicle* article appeared against the backdrop of numerous high-level energy industry confabs, including in Tulsa, Houston, New York, and London. Those conferences are continuing, under increasingly desperate, volatile circumstances. Without Lyndon LaRouche's "New Bretton Woods," including re-regulation of markets, tariffs, and a global financial reorganization, real demand for oil and petroleum products will continue to fall, which in turn will accelerate the downward plunge of the whole economy.

LAROCHE ON THE NEW BRETTON WOODS

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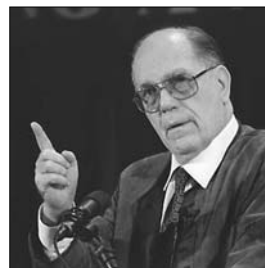
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U.S. Ex-Im Bank sets up shop in Beijing

by William Jones

Secretary of Commerce William Daley and Director of the Export-Import Bank James Harmon signed on Dec. 18 an agreement by which the Export-Import Bank will appoint an Ex-Im Bank finance officer in Beijing. With more immediate access to key market information and local resources, the Beijing-based officer will play a key role in expanding U.S. market access in China by “advancing project finance discussion and providing enhanced and expanded support for U.S. exports and projects.” Ex-Im is also the key government institution responsible for helping finance U.S. investment and export abroad.

The agreement also improves the ability of U.S. companies to invest in China. The presence of an Ex-Im officer in Beijing, and eventually one also in Shanghai, will give U.S. companies a greater reading on investment possibilities, as well as provide them an interface with the Chinese government. The Ex-Im office will upgrade the U.S. commercial presence in China substantially, according to one Commerce Department official. This is particularly the case with regard to project financing, whereby companies with guarantees from government institutions, as is standard procedure for European firms, have been more willing to embark on long-term investment projects than those without such guarantees.

The agreement is one of the brighter spots in the U.S.-China relationship, which reached a high point with President Clinton’s visit to China in June, but where the follow-up has been slow in coming. The continued unravelling of the international financial system has affected many of the major industries that are heavily involved in the Asian market, the case of Boeing being a case in point. The President’s opponents, in addition to gearing up an impeachment drive against him, have also been beating the drums over alleged transfer of sensitive technology to the Chinese through the rather modest U.S.-China aerospace cooperation. They have also been incessantly touting claims about alleged violations of human rights by the Chinese government, a campaign which Vice President Al Gore has made into a mainstay of his Presidential electioneering. Gore’s attempt to foment a revolt against Malaysia’s Prime Minister Mahathir bin Mohamad at the Asia Pacific Economic Cooperation meeting in Kuala Lumpur last November, cast grave doubt on the good intent of President’s Clinton’s Asia policy.

The global financial crisis in Asia has also prompted a more cautious policy by the Chinese government in opening

up its markets to foreign investment. Some U.S. investors grumble that foreign-exchange controls are delaying payments for services or products delivered. Yet, anyone expecting China to lift exchange controls any time soon are in for a disappointment. It was precisely the lack of such controls that led to the speculative moves by the George Soros-owned Quantum Fund and other hedge funds that brought down the Indonesian government and threatened the Malaysian government. It was only the quick imposition of exchange controls by Mahathir which prevented the hedge funds from completely destroying the value of the ringgit, Malaysia’s currency. The significance of these events was not lost on the Chinese government.

Closing the U.S. trade deficit

The growing U.S. trade deficit with China, cited by those Republicans in Congress eager to sabotage the Clinton strategic partnership with China, is largely a case of the United States “shooting itself in the foot.” The Chinese would like to buy more high-technology products from the United States, but such products are often subject to export restrictions, which these free-trade zealots are intent on making even more stringent. Even the launch of U.S. satellites on Chinese Long March rockets has come under the scrutiny of these “Cold War crusaders” eager to make of China a new “enemy-image.”

And yet, the growing economic cooperation among Russia, China, and Japan following Chinese President Jiang Zemin’s visits to these countries, focussed on the construction of the Eurasian Land-Bridge, an idea championed by Lyndon LaRouche and his wife Helga Zepp-LaRouche, offers the only real alternative. Daley acknowledged the importance of the project, at a press conference on Dec. 19 with Chinese Minister of Foreign Trade and Economic Cooperation Shi Guangsheng, at the 12th annual meeting of the U.S.-China Joint Commission on Commerce and Trade. Daley was asked by this writer about U.S. involvement in the Land-Bridge. “We are aware of the project,” he said. “Alan Sterling, our chief commercial officer in Beijing, is here with us, and we have been made aware of this, and we will hopefully pursue this as an opportunity for U.S. companies as the project unfolds.”

Minister Shi provided Daley with a list of several dozen major projects that China intends to initiate over the next year. In March, Daley will lead the first multi-agency infrastructure mission to China to promote U.S. trade and investment in China.

And yet, if such a policy is to succeed, it will require a much more active involvement by President Clinton to help eradicate some of the more anachronistic restrictions on much of the high-tech export from the United States to China. More fundamentally, it requires that the President work with China, and with Russia, on putting the current global financial system into bankruptcy reorganization, and replacing it with a New Bretton Woods agreement.

ADM's price-fixing spotlights need for nation-serving agribusiness

by Marcia Merry Baker

On Feb. 26, 1999, Michael Andreas is scheduled to be sentenced for criminal price fixing. Andreas is the former top executive of Archer Daniels Midland (ADM), the Decatur, Illinois-headquartered global food-processing and trade company, which advertises itself as "Supermarket to the World," and the son of ADM Chairman Dwayne Andreas. Also due for sentencing is former ADM top official Terrence Wilson. Andreas and Wilson were convicted in 1997 of fixing prices of corn-derived commodities.

No happenstance case of executives who somehow "went rotten" when they reached the top, the ADM practices and criminal record are an extreme version of what generally characterizes the century's rise of global cartels of commodity companies that act above and beyond the interests of citizens and nations. *EIR* has previously documented the scope of these cartels, and the profiles of the companies, showing in particular the interconnections with London and British Commonwealth-based financial and political interests ("Food Control As a Strategic Policy," *EIR*, Dec. 8, 1995).

A short list of key dates in the history of ADM accompanies this article. For example, Dwayne Andreas is on the board of the Hollinger Corp., the Canadian-based company that owns over 400 U.S. and Canadian newspapers, as well as the *Jerusalem Post*; Hollinger is the outgrowth of the British intelligence front company, Argus Corp., set up for special operations in World War II.

The case of ADM spotlights the question: How should agribusiness operate in the public interest? This is an urgent question, given that the U.S. agriculture sector is in unprecedented crisis, and the world financial system is in breakdown.

But, at the same time, we face a strategic opportunity to forge a pathway for economic development, if the United States can be moved to respond properly to the historic opportunity presented by the Russian government's newly announced commitment to *rebuild* its agriculture sector.

The Agribusiness Council

In the interview below, the case of ADM, and the larger issues of agriculture and food system security are discussed by Nicholas E. Hollis, President and CEO of the Agribusiness Council, Inc. (ABC), based in Washington, D.C.

ABC was founded in 1967 at a White House meeting between President Lyndon B. Johnson and Henry Heinz II,

chairman of the Heinz Food Company, and is financed by companies, organizations, and individuals interested in improved private enterprise action programs for world food security. The Council has received grants for project work from the U.S. Departments of Agriculture and Energy; from the State Department's Agency for International Development (AID), and from the Overseas Private Investment Corp. ABC works to advance small and medium-sized companies and agro-entrepreneurs, encourages state and local agribusiness organizations, and interlinks with counterparts abroad. ABC is modelled on its international parent organization, the Agri-Energy Roundtable (AER).

Council activities include trade missions to Russia, Poland, Hungary, Bulgaria, Jamaica, Kenya, and Botswana; as well as biennial conferences, e.g., in 1992 on U.S. foreign cooperation programs for agribusiness. Hollis himself attended the World Food Summit (Rome 1996) and has been involved in furthering agribusiness efforts in Russia, Ukraine, Poland, and elsewhere.

ADM price-fixing case

The convictions of Andreas and Williams stem from charges arising out of the 1990s' actions of ADM to fix prices for two corn-derived commodities, lysine (a livestock feed supplement) and citric acid. Until he was formally charged, Michael Andreas was the heir-apparent to Dwayne Andreas, himself infamous for his blatant, monied interventions into politics and business. Michael Andreas headed the powerful Töpfer Corp., the old commodities trading company of Europe that ADM acquired in the 1990s. Terrence Wilson was head of ADM's corn-processing division, the world's largest.

In October 1996, Andreas and Wilson resigned from the company in a move to control the damage to ADM's image, around the same time that ADM and the Justice Department reached a deal in which ADM agreed to a plea on criminal anti-trust charges of price-fixing of lysine and citric acid; ADM paid fines of \$100 million—peanuts for the company, but the largest fine in Federal anti-trust history.

Subsequently, Michael Andreas and Wilson were indicted and convicted for their role. At present, grand juries are still taking testimony on price-fixing of other commodities, in which ADM is involved, as our chronology and interview detail below.

‘ADM: Supermark-up to the World’

Nicholas Hollis is president of the Agribusiness Council. He was interviewed on Dec. 10 by Marcia Merry Baker.



EIR: You’ve documented extensively the history and practices of the famous company Archer Daniels Midland, and you’ve termed it, “ADM: Supermark-up to the World.”

Very accurate! Why do you use that expression?

Hollis: Well, I think the important thing is to remember that the company has pled guilty to criminal price-fixing in just one food ingredient—lysine—and a number of other food ingredients have grand juries considering practices that ADM has been, at least, implicated in. The amount of money that has been estimated, just as a cost-transfer to the farmers—and this is just U.S. farmers—of the lysine price-fixing scheme while it was in operation, which is about two and a half to three years, is upwards of \$200 million. So farmers, certainly hog farmers, were paying quite a premium of this mark-up. That’s why this term was used.

EIR: What other commodities are under investigation for price-fixing?

Hollis: Federal authorities are investigating high-fructose corn syrup, citric acid, methionine, which is another health ingredient for animal feed. Grand juries have also been convened on sorbates and certain vitamins. ADM is a primary producer of these products.

EIR: What is the degree of ADM’s domination in different kinds of markets here and abroad?

Hollis: It depends on which commodity you are talking about. In corn processing, ADM is dominant. They have the largest capacity for corn milling as well as soybean processing in the country. There’s a question of why this company stands out, of what makes it so menacing, and why these cartels are important. There are several aspects of why the “supermark-up” stands out.

One of the key aspects is the management of the company

itself—the family management of the Andreas family. And the corrupting of Dwayne Andreas, which involves a systematic effort over a lifetime to poison, corrupt, and take control of the non-profit association sector in so many of these agricultural associations, farmer cooperatives, university research programs, and foundations. Andreas has achieved this for the purpose of generating obscene profits. He used these groups to project a false image of broad farmer support for what these associations—that are really controlled by the ADM company—purport to represent, and hoodwinks the nation.

The real tragedy is that the farmers are the ones who are being subjugated, even further under the heel of the company.

EIR: Specifically, we hear that Federal subsidies for ethanol, or promotion of gasohol, are to benefit the farmer. But you’re saying, this is how ADM benefits?

Hollis: Unquestionably. I think that the benefit, the amount of subsidy that ADM has received by its dominant position in the ethanol business, which it set up, was all part of Andreas’s gameplan. He was able to create, through pulling political strings in the late 1970s—when the nation faced long gas lines and great concerns about dependence on foreign oil—the use of the renewable resource corn, as the preferred feedstock. Andreas had the corn and the excess molasses. He had to figure out what to do with surpluses, and he was clever in the way in which he was able to convince the White House and the Congress to essentially set up this market.

But, it remains somewhat of a question as to whether or not, had similar creative energy been explored, and pointed in the direction of developing other markets and other products, that corn farmers would be better off. The question is really, are they better off with ethanol?

Certainly, if you listen to the ADM-controlled association executives purportedly representing corn farmers, as opposed to talking to corn farmers themselves, you get a very skewed point of view about how important this is for farm income and for the corn farmers.

Corn is the biggest cash crop in our country. But when you track the amounts of money that the subsidies have generated, sloshing through the ADM coffers [some \$7 billion], and you link the use of those monies to the continuing corruption of the political process, and the funding of an unprecedented advertising campaign to manipulate the media, it becomes almost Orwellian. Kafkaesque.

EIR: So the public hears the name, “farmer,” or, for example, the “National Corn Growers Association,” but in fact, they are seeing or hearing part of a whole number of front groups, that are really serving ADM’s interests?

Hollis: This is problematic depending upon which group you investigate—if you look at the Corn Growers, you discover that the National Association has a quite different philosophy than the American Corn Growers Association. You discover, too, that the way in which numbers, in terms of members—

which is always a way associations try to generate their own credibility—is an inflated number that really represents the totality of not only farmers in the state corn growers' groups, but their wives. They are basically doubling the number of members, even though the actual number of farmers continues to decline.

But, the other important point is that the state groups are quite autonomous in many ways from the national office, and therefore, to count all the members of state groups as part of one overall umbrella, is a bit of an exaggeration.

In other words, the appearance of a broad front of representative farmers' groups that the Corn Growers supposedly represent, reflects quite a bit of rigging. When you look past the curtains, you find out that there is really only one string-puller behind the scenes: ADM.

EIR: What is the status of the latest charges against ADM?

Hollis: The jury found Michael Andreas and Terrence Wilson, president of the corn-processing division of ADM, guilty of criminal price-fixing in September 1998. They await sentencing, which has been tentatively set for Feb. 26. There are some motions that the defense has put forward to try to have the case thrown out—the arguments are very flimsy, you know how lawyers can operate, but the end result of this is likely to be jail time, starting in 1999, for the convicted.

EIR: You have politely called “coincidences,” some of the ways ADM has received special treatment, after the initial, June 1995 FBI raid on their offices. Can you characterize the last few years?

Hollis: Justice delayed is justice denied. This is a slow minuet that has been choreographed and orchestrated to the tune of a \$100 million fine that ADM paid to the Justice Department in 1996, about 15 or 16 months after the raid, and *only* after the U.S. government case became much stronger with the active support of some of the other conspirators, other companies that were involved in the cartel.

Only then did ADM agree to plead guilty. But the \$100 million fine ADM paid was less than some experts expected, and enabled ADM to leave the settlement table with quite a good series of compensating positions, including blanket immunity for Dwayne Andreas: the appearance of the whole thing, from the standpoint of what happened after the raid leading up to the settlement in October 1996, and the machinations inside the Justice Department, the resignations of key officials, and the de facto replacement of authority in handling the case, which was originally being coordinated at the Deputy Attorney General level by Jamie Gorelick. The strong implication is that there was a tremendous damage-control effort, and there were people—Assistant Attorney General for the Criminal Division Joanne Harris, Assistant Attorney General for the Anti-Trust Division Anne Bingaman—who were effectively pushed out of the way.

The net result was that ADM was dealt with in a very special way. There was a selective prosecution, directed at

the whistle-blower, Mark Whitacre, with whom the FBI was working to gather all of the intelligence. This was done on grounds that he had embezzled money, unbeknownst to the government handlers, while he was tape-recording ADM activities. When Whitacre's defense responded that offshore money transfers via dummy corporations reflected management-approved special bonuses that were off the books, and fairly standard at high levels at ADM, it was ignored.

Indeed, the Justice Department seemed to be willing to listen to and take all of its information from ADM, with regard to Mark Whitacre. So, you have this rather unique situation, where the government has a case in which it has netted more than \$200 million in fines from the company and others, from the work of the whistle-blower, and *yet*, the Justice Department has seen fit to, with the appearance of working closely with ADM, effectively send this young man to prison for nine and a half hard years without chance of parole. Whitacre is currently serving prison time, while his bosses, who appeared to mastermind the price-fixing, are still walking free.

The Justice Department knows that there are a lot of people looking at this particular bizarre set of circumstances and coincidences, that involve the *appearance* and smell, of some kind of a cover-up.

EIR: In contrast to ADM's track record, and cartel agribusiness, what was the perspective you had in the 1960s, when the Agribusiness Council was formed?

Hollis: The Agribusiness Council is a non-profit association. It was started to project the best of American agribusiness into the international arena. At the time, President Johnson, wanted U.S. firms to participate more aggressively in the Green Revolution. He was anxious to get American companies more involved in overseas joint ventures, and more agribusiness-type trade.

The term “agribusiness” really refers to virtually any company or individual having anything to do with the production, distribution, including the transportation, the financing of activities, marketing and the research and development of food products. So, you have a much wider array of entities, from a field-to-fork perspective. From the farmer, who is part of agribusiness, as a thinking businessman now, with his own computerization, all the way out to the grocery stores and the fast-food chains. Anybody involved in the food system becomes a part of the agribusiness family. If you eat you have a stake in the agribusiness food system.

EIR: Were you involved in any special aspect of the Green Revolution? The “miracle rice,” or the new wheat?

Hollis: The council was primarily involved in taking overseas missions and welcoming incoming official trade delegations. This was before the days when the government decided to jump into the trade mission business in a big way.

I might add, that there have been allegations that the government has sold various slots on trade missions to the highest political contributors. But back in the 1960s and '70s, trade

missions were often mounted by the ag organizations and the other non-profits, chambers of commerce, the manufacturing associations. The Agribusiness Council was a leader in these early activities, and also in the identification of investment opportunities in developing countries.

EIR: In recent months, we've seen some dramatic and hopeful policy shifts by Russia, and other governments, taking actions in the interests of their national economies. In November and December, the Primakov government announced that they want to rebuild their agriculture sector, which was taken down drastically in the 1990s during the so-called shock-therapy reform, and import-dependence period, that began at the insistence of Margaret Thatcher and George Bush.

The Chinese government has been moving on agriculture development going back to 1978—livestock, infrastructure, input ratios, etc. In December 1998, President Jiang Zemin of China visited Russia, stressing mutual development. And elsewhere, there are other national-interest protective measures being taken, in line with what you have been promoting. What do you think about the prospects for this?

Hollis: Let a thousand flowers bloom! We were involved in outreach to China in the 1980s. We took a mission to the Soviet Union in 1990, and the follow-up series of activities led to the creation of a Polish Agribusiness Council in 1994.

Our meetings in Moscow in 1990 were aimed at trying to get some of the different republics to show interest in setting up these types of self-help, people-to-people initiatives, to begin to get their agriculture better understood and organized, and even to encourage in some areas the private enterprise themes. These initiatives—that took so well in Poland as many Polish farmers own their own land, it didn't take in Russia where land ownership is problematic.

The alternate approach that was pushed at that time—with Dwayne Andreas again in the vanguard, and his sidekick Bob Strauss, who was confirmed as U.S. Ambassador to Moscow in the last months of the Gorbachov era—created a framework for selling more grain into Russia, and at the same time, sending legions of consultants to, basically, recycle the money that had been pledged to the Russians to help them get their economy in a free-market model. Just recycling consultants, and at the same time, pumping large amounts of com-

Jennings Randolph: in the FDR tradition

Jennings Randolph (1902-98), from West Virginia, served in the U.S. Congress for a period spanning more than five decades: in the House of Representatives from 1933 to 1947, and the U.S. Senate from 1958 to 1985, when he retired. Sworn into office with the New Deal landslide and Franklin Delano Roosevelt



in 1933, Randolph championed the disabled and “the man and woman at the wayside in the road,” as he put it, as well as many of the “FDR Democrat” policy priorities, including infrastructure development (Tennessee Valley Authority, aviation, highways) and social programs (such as medical care for the aged on Social Security).

During his Senate career, he turned his attention to international affairs. Rejecting the “bushel for a barrel” rhetoric popular in the 1970s, one initiative he launched was the founding of the Agri-Energy Roundtable (AER); another was the U.S. Institute of Peace. The AER model reflected his own complex interests from high technology

to alleviating hunger and malnutrition. AER's efforts intersected the debate on food and energy security issues, and Randolph's leadership underscored his fervent desire to build bridges between energy-surplus and agricultural-exporting nations. The diplomatic “dialogue” approach with member-nations of the Organization of Petroleum Exporting Countries embodied in AER activities, enabled him to advance cooperative agricultural and energy projects with key Third World leaders.

AER's work spawned affiliated agribusiness associations around the world, for example, in Africa, India, the Philippines, Poland, and throughout the United States. In 1985, after retiring from the Senate, he assumed leadership of the Agribusiness Council (ABC). Randolph's views on how to expand a nation's economic base are relevant to our strategic situation today. Agribusiness Council president Nicholas Hollis, who worked with Randolph for more than a decade, described him in the following way, in the Dec. 10 interview with *EIR*:

A ‘balance’ for national self-sufficiency

“Jennings Randolph was a great humanitarian, and during his last term in the Senate, he took a great interest in these [Agribusiness Council] programs. When he became the chairman of ABC, he helped develop a dialogue between food and energy countries. It was a unique program of exchanges on the *balanced* nature of developing self-sufficiency in energy and food. He used those themes to build an international roundtable, of which the Agribusiness Council is the U.S. component, but which has

modities into them, has resulted, I think, in a situation which is truly tragic, where the Russians really don't have much of a clue at this point, how to get their agricultural act together.

We've pumped a lot of materials in—commodities sold on various programs that have been sponsored by USDA [U.S. Department of Agriculture], and financed by U.S. taxpayers, and the money has benefitted companies like ADM. This is one reason ADM's continuing ability to do business with the government (i.e., USDA), after price-fixing convictions is so questionable. The result is that the Russians are more dependent than ever on outside food which contributed to great humiliation and serious political unrest. While at the same time the solutions and the ideas have never really been given a chance—some of the most effective programs are people-to-people, on-the-ground teaching exercises, that are designed to help the Russians understand the use of appropriate technologies and ways in which they can actually build up yields—few of those programs are being given any attention or support.

EIR: In the early period, were you involved in the farm ex-

spawned a whole series of international conferences, trade missions, and ongoing non-profit associations in a number of countries. "Jennings Randolph was one of the legislative fathers of the TVA. In 1987, he was able to convince the TVA to join the Agribusiness association. The TVA did, in fact, participate in some of our international and national meetings, and was instrumental in setting up, with us, a renewable energy subcommittee, chaired by a top TVA official. This was about ten years ago. That particular activity has generated a number of subcommittee meetings, and there is more interest at the state-level agribusiness councils now as a result of that.

"So that, even against the backdrop of falling energy prices, and falling commodity prices, which makes many of the renewable energy feedstocks difficult to justify economically, the continued interest in renewables is part of this. TVA has been a big leader in biomass energy technologies.

"Randolph was a living legend. He had a charisma, and a humanitarian spirit that transcended all the passing issues. And when he would get up at the head table at meetings overseas, and tell his West Virginia homespun jokes, and, of course, weave more serious thoughts in. He was just an inspiration to those that were in these meetings, who subsequently went out into the world and to set up their own independent associations, and tried to treat people a little bit more humanely and honestly."

For more information on The Jennings Randolph Recognition Project, contact: e-mail: agenergy@aol.com, or fax (202) 887-9178.

change programs that went back and forth?

Hollis: Certainly, we have encouraged all those farmer exchange programs that we're aware of. One in particular, we worked with in Iowa. But that is a little afield from what we try to do. Our approach, and our basic idea all along, was to get the Russians, and the Ukrainians to form their own self-help organizations based on private enterprise principles. I was in Ukraine in 1997, and went into the countryside, and made some speeches and had some meetings with local Ukrainian farmers and agricultural processing leaders and other leaders, who were interested in trying to use the "Polish model," which is progressing.

A basic problem is that ag organizations that are based on the *commodity* model. They are set up and connected in the way that our system is here, directly to the USDA, with its "subsidy engine" feeding into the associations. They quickly lose independence and become, by proxy, nothing more than government toadies. Thus, if government policy is wrong, the entities are misguided, and the individuals in them have no way to correct the mistakes that are made at the highest levels. These are not true associations at all, and they also don't really have the flexibility that a true association has, to begin to implement creative ideas and programming that really give spirit and heart to people on the ground. And the spirit and the lack of enthusiasm and hope that one sees now across the former Iron Curtain countries—with some exceptions—is really disheartening and very sad, because *it needn't be this way*.

EIR: The toll had been great. But specifics for agriculture development have been announced in Russia, including: the priority of expanding poultry development; rescheduling, just putting off, debt in the farm and food-processing sectors, in order to keep operations going; increasing inputs of fertilizer; and generally, revving things up. The bad situation today is seen as an opportunity to make way for something better.

Hollis: I'm not saying we oughtn't to sell into Russia. We should help U.S. farm income by marketing. But what I am saying is, that there is a predatory nature in force-feeding the goose, or jamming huge amounts of dumped commodities into countries which can be counterproductive.

EIR: You know that U.S. chicken parts imported into Russia have become legendary: They are called "Bush legs," after George Bush!

Hollis: Right. The Russians have developed a taste for these foods but I'm not sure there is not a direct link between the chicken-leg issue, and the desire the Russians have to get self-sufficient in chicken production. They'll be reaching not for U.S. chicken company expertise, but they will be looking to Hungarian and Polish companies, that they have more compatibility with.

The Russians are resentful of the kind of marketing approach that withholds the money that was promised on the aid side, and instead jams them with this hard-trade lever,

where you're going to take these huge amounts of chickens. It ends up, over a couple years, generating a few people in this country a lot of money. But the country itself loses long term: over the possibility of feeling a more cooperative, partnership approach with the Russians; and it hurts the Russians immediately. It infuriates them, and they're not generating any real ability to make income. If they don't generate an ability to make income, they can't buy from us long-term.

EIR: So we have either an opportunity to collaborate in things being built up, or trouble.

Hollis: Yes. There needs to be what Jennings Randolph called a *balanced* approach—with a capital “B” [see box]. Not to say that there aren't some valuable lessons to be learned in export development. But a trade, not aid, theme is what we have advocated. At the same time, unless you help build up a country's ability to self-generate, and have faith in the value-added, long-term product sales line you could develop with a partnership. Unless you do that, if you try instead to take the short-term rip-'em-off approach, everybody loses. And that's the fear I have now, with what we see unfolding.

EIR: What about the farm situation in the United States right now. Here, supposedly, the ever-loving “market forces” were going to solve everything—the premise, for example, of the 1996 Freedom to Farm Act, which has amounted to “freedom to fail.” We have a situation of grain not being sold that's piled up on the ground around the country. Farm hog prices have gone down to less than 10¢ a pound. What reading do you have from your state associations?

Hollis: The same reports you just outlined. That things probably haven't been this bad in 30, 40 years. That it's a very gloomy season as the year has drawn to an end. Farmers are climbing the walls. Many of them are going to the wall, in droves.

The tragedy is that much of this could be averted, but we have the sense too that some of the predators in agribusiness, one of which is a company we were talking about at length earlier in this dialogue, ADM, have actually found ways to take advantage of the farmers. For example ADM will obtain information through the infiltration of farmer cooperatives, and approach financially strapped farmer groups to loan them money. Later ADM seizes the collateral, like farm elevators, which is the key to creating more processing capacity, and gaining more control. This is all part of a predatory pattern. There are fewer and fewer farmers. Take hog farmers who are being driven out of business by these low prices, and yet, in certain areas of agribusiness, the pork-processing companies seem to be doing quite well. You look at ADM's earning statement last year, it is quite revealing. They now own 12% of the nation's largest meat-packer—IBP.

EIR: IBP for its third quarter 1998, had a record profit rate.

Hollis: While huge numbers of ranchers and hog farmers are going out of business. Something's fundamentally wrong

there, which anybody in association with public policy work can recognize. So, we are getting alarming reports from certain sectors. And we wonder whether or not people can continue to believe that all is well. When you look at the ADM ads with David Brinkley on his old show, you think that a new dawn, and new glorification of the farmer is developing, and that all is well in the countryside.

It reminds me a little of a story of a fellow, who was an old guy, who went down, on a very hot summer day, into a cellar, to get some relief. He wanted to get the cool air. The moment he entered the cellar, he was blinded by the darkness of the cellar. When he got into the cellar, another man who was already in the cellar told him, “Don't worry. It's natural that when you come into the darkness from the light, that you are unable to see. But soon enough, your eyes will grow accustomed to it, and you will hardly notice it as dark.”

And the fellow who had gone into the basement said, “That, my dear friend, is exactly what I am worried about.” If darkness is darkness, the danger is convincing yourself that it is light.

And I think in our current situation in agriculture, there are those who are running around trying to convince the farmer that it really is not as dire as it is. And that lulling is only aimed to further disadvantage the few farmers that are left. The country lacks connectedness to the real sector, to the farmer. It is kind of a terrible situation when the people themselves, in their own ignorance, allow a company like ADM to present itself as the patron, and the defender, and the cheerleader of the farmer, when in fact the farmer has a very different opinion of the company, and sees himself as being subjugated under their heel, and essentially being pushed out of existence.

And the public, and even the intelligentsia, the elites, and the public policy dialogue, are fed a constant dialogue of these ADM infomercials, to believe that the countryside is quite well and quite vibrant and that ADM is really riding the white horse, and taking care of the farmer. It's an outrage.

EIR: It certainly points up that a change of *thinking* is drastically needed, and the consequences of not doing it will be dire, terminal. In November 1998, Lyndon LaRouche put out a strategic paper on this, “Food, Not Money, Is the Crisis” [*EIR*, Nov. 13, 1998]. He has called for responding to the situation in Russia as a strategic opportunity to take a traditional “food for peace,” nation-building approach—meaning the 1940s/1950s style approach, not the last 20 years of Henry Kissinger's “food as a weapon” policy.

Hollis: I think the position is correct. I think it is a food crisis, not a money crisis. Yes. In terms of the Russian situation.

The problem with the era now is that everybody has got this sort of beggar-thy-neighbor and let's-rip-'em-off-now-and-get-rich, and not worry about the consequences. Everything is bottom-line/next-quarter attitude. This is beginning to sow a terrible whirlwind.

I am just afraid that people don't want to spend much

attention understanding the dilemma of the rural sector, and want to believe that agribusiness and agriculture grows on their supermarket shelf. They're going to be subjected to the "Supermark-up to the World," in ways that we haven't even talked about here, which are really serious in relation to food safety, and the kind of food that you are ingesting. And the kind of corners that are cut by companies to add a few pennies to the bottom line, and where that leads you, is scary.

ADM's history of corruption

1918: Dwayne Andreas born in Illinois, one of five sons; involved in various family processing ventures.

1945-52: Dwayne Andreas works for Cargill, starting as general plant manager, ending as VP in charge of soybean and linseed oil. His assistant James R. Randall (hired at Cargill in 1948), later becomes president of ADM.

1945: Andreas meets Hubert Humphrey, then mayor of Minneapolis, and elected to the U.S. Senate in 1948. Their collaboration involves some 85 world trips; Humphrey is Michael Andreas's godfather.

1952: Andreas makes his first trip to the Soviet Union, as 34-year-old VP sales representative for Cargill, Inc. One of few U.S. citizens to get visas to the Soviet Union.

1954: The Food for Peace law, PL-480, is enacted. Humphrey and Andreas travel to Poland and to the Vatican, as a showcase bi-partisan move with Eisenhower administration, to pave the way for paying Cargill and other cartel firms to ship food to the East bloc.

1965: Archer Daniels Midland formed, merging assets of the Archer, Daniels, and Andreas families.

1966: Dwayne Andreas becomes president of ADM.

1968: Andreas "loans" \$100,000 to Humphrey's Democratic Presidential campaign, and is charged with illegally transferring corporate funds for election purposes. A Minnesota Federal judge, a friend of Humphrey's, dismisses the case. Andreas, via a Minneapolis business partner, Kenneth Dahlberg—chairman of Minnesota branch of Nixon's Committee to Re-Elect the President, or CREEP—funnels \$25,000, which ends up in the account of Watergate burglar Bernard Barker. Rep. Wright Patman (D-Tex.), whose Banking and Currency Committee was investigating the case, expressed concern that Andreas was one of the investors granted a Federal bank charter in a Minneapolis suburb. Dahlberg was among the five applicants for the charter. After Nixon's resignation in 1974, \$100,000 in cash, provided by Andreas, was found in the White House safe. Andreas got his money back in full, and reportedly, was able to successfully dodge subpoenas from Sen. Sam Ervin's impeachment hearings.

1971: Michael Andreas joins ADM at age 23. Trained in

speculation by Cargill's Julius Hendel.

1973: Dwayne Andreas's nephew, Martin Andreas, becomes ADM's chief salesman for corn sweeteners.

1974: ADM enters into price-fixing scheme, overcharging U.S. government by \$19 million in sales of soy-fortified food to the Food for Peace program. ADM is convicted in both criminal and civil suits, but evades repaying the government its share of \$19 million.

1976: ADM pleads no contest to Federal charges of systematically short-weighting and misgrading Federally subsidized grain shipped abroad. ADM loses no contracts, and continues shipments.

ADM/Cargill start up ethanol production, for non-food use of crops, lobbying for Federal subsidy, because Andreas needs a way to dispose of huge corn syrup excess.

1977: The newly enacted Federal sugar price support nets ADM millions of dollars by preventing sweetener prices from dropping. The staff author of the law, David Gartner, is a top aide to Humphrey; ADM bribed Gartner with a contribution of \$72,000 worth of ADM stock to a trust fund established for Gartner and his family.

1978: Gartner is appointed to Commodity Futures Trading Commission. The story of ADM's bribe to him breaks, but Gartner refuses to resign or to pay ADM back.

1984: Andreas first meets Mikhail Gorbachov in Moscow, in December. President Reagan appoints Andreas to chair a task force on private initiative; Andreas recommends creating an Economic Security Council, which becomes the Economic Policy Council. The joke around Washington is: "Ask not what you can do for your country; ask what your government can do for ADM."

1990: The Clean Air Act is a boon for ethanol output, with Cargill and ADM owning over 70% of the capacity.

1990s: Under the U.S.-Canada Free Trade Accord, ADM and Cargill extend their control and reposition their operations in North America. Dwayne Andreas joins the board of British intelligence publishing empire, Hollinger Corp., run by Canadian Conrad Black.

1994: Federal grand juries take anti-trust evidence on Cargill, ADM, Tate & Lyle (U.K.), and CPC International on price and supply fixing of lysine, citric acid, corn sweeteners, and starch. These four companies control 74% of U.S. wet corn milling.

1995: On June 27, the FBI raids ADM executive offices and homes in Decatur, Illinois.

1996: In October, top ADM executives Michael Andreas and Terrence Wilson leave the company.

On Oct. 14, ADM pleads guilty and agrees to pay fines of \$100 million for criminal price-fixing of lysine and citric acid.

1998: Michael Andreas and Terrence Wilson are convicted of criminal price fixing. Sentencing is scheduled for Feb. 26, 1999. ADM commands world's largest processing capacity for corn, soybeans, and wheat, with 165 processing plants, 300 grain elevators, 10,000 rail cars, 15,000 trucks, and 2,000 river barges.

Peru's banking crisis: just the beginning

by Manuel Hidalgo

Peru's banking crisis escalated in November and December of 1998, exactly as occurred in Argentina, Ecuador, Mexico, and Chile. The "Russian phase" of the international financial crisis has caused, since August, a drastic decline in the flow of dollars toward Ibero-America's financial markets, dollars that had been financing the supposed economic successes of the "opening" and the bubble of the region's "emerging markets." This has combined with the collapse of incomes in the region caused by the fall in raw materials prices, including oil. In the case of Peru, the dollars of the foreign banks and of income from raw materials, which accounted for 70% of the money in circulation, are no longer coming into the country.

This sudden cutoff of the flow of dollars has produced serious liquidity problems in dollarized economies, flight out of local currency into dollars, and great difficulties in the banking sector, which have accumulated short-term foreign debt in unheard-of amounts, in the midst of a nearly 50% decline in the value of their stocks over the past 12 months.

On Nov. 24, the Banco República was taken over and liquidated. On Dec. 9, the Peruvian state bought the Banco Latino, the country's seventh-largest bank, when all plans to sell it collapsed, threatening its main creditors, ING Baring and Peru's number-two bank, Banco Wiese, with huge losses. The government justified its action by arguing that otherwise, the bank would have had to liquidate itself, triggering a domino effect. Days later, a wave of rumors that Banco Wiese had been taken over by the authorities nearly caused that bank to lose a subscription for expanding its social capital by \$50 million, an expansion urgently needed to refloat the bank, whose stocks have fallen 55.5% in value since early 1998.

The bank crisis comes in the midst of the recession and liquidity crisis afflicting the entire Peruvian economy. The Alberto Fujimori government has dealt with the fall in mineral (export) prices, and with the decline in agricultural and fishing exports because of El Niño, by implementing recessive policies of reducing the availability of the Peruvian currency, the sole, out of fear of a devaluation crisis. Although the foreign-exchange gap is under control for the moment, because of a recession, even Economics Minister Jorge Baca has stated that the "Russian crisis" had not been foreseen.

In just the past eight months, the government lost more

than \$600 million in reserves through its efforts to prevent a devaluation and to avoid massive capital flight. The banks, in turn, are holding onto the dollars in the economy (70% of money in circulation is in dollars), in their efforts to prevent a moratorium on their short-term foreign debt, which totals an average of \$3.7 billion. The banks have begun to plead with the government to hand over reserves—whose use in creating infrastructure was specifically combatted by the banks—to provide them liquidity instead. Meanwhile, the interbank market remains paralyzed, with interest rates at nearly 30%. In all, the recessive prescriptions are proving worse than the disease: Delinquency in payments rose nearly 7.32%; non-performing loans have grown 52.3% since October 1997.

Rescue of the banks begins

On Dec. 7, in an effort to calm the crisis of confidence and alleviate the mass withdrawal of bank deposits, President Fujimori went on television to announce that the government, for the first time in many years, would issue Treasury bonds, up to as much as \$1 billion worth, to buy up the non-performing bank portfolios. The government has expanded the Deposit Security Fund, but it is still not clear how to make that expansion effective. In fact, it is known that shortly before intervening against the Banco Latino, the government had made large deposits in the bank, in addition to reducing the reserve ratio three times in succession. More money to the bankers, more indebtedness, more hot air to inflate the speculative bubble.

In the meantime, the physical economy is in free fall, reaching the extreme of a generalized deflation and massive losses in the food and beverage industries. In November, the GNP fell by 1.8%, and it is expected that sales at Christmas—which for many sectors is the only period in which sales can be made—will be 25% less than the previous year. In November, manufacturing collapsed by 6%, and the National Industrial Society warned that by mid-1999, if there are no major changes in policy before then, as many as 30-40% of its members will have shut their doors!

A spokesman for Standard & Poor's rating agency said that the only salvation for the small and medium-sized banks is merger or sale. And if the mergers don't work out? Already, the Darwinian battle among the banks has begun; according to the press, the rumors of a supposed state intervention against Banco Wiese are part of a deliberate strategy by a competitor bank—whose name is not mentioned—for a hostile buyout. Banco Wiese lost 400 million soles in deposits, and fell from second largest bank in Peru to third place.

How much time remains for the bubble? Actually, not even enough time to cover the problems up: Juan Francisco Raffo, banker and president of the Society of Foreign Trade, declared on Dec. 19 that the government should be prepared to burn up still more reserves, in case the Brazilian program should fail.

Bashing the CFTC

The Senate punishes the regulatory agency for even considering new derivatives regulations.

The Senate Agriculture Committee held a hearing on Dec. 16, nominally to discuss the over-the-counter (OTC) derivatives market and hedge funds, but the primary purpose of the hearing seemed to be to browbeat the Commodity Futures Trading Commission (CFTC) into abandoning any plans it might have to re-regulate the OTC market.

The mood was set by committee chairman Richard Lugar (R-Ind.), who said that the hearing was being held "because after the Commodity Futures Trading Commission issued a concept release on swaps in May, many public and private leaders in the financial community expressed alarm over the legal uncertainty which the concept release injected into the financial markets." The hearing, he said, "is another attempt to provide a degree of certainty in the area of our committee's oversight authority."

Lugar made it clear that it was the CFTC, not the derivatives market, that was under the microscope. He stated that "only Congress should make the fundamental decisions" about whether and how the OTC derivatives markets are to be regulated, and warned that the Agriculture Committee would "systematically explore the underlying purposes and objectives of futures and derivatives regulation" as part of the "reauthorization of the CFTC."

His threat was reinforced by a string of former CFTC officials, who testified that the derivatives markets were sound, and that re-regulation is unacceptable.

Former Federal Reserve Governor Susan Phillips, who headed the CFTC

from 1983-87, claimed not only that "no special oversight, facility, or Federal protection is necessary" for the OTC derivatives market, but that, "to take the argument a step further, exchange-traded futures and options could also be considerably deregulated."

Also trotted out was Dr. Wendy Gramm, Phillips's successor at the CFTC (1988-93), whose active deregulation of the derivatives markets helped pave the way for the explosive growth of the bubble. (Gramm's husband is Sen. Phil Gramm, who will head the Senate Banking Committee in the next Congress.) Mrs. Gramm cited "the challenge of keeping laws and regulations from stifling innovation or otherwise damaging markets," and said she saw no need for new regulations, because "the regulatory structure seems to be working."

Adding to the pressure was William Albrecht, who served as a CFTC Commissioner with Gramm. Albrecht stated that "the CFTC should not regulate OTC derivatives or hedge funds," and reinforced Lugar's threat by suggesting that the CFTC be merged into the Securities and Exchange Commission.

To her credit, current CFTC Chairman Brooksley Born stood her lonely ground, insisting that the lack of reporting requirements for most OTC derivatives market participants "potentially allows them to take positions that may threaten our regulated markets without the knowledge of any Federal regulatory authority."

The most cogent remarks at the hearing were made by Martin Mayer,

author of a number of books on financial matters. Mayer stated bluntly that "the law gives CFTC jurisdiction over commoditized financial derivatives — many of which would otherwise, let me note, be illegal under the gaming and anti-bucket-shop laws of some states, including New York, which provides the governing law for most international swap contracts."

As an example of the "folly" of the current regulatory regime, Mayer cited the case of nondeliverable forwards — contracts which represent bets on the relative future value of two currencies — involving the now-infamous Russian government bonds. The Western financial houses bought large amounts of these ruble-denominated bonds, then entered into offsetting derivatives contracts with Russian banks, to protect themselves against declines in the ruble.

"Under the inadequate rules governing bank supervision in this country and elsewhere, the banks were then permitted to say they had no exposure to changes in the value of the ruble," Mayer said. "For each contract they had with an American entity — or Cayman Islands or Guernsey entity — that left them exposed to losses if the ruble lost value, they had an offsetting contract with a Russian entity that covered those potential losses. Without objection from their supervisors, they simply netted out pairs of contracts on their books. To this day, nobody really knows the volume of these contracts, though the number appears to be somewhere north of \$5 billion."

"Given our experiences in this decade and the weight of the argument that promiscuous creation of OTC derivatives can imperil the world financial structure," Mayer concluded, "it is preposterous, even sinister, that the CFTC, charged with regulating this area, should be prohibited from undertaking a study of its responsibilities."

Al Gore and Adolf Hitler

by Lyndon H. LaRouche, Jr.

December 22, 1998

The currently ongoing coup d'état, aimed to bring Vice-President Al Gore quickly into the U.S. Presidency, was proposed publicly, by former U.S. Secretary of State Henry A. Kissinger, in the October 15 London *Daily Telegraph*. More recently, in the December 15 edition of the *Wall Street Journal*, former Nixon aide Clay T. Whitehead, described that type of secret committee which Kissinger was proposing for a Gore coup d'état, as it had operated inside the Nixon administration. This was, in fact, the so-called "Watergate" operation which Kissinger coordinated under Vice-President Ford.

Whitehead's version of Kissinger's proposals, then and now, coincides exactly with a series of coordinated actions, which have been operating within the Clinton Administration, largely behind President Clinton's back. These operations, centered around Vice-President Al Gore, have been pushed as a plan of action for preparing the ouster of the President.

Neither of these two insider "secret committees," neither that which operated against Nixon under Kissinger, nor the not-so-secret "national security" cabal now aligned against Clinton, behind Gore, is really original. As the writer Plutarch would have described it, there is an ominous parallel between the presently attempted coup d'état against President Clinton, and the way in which the government of Germany's Chancellor Kurt von Schleicher was overthrown, on January 28, 1933, by Hjalmar Schacht and London-backed forces inside the German parliament, to hustle Adolf Hitler into power.

To see the connection clearly, first consider crucial highlights of the process through which a then-otherwise unelectable candidate Hitler was brought into the Chancellorship, on January 30, 1933, and to dictatorial power on February 28, less than one month later. The same London-centered, Anglo-American financier interests, now represented by Prime Minister Tony Blair, which brought the then



Vice President Al Gore. "There is an ominous parallel between the presently attempted coup d'état against President Clinton, and the way in which the government of Germany's Chancellor Kurt von Schleicher was overthrown, on Jan. 28, 1933, by Hjalmar Schacht and London-backed forces inside the German parliament, to hustle Adolf Hitler into power," LaRouche writes.

virtually unelectable Hitler to power in Germany, are behind the use of a rabid Anglophile, the virtually unelectable Presidential candidate Al Gore, in the effort to run a parliamentary coup d'état now, against Clinton, as against von Schleicher earlier.

Both the motive and the method behind these coup d'états are so nearly identical, not only in astonishing fineness of certain details, but in crucial strategic implications, as to scare the pants off any U.S. citizen still capable of honest thinking.

It is time for us all to say, "Never again!" and let Al Gore serve out the remainder of his term, in that quiet and obscurity which our nation's security interest demands for him.

Schacht and Hitler

If we examine both matters in their crucial, political-economic setting, there is a precise parallel between the British Commonwealth-directed launching of the "Whitewatergate" targeting of President Bill Clinton, by the failed re-election campaign of President George Bush, during 1992, and the earlier process leading to Hitler's legal coup d'état of January 28-February 28, 1933. The economic issues, in both cases, are defined most sharply, by comparing the global crisis-developments which burst into the open during October 1997, with the collapse of Germany's discredited Social-Democratic government and party, in the aftermath of the 1929 U.S. stock-market panic.

The attempt of the Social-Democratic government to find a "Third Way" between the German population and mad-

dened international bankers, led to the fall of that government, and an ensuing succession of "ministerial" governments, from March 30, 1930 (after the second government of Tony Blair "lookalike" Ramsay MacDonald had been installed, on June 8, 1929), through President Hindenburg's appointment of Adolf Hitler on January 30, 1933.

The key, London-directed figure of Germany throughout this period was Brooklyn, N.Y.-born Hjalmar Horace Greeley Schacht, a life-long asset of the J.P. Morgan interests, with direct control over Schacht exerted by the Bank of England's Montagu Norman. This was the same Norman who was the controller of the financial house of Averell Harriman, during all of the relevant years leading up to and beyond the Hitler coup d'état. It was Schacht, deployed, by Norman, to bring the New York bankers into support for Hitler, who, assisted by British intelligence services, organized the German side of the Hitler coup d'état against the government of Kurt von Schleicher (and Hitler's later assassination of von Schleicher).

The Anglo-American financiers' immediate motive for bringing Hitler to power, was the commitment of those London and New York bankers behind Schacht, to prevent the implementation of an economic-recovery policy designed by a brilliant key figure, Dr. Wilhelm Lautenbach, of the pro-U.S.A. Friedrich List Society. Notably, the Lautenbach plan, like the tradition of Friedrich List himself, expressed the political-economic philosophy of the founders of the U.S.A., and was the only policy, other than the like-minded President Franklin Roosevelt's U.S. recovery policy, which could have

provided a democratic solution for what is known in most history books as “The Great Depression.” This Lautenbach plan, which echoes the November 1929 recovery plan of Deutsche Bank’s assassinated Alfred Herrhausen, was the intended economic recovery program for a von Schleicher government in Germany. It was Norman’s puppet Schacht, who deployed to New York, to mobilize Wall Street support for a coup d’état to bring Hitler immediately into power in Germany.

Notably, Schacht motivated the coup d’état, by libelling the Lautenbach plan, and von Schleicher, as “Bolsheviks” who had to be stopped, just as Gore’s backers use the foolish Gore as their spearhead for putting an “enemy image” on the faces of the pro-national sovereignty governments of Mexico, China, Russia, Malaysia, et al. Gore’s deployment, on behalf of the British Duke of Edinburgh’s Transparency International, to classify defense of national sovereignty as “corruption,” shows the motive behind rabid Anglophile Gore’s bloody hand in the situation today.

In a situation similar to that of 1932-1933 Germany, today, the only workable alternative for the presently ongoing disintegration of the world’s financial system, is the “New Bretton Woods” program which I have introduced. With the full confirmation of my warning of an October 1997 crisis, that “New Bretton Woods” orientation went immediately onto a leading place on the world’s agenda. It met resistance from the same species of sources (e.g., London’s neo-Thatcherite, neo-MacDonald Prime Minister Tony Blair), which resisted the Lautenbach plan during 1931-1933. Essentially, it is the same Anglo-American financier interests, who backed Hitler and opposed Franklin Roosevelt, during 1933-1938, who are behind the use of Al Gore as their cat’s-paw today. The economic, strategic, and social consequences of a Gore coup d’état now, would be similar to, but far worse than the outcome of the original Hitler coup d’état.

The result of that reaction, is the deployment of what Kissinger and Clay T. Whitehead have described as a “secret committee” organized to prepare for a coup d’état against the U.S. Constitution and its incumbent President, Bill Clinton.

It must be emphasized, again, that the strategic implications of such an Anglo-American national-security posture, under presently unfolding world economic, political, and social conditions, would, if tolerated, ensure a far more devastating result than Anglo-American bankers’ unleashing of the 1933 Hitler coup.

The flavor of 1932-1934

The chronology of the most crucial related developments in the U.S.A., Britain, and Germany during 1929-1934, gives the flavor of the situation — then, and now.

The count-down to the Hitler coup d’état began in Paris, with the fateful prelude to the outbreak of the Great Depression, the June 7, 1929 failure of the Young Plan to provide workable alternatives for the looming international disaster

posed by the unresolved issues of Germany’s war-reparations debt. The immediate next shoe to drop, came in England, with the June 8, 1929 formation of the second government of Labour Party Prime Minister (James) Ramsay MacDonald. MacDonald’s quasi-fascist government, which remained in office until June 7, 1935, is the forerunner of today’s Blair regime. This was followed by not only the October 24, 1929 stock-market panic in New York, but also the November 9, 1932 election of “American Methods” spokesman Franklin Roosevelt as President-elect of the U.S.A. Notably, Wall Street and London adversary Roosevelt was, in economics, a co-thinker of the American System political-economic policies of Germany’s Wilhelm Lautenbach.

The Anglo-American bankers responded to this crisis of the Young Plan’s failure, by pulling down the Grand Coalition government of Social-Democratic Chancellor Hermann Müller, on March 27, 1930. The coup d’état was set off by a rigged crisis in the German government. The issue of the second reading of the doomed Young Plan, was turned into a de facto coup d’état by the abrupt resignation, on March 7, of the British bankers’ agent Hjalmar Schacht from his position as president of Germany’s central bank, the Reichsbank. In the ensuing parliamentary crisis, the Müller government collapsed on March 27, and the “Ramsay MacDonald of Germany,” the brutal Heinrich Brüning, was installed on March 30.

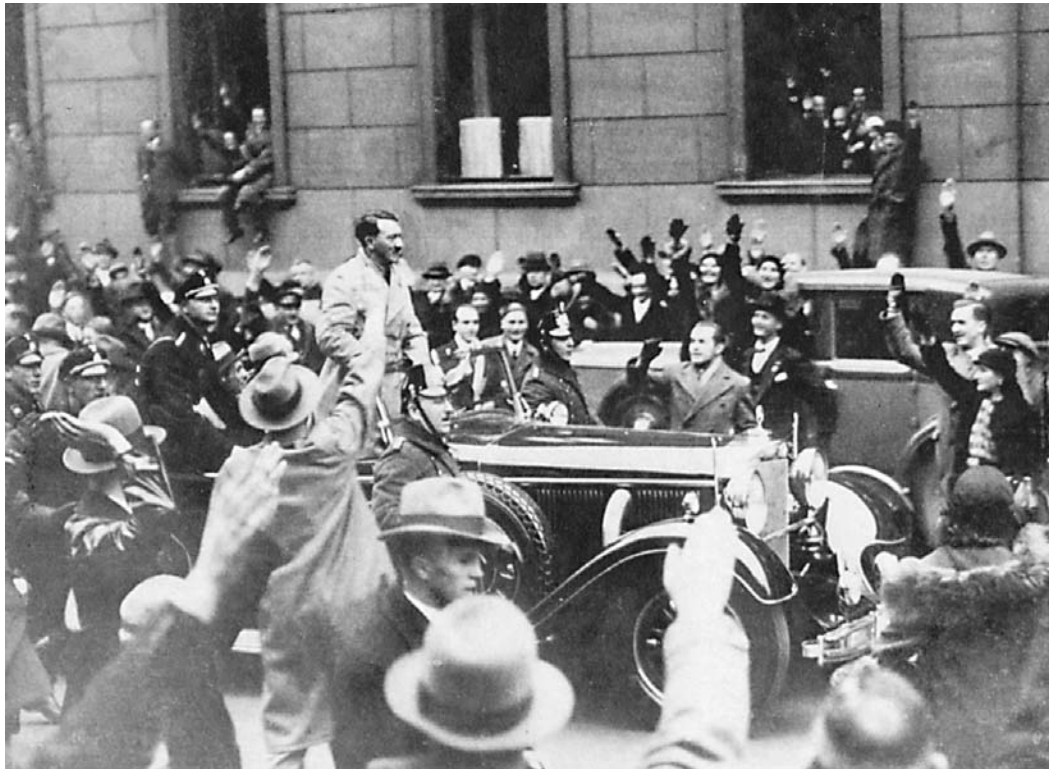
From that point, until the London-run coup d’état against the von Schleicher government, thus bringing the otherwise unelectable Hitler to power in January 30, 1933, Germany was ruled by a series of four ministerial regimes, all of which, excepting the von Schleicher government, were tools of Schacht and the de facto Schacht-controlled Center Party.

That period, from 1928 through the September 12, 1932 collapse of the von Papen government, saw a combined, sudden collapse in the Social-Democratic vote for the national parliament, and a zooming upward of the Nazi vote. However, with the progressive self-discrediting of the Social-Democratic Party, the fall of the von Papen government was echoed by a significant turn away from the Nazi party, too. Schacht regarded the possibility of a coup d’état against von Schleicher, as London’s last chance to keep the Hitler option alive. London and Wall Street were alarmed by the coincidence of Roosevelt’s November 9, 1932 status as President-elect of the U.S.A., and sought to prevent von Schleicher and Lautenbach’s American System economic policies coming into power in Germany.

So, the British, together with London’s assets Morgan and Harriman, joined London in deploying the parliamentary coup d’état against von Schleicher, and bringing Hitler into power.

An ominous lesson for today

There is another bitter lesson for today, to be learned from the later events of 1933-1938. The immediate, foolish



Adolf Hitler in Berlin, Jan. 30, 1933. It is time for Americans and others to face the kinds of facts which the German population of 1932-1933 refused to face, writes LaRouche. "The comparison of the coup d'état around Gore with the earlier case of Hitler, is not only justified; it is morally urgent that that comparison be made, far and wide, and loud and clear."

response to Hitler's appointment as Chancellor, from the Communists, Social-Democrats, and others, was, in effect, "Wait until the Germans begin to see what Hitler is like; they will turn to us." It did not work out that way. See the tempo of events leading into Hitler's consolidation of dictatorial and strategic power.

Von Schleicher was ousted on January 28, 1933. Hitler was made Chancellor on January 30. On the night of February 27, the unprotected German parliament building, the Reichstag, was burned down in an arson attack. That incident was used by the Nazi government of Prussia, under Hermann Göring, to launch a wave of terror against the political opponents and rivals of the Nazis. The power of government by decree, under the terms of the so-called *Notverordnung*, was activated, giving Hitler power of rule by emergency decree. By April 7, the *Gleichschaltung* laws, Nazi Propaganda Minister Josef Goebbels' echo of Prince Metternich's 1819 Carlsbad *Beschlüsse* (decrees) were installed, coinciding with the purging of Jews from influential positions in Prussian society. The Nazi book-burning was launched on May 10.

Hitler's dictatorship was consolidated rapidly during the following months. In the famous plebiscite of November 1933, the Nazi vote reported was more than 96 percent of the total. The end to effective resistance came in the Summer of 1934, approximately a year and a half after Schacht's orchestration of the coup d'état against the von Schleicher government. This consolidation of Hitler's personal power as a dictator, came in three developments:

1. The "night of the long knives," the so-called Röhm purge, which eliminated not only potential challengers to Hitler from within the populist-based "brown shirts" of his own party, but also provided the occasion to assassinate a key target of Schacht's hatred, former German Chancellor and General Kurt von Schleicher.

2. The convenient death, on Aug. 2, of President Paul von Hindenburg.

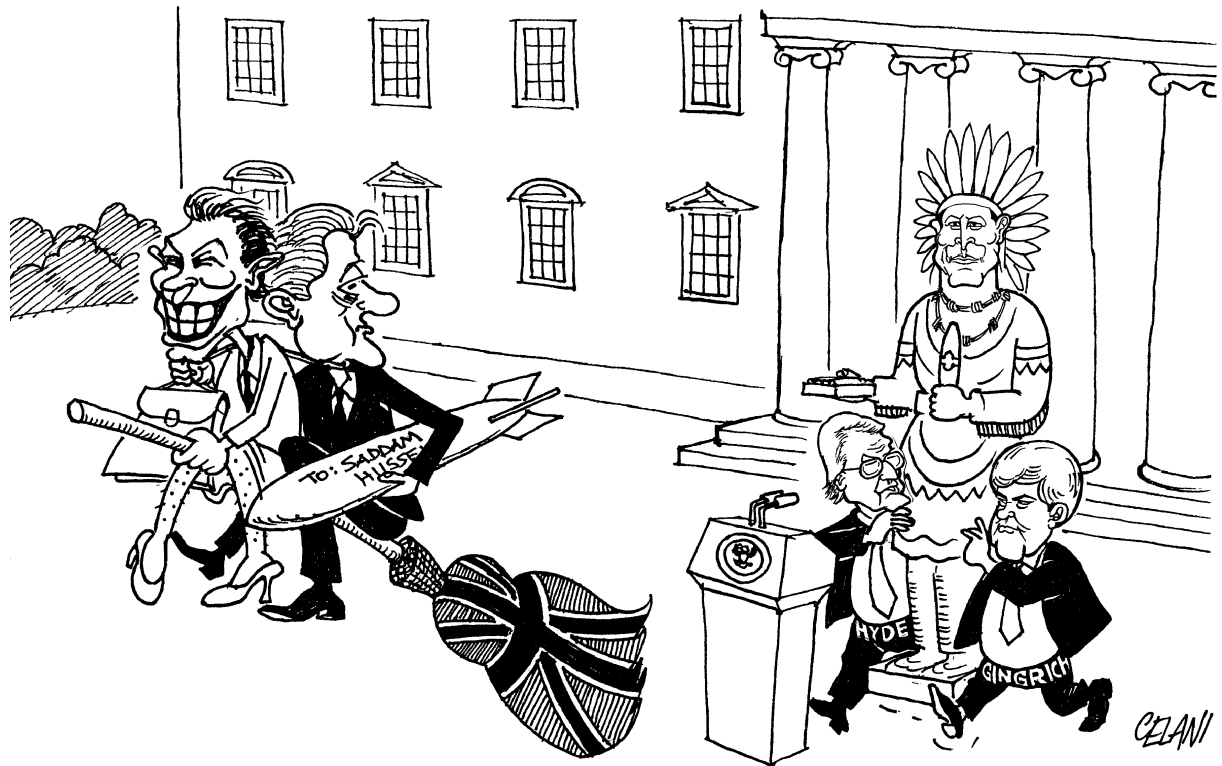
3. Hitler's use of the occasion of President Hindenburg's death to supersede the elective position of President by Hitler's perpetual personal authority as *Führer*.

Thus, on August 19, 1934, Hitler's dictatorship was consolidated. By the close of 1938, with the October march into Czechoslovakia, and the November "Crystal Night" against Jews in Berlin, Hitler was politically positioned to unleash a new world war.

Such are the disasters suffered by those people of a nation which tolerates the sort of coup d'état being run now against the U.S. Constitution and President, a coup being run by those Republicans and others, who have stated their disposition to welcome the otherwise unelectable Al Gore immediately into the office of President.

Schacht and Gore

To speak with absolute objectivity, Al Gore personally is an ideologically perverted, wooden-headed fool, utterly lacking in visible cognitive intelligence, but with a sly and



viciously backstabbing cowardice, nonetheless, a shameless Tory fan of the British monarchy, and crony and bloody-handed accomplice of that Ramsay MacDonald-style fascist “mad bomber” Tony Blair. Politically, he is thoroughly owned by the same crew which created his political career, those intimate circles of the British royal family, most notably the Duke of Edinburgh and Prince Charles, with whose pet peeves and perverted causes British lackey Gore became associated through his patron and controller Armand Hammer.

What Gore is, personally, is essentially nothing. What he is, politically, is a tool of such others as do not flinch from soiling their hands by taking over, manipulating, and, in time, discarding, with equal shamelessness the same pathetic political creatures, such as Gore, whom they have not merely used, but used up. It is easy to have contempt for a Gore, but, in himself, he, like the village idiot and resident firebrand, while a significant public security risk, is, like any pathetic mental case, hardly deserving of such strong emotion as personal malice. So, he is being used by Henry A. Kissinger et al., just as Kissinger set up the President he manipulated, Richard Nixon, for self-destruction in the Watergate affair. If you recognize Gore as the pathetic bi-polar personality he is, you can readily understand how he is manipulated by those, of the likes of Henry Kissinger, who use him, as if he were a mere puppet on a string.

The Gore problem lies entirely in two matters. First, the strategic purpose for which he, as a mere dupe of his own pathetic ambitions, is being used. Second, the disgusting cor-

ruption shown by those, like a Clay T. Whitehead or cronies of the Henry A. Kissinger and Bush pack, who wittingly betray the United States itself in such ways as to put not only this nation, but much of the world at strategic risk. This is a risk so grave that no standard of comparison from the earlier experience of this century, even two World Wars, measures the sheer awfulness of the treasonous things those accomplices of the “secret committee” operations around Gore are doing.

On the Gore issue, it is thus time for Americans and others to face the kinds of facts which the German population of 1932-1933 refused to face. The comparison of the coup d’état around Gore with the earlier case of Hitler, is not only justified; it is morally urgent that that comparison be made, far and wide, and loud and clear.

Gore must merely learn to play the Cheshire Cat for those childish occasions, such as costume parties, he finds most compatible with his limitations; let him, thus, fade, giggling happily, but quietly, from the scene. Blair, meanwhile, must be removed. Unless those two related measures are taken, no part of this planet will be safe for anyone much longer. All Hell is about to bust loose in the weeks just ahead. Wake up! Put Gore quietly into the background, and Blair out of the way of doing more harm than he has done, not only to Britain, but the world, already. Anyone who has yet to understand the importance of forcing through those two actions now, knows nothing of much importance about world events in progress today.

Lautenbach's program for German recovery

by Michael Liebig

The following excerpt, entitled "The Conference of the Friedrich List Society, September 1931," is a postscript commentary from Friedrich List: Outlines of American Political Economy (Wiesbaden, Germany: Dr. Böttiger Verlags-GmbH, 1996). We reprint it here as an appendix to Lyndon LaRouche's "Al Gore and Adolf Hitler," for its discussion of Dr. Wilhelm Lautenbach and his economic recovery program, which could have spared Germany, and the world, Hitler's rise to power. The translation has been slightly edited, and subheads have been added:

We take the opportunity here to include a reference to the economic and finance policy debate in Germany during the world economic crisis in the 1930s, which—in contrast to John Maynard Keynes—was directly connected to the economic policy conceptions of Friedrich List and Alexander Hamilton. The transcript of the secret conference of the Friedrich List Society of September 16-17, 1931, was published for the first time in 1991. The issue at the conference was the possibility and consequences of expanding credit issuance in order to boost German economic activity under conditions of world economic crisis. In addition to Reichsbank president Dr. Hans Luther (1879-1962), some 30 leading economists, bankers, industrialists, and economic politicians participated, including Prof. Edgar Salin (1892-1974), co-publisher of List's *Gesammelte Werke (Collected Works)*. The keynote speech was delivered by Dr. Wilhelm Lautenbach (1891-1948), a high official in the Reich Economics Ministry and, although now little-known, an important economic theorist. He was a member of the Friedrich List Society and took part in every one of its conferences during the years 1928-32, that used to discuss priority issues of the German economy.

The remedy for an economic emergency

Lautenbach's memorandum was titled, "The Possibilities of Boosting Economic Activity by Means of Investments and Expansion of Credit."¹ He there writes, "The natural course

1. Memorandum by Wilhelm Lautenbach, "Möglichkeiten einer Konjunkturbelebung durch Investition und Kreditausweitung," in "Knut Borchert/Otto Schötz, ed. *Wirtschaftspolitik in der Krise, Die Geheimkonferenz der Friedrich-List-Gesellschaft vom September 1931, Baden-Baden, 1991*, pp. 307-325.

for overcoming an economic and financial emergency" is "not to limit economic activity, but to increase it." Lautenbach distinguished two emergency situations: on the one hand, there were emergencies out of which "tasks for production ensue." As an example of this kind of emergency, he cited a war-economy the conversion from war production to peacetime production, or also the "reconstruction of Japan following the great earthquake" in 1923. On the other hand, there were economic and financial emergencies of national and international dimensions, in which it was clear, in general, that "we should and want to produce more. But the market, the sole regulator of the capitalist economy, does not provide any obvious positive directives."

The economic emergency of the second category—a Depression and/or the collapse of the financial system—was characterized by the "paradoxical condition," that "despite curtailed production, demand is less than supply and thus leads to the tendency to decrease production further." Under conditions of depression, there are normally two economic policy reactions. The first was a policy of deflation: The budget deficit is reduced by cutting state expenditures, prices and wages are lowered. At the same time, credit is restricted. If credits are not curtailed, low interest rates would lead to an outflow of foreign capital, which endangers the exchange rate and produces yet greater scarcity of available capital for the domestic economy.

Lautenbach thought it was practically impossible to reduce taxes in a depression, because the tax base had already contracted and public budgets were already strained for resources. All of these measures, according to Lautenbach, produce "new and large losses of capital for the individual entrepreneur in commerce and industry," it makes them "uncompetitive and insolvent," compels a "reduction of production and layoffs of the workforce in large dimensions," and also leads to "a deterioration of the status of the banks."

The reduction of public expenditures is doubly counterproductive, since public contracts and mass purchasing power are further reduced. The reduction of wages has an initially favorable effect upon exports, but it causes a far greater reduction in demand in the domestic economy. "The adjustment to reduced demand by correspondingly reducing prices causes losses . . . and draws additional reductions of production in its wake." The thus additionally growing unemployment, effects an acceleration of the downward spiral of the economy. Thus, Lautenbach argued, the deflationary policy will "inevitably lead to complete economic and political catastrophe."

The most urgent task

But, in a depression, there are "surpluses of commodities, unused production capacities, and unemployed labor." The use of this "largely unused latitude for production" is "the actual and most urgent task of economic policy and it is simple to solve, in principle." The state must "produce a

new national economic demand,” which, however—and this is the condition—“represents a national investment for the economy. One should think of tasks like . . . public or publicly supported works which signify a value-increase for the economy and would have to be done under normal conditions in any case.” Lautenbach was thinking primarily of transportation infrastructure in this connection (roads/highways and railroads).

Then Lautenbach posed the question: “Since long-term capital is neither available to us on the foreign, nor on the domestic market, how are such projects to be financed?” And he adds, that “reasonable public works are already neglected due to the empty treasury in times of deep depression.” If there is no possibility to finance the projects through the (empty) state treasury, or through the capital markets, “the consequence to be drawn, ought not be, that it is not possible to realize projects of this sort.”

But how? Lautenbach makes the initial observation, that “liquidity is chiefly a technical organizational issue. Banks are liquid when they are sufficiently supported by the Reichsbank.” The degree of actual claims upon the Reichsbank in the credit expansion of the private banks for financing measures to create jobs and investments, was always only a fraction of the total credit volume provided for these projects. Lautenbach proposed that the Reichsbank give the banks a “rediscount guarantee” for the bonds for financing the “economically reasonable and necessary projects.”

The short-term credit financing by means of discountable, prolongable bonds for creating jobs and investments, had a direct and an indirect effect. The realization of the projects, financed by credits, signified an increase of production with the productive utilization of machines, raw materials, and operating materials. The demand for capital goods would increase. The financial situation of the businesses would relax, and thus also the situation of their banks. The realization of the projects on credit would entail payment of wages to newly engaged labor, which would have the effect of generating additional demand for consumption goods.

The effect of primary credit expansion

Lautenbach proceeded on the assumption, that “the stimulating effect of the primary credit expansion” for financing infrastructure projects, would effect “a stimulating movement in total production” in the economy. The initial boost of infrastructure and investment projects would lead to the “upward conjuncture” of the entire economy. The utilization of unused capacities of production would have the effect of increasing economic productivity. The improvement of tax revenue would enable the state to shift to a long-term management of the original liquidity provided to pre-finance the projects.

To the fear that credit-financing of infrastructure projects would incur the risk of inflation, Lautenbach said that such projects are “rational and unobjectionable from an economic

standpoint.” These projects represented “in a material sense real economic capital formation.” The credit-financing would result in the creation of real economic values. Lautenbach further emphasized that the expansion of credit and the expansion of production in infrastructure projects are disproportional. “The extent and rate of the expansion of production” grow at much higher rates than the “degree and rate of credit expansion.” Here, Lautenbach was apparently thinking of a “productive multiplier effect.”

In summary, Lautenbach said, “by means of such an investment and credit policy, the disproportion of supply and demand on the domestic market will be alleviated and thus total production once more provided with a direction and a goal. If we neglect to undertake such a policy, we will inevitably be heading in the direction of continuing economic disintegration and a complete disruption of our national economy into a condition in which, then, in order to avoid domestic political catastrophe, one will be compelled to undertake a strong increase of new short-term public debt for purely consumptive purposes, while today we have the instruments, by means of utilizing this credit for productive tasks, to bring both our economy and our public finances into balance once more.”

Had the Lautenbach Plan of 1931 been implemented, economic and political conditions would have prevailed two years later, under which the National Socialists would not have had a chance to come anywhere near seizing power. The Israeli historian of economics, Prof. Avraham Barkai (born 1921), is correct when he writes, that a real historic chance did exist to prevent the Nazis from seizing power, “if earlier governments, economists, and politicians had freed themselves of the chains of outmoded economic and financial principles, and if they had applied anti-cyclical economic policies earlier.”²

It ought to be obvious, that the Lautenbach Plan bears a great conceptual resemblance to the way in which the National Bank of Alexander Hamilton functioned. This plan also demonstrates a real-economy-oriented approach to problems of financing, which is typical of Friedrich List. It was certainly not fortuitous, that the Friedrich List Society sponsored this conference, with this theme, and with such a circle of participants. The strengths of List’s economic policies are evident also, and particularly under conditions of severe economic crisis, when, quite directly, the social and political existence of a nation depends upon the utilization of the unused and debilitated productive forces.

It also ought to be clear, that the Lautenbach Plan was certainly no mere economic historical episode. Its relevance for today is direct.

2. Comp. Avraham Barkai, *Das Wirtschaftssystem des Nationalsozialismus*, Frankfurt/M., 1988, p. 98.

Iraq crisis placed Gore center-stage

by Michele Steinberg

When President Clinton called off the bombing raids against Iraq in mid-November 1998, he was bucking most, if not all, of his national security “team,” among them, most emphatically, Vice President Al Gore. But by staying in Washington on Nov. 14 and 15, Clinton unwittingly gave an opening to the very international financier forces that have been out to destroy him, and the institution of the U.S. Presidency. The plotters of the Iraq war among the British Empire’s Privy Council, and the 10 Downing Street headquarters of Prime Minister Tony Blair, were able to substitute Al Gore, “President Impatient-in-Waiting,” for Clinton, at a crucial international meeting on the global financial crisis in Kuala Lumpur, Malaysia.

Gore’s trip to Malaysia to represent the U.S. at the meeting of the Asian Pacific Economic Cooperation Forum (APEC), represented a turning point, where Gore’s ambition to become the “New Age” President became obvious, and his pedigree as an operative against technology and development for the Third World came to the fore.

Not only did the hoked-up Iraq crisis prevent Clinton from meeting in Malaysia with his crucial allies among world leaders, Russia’s Prime Minister Yevgeni Primakov and China’s President Jiang Zemin, but Gore broke all protocol by virtually declaring war against the meeting’s host, Dr. Mahathir bin Mohamad, who had led a valiant battle to save his country from financial speculators like George Soros, who had ravaged the currencies and looted the industries of the Asian countries since mid-1997. Instead of bringing the United States into the policy of a New Bretton Woods financial system that many Americans had hoped Clinton would adopt, Gore sounded the battle cry of “*reformasi*,” praising the forces behind riots and destabilizations of Indonesia and Malaysia. With the voice of the U.S. Vice President coming out against Mahathir, within weeks, financial pirate Soros openly called for Mahathir to be overthrown because of his successful defense of Malaysia’s economy with protectionist measures.

Gore instantly became the darling of the financier oligarchy’s media voices, the *New York Times* and the *Wall Street Journal*, which praised his behavior as a “champion of freedom of human rights” in Kuala Lumpur, saying that he had delivered the best performance of his career. Even as they lauded Gore, they were viciously denouncing Clinton for “backing down” to Saddam Hussein, and making the United States the “laughingstock” of the Arab World. The *Journal* went so far as to say that Clinton’s decision to *not* bomb Iraq

was proof he should resign, because he’s so weakened by the Starr allegations.

From Nov. 17 to Dec. 16, as the parallel British-run crises of impeachment, and the Iraq war took their course (see next article), Gore made bolder moves than at any time of the Clinton Presidency, to take over foreign policy. Among the actions announced, Gore will hold two international conferences at the State Department on the subjects of “Reinventing Government,” with 40 countries, on Jan. 14-15; and “Fighting Corruption,” on Feb. 23-24, with 65 countries invited.

Gore’s ascendancy in the foreign policy realm has secretly delighted Clinton’s enemies, particularly the Anglophile and Zionist fanatics inside the Democratic Party, who have had to put up a show of support for the President. One Gore insider derided Clinton’s lack of resolve to overthrow Saddam Hussein, claiming that Gore would be happy to go all the way to crush Iraq.

British/Israeli propaganda

A clear sign that, like his namesake, Al “I’m in Charge” Haig, Gore is impatient to take over, was the speech he delivered on CNN’s Larry King interview show on Dec. 16, just a few hours after the military strikes on Iraq began, and while Clinton was under the gun of the Congressional coup d’état. For his briefing, Gore used British intelligence misinformation that *EIR* exposed as having been planted into the U.S. Information Agency (USIA) in February 1998 (see *EIR*, Nov. 27, 1998, p. 50), when again, President Clinton had accepted a diplomatic settlement of the UNSCOM “inspection” crisis in Iraq.

Flanked by Secretary of State Madeleine Albright on CNN, Gore repeated huge segments of the phony UNSCOM reports to justify the attack, just as he, Albright, and members of the “principals” groups had discussed in their secret meetings without Clinton.

“We tried to make this inspection regime work, and Saddam would not cooperate,” Gore lied. “He obstructed the inspectors. And so we are going to take the other alternative . . . to use our military to degrade his weapons of mass destruction and threaten his neighbors . . . [and] we may have to do it again.”

With George Bush-style disregard for allies and the truth, Gore foolishly claimed massive diplomatic support, saying, “We have strong support from around the world,” at the very moment that key allies like Russia, France, China and other members of the UN Security Council were condemning the United States, Russia recalled its ambassadors from the U.S. and Britain, and Arab leaders such as Egypt’s President Hosni Mubarak were denouncing the action as both unjustified and militarily foolhardy.

But, for Gore, the British “special relationship” was paramount: “The British are participating. . . . We’re very pleased with the level of support for this. . . . I think people all over the world are fed up with Saddam Hussein.”

Gore ignored the volumes of evidence that Iraq's defense programs had been inspected many times, and destroyed—evidence provided by the International Atomic Energy Agency (IAEA) and by UNSCOM itself. He ranted, “How many people is [Saddam Hussein] going to kill . . . ? He's already demonstrated a willingness to use these weapons. He poison-gassed his own people. He used poison gas and other weapons of mass destruction against his neighbors. . . . So, this is a way to save lives.”

Gore's fixation on overthrowing Saddam Hussein has nothing to do with the report by UNSCOM's Richard Butler, but with a raw hatred of Iraq, and the very idea of development for countries of the Third World, especially through use of nuclear energy.

In a speech in September 1991, after then-Senator Gore had thrown his full support behind Bush's Desert Storm, Gore revealed his ulterior motive: “In general, the world does not need the contributions of Iraqi space science or of Iraqi work in nuclear physics—practical or applied. The United States should work to completely block future Iraqi activity of any kind in these areas, to the extent they are dependent upon equipment, services, or training—including university training—available from any country with advanced capabilities. . . . There is no way to think about certain branches of science and engineering in Iraq except as tap roots for . . . mass destruction.”

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

—Lyndon H. LaRouche, Jr.



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How Britain and Israel set up the Iraq trap

by Joseph Brewda

A network of British and Israeli agents and assets within the highest levels of the U.S. government was responsible for the United States' disastrous Dec. 16-19, 1998 war on Iraq. EIR has determined that this network, operating through a constellation of think-tanks and former U.S. government officials, especially from the Bush years, maneuvered through the offices of Vice President Al Gore, to finally push Clinton into the anti-Iraq decision.

As reported below, a series of meetings—which excluded Clinton—were held by cabinet officials and their Zionist mafia-linked underlings, who made detailed military and political plans against Iraq. Then, while returning from his ill-fated and fruitless trip to Israel and Gaza, Clinton was presented with the *fait accompli* of an Iraqi war-plan, using the hoax of Australian diplomat Richard Butler's report that the government of Iraq had “refused” to cooperate with Butler's UN Special Commission (UNSCOM)—in a mere five instances out of 427 inspections!

The purpose of the moves to trigger this war, by these British/Israeli traitors, is to pave the way for the Vice President Al Gore to become President, whom Britain and Israel hope to install as soon as possible. The Iraq action was conceived as a set-up of Clinton, based on a controlled environment of lying reports on Iraq, and cover-ups for the expected domestic and international blowback from the projected assault that leaves Clinton isolated and vulnerable.

Britain and Israel's aim is to preclude the possibility of a New Bretton Woods financial system, based on renewal of the kind of policy that President Franklin D. Roosevelt had during World War II, for U.S. cooperation with Russia and China against British imperialism, as Lyndon LaRouche has advocated. Typifying the dangerous game afoot, Heritage Foundation analyst Ariel Cohen exclaimed that Russian Prime Minister Yevgeni Primakov's call, in the aftermath of the strikes against Iraq, to form a “strategic triangle” among Russia, China, and India, to economically develop an Asia continent ravaged by the International Monetary Fund, is an effort to “gang up on the U.S.”

Secondly, Britain and Israel hoped the raid on Iraq would provoke terrorist attacks within the United States, and against U.S. interests worldwide, which could be linked to Iraq, and lead to further destabilizations. They also hoped to discredit and destabilize moderate Muslim countries friendly to the United States. The U.S. bombing of a civilian pharmaceutical factory in Khartoum, Sudan, in August 1998, misidentified as a chemical warfare site, was done for the same British and

Israeli geopolitical aims.

The 70-hour war against Iraq involved at least 250 raids and 425 cruise missiles, according to press reports, almost double the total number of missiles used in the 45-day Desert Storm war in 1991. Targets comprised 30 sites said to be involved in producing weapons of mass destruction, 33 airfields or defense installations, 20 communications nodes, and 10 sites used by Republican Guards.

Why was this done? And why at this time? According to the U.S. State Department, it was necessary to strike Iraq because Richard Butler, the Australian diplomat who directs UNSCOM, had issued a derogatory report on Iraq on Dec. 15.

But, as reported in the Jan. 1, 1999 issue of *EIR*, the Butler report is an internationally recognized hoax! Butler alleges that the Iraqi government refused to allow his team to inspect five sites out of the 427 site-inspections that were requested since Nov. 17. In one case cited, Butler condemns the Iraqis for making the simple request that the number of inspectors be limited to ten at any one time, rather than the 30 Butler demanded.

Moreover, according to a *Washington Post* interview with National Security Adviser Sandy Berger, and other administration sources, the decision to prepare to bomb Iraq was taken on Nov. 15, the very day that President Clinton had aborted the U.S. bombing mission against Iraq, and forced his cabinet and British Prime Minister Tony Blair to accept Iraq's pledge to allow inspections by UNSCOM. So, even before Butler returned to Iraq with his inspections, and long before his report, the plans for the next attack against Iraq were set.

Among the most vociferous critics of Clinton's "back-down" were the British—Prime Minister Blair made repeated calls to Clinton on Nov. 13 and 14, attempting to force him to change his decision; British Foreign Minister Robin Cook wrote a blistering article for the Hollinger Corp.'s *Daily Telegraph*; and Lady Margaret Thatcher—who, as Prime Minister, "stiffened" George Bush for the original 1991 Desert Storm—derided Clinton for being weak, according to another commentary in the *Telegraph*. Thatcher chairs the International Advisory Board of the anti-Clinton Hollinger Corp. media empire.

By Nov. 19, when Clinton was on his way out of the United States to visit Japan and South Korea, British Defense Minister George Robertson arrived in Washington for a series of meetings to follow up discussions concerning an attack on Iraq. Again, Clinton was absent from the planning.

By mid-December, when the plans for the attack were being finalized, Secretary of State Madeleine Albright, Defense Secretary William Cohen, and Berger knew Butler's report was a hoax, and that the strike would cause a diplomatic fiasco—but went ahead anyway.

Expected outrage

The unilateral decision by the United States and Britain to bomb Iraq, undermined the agreement among the five permanent members of the UN Security Council (the United

States, Britain, Russia, China, and France) that such actions would only be taken following the unanimous decision of all 15 members of the Security Council. The result was heated outrage from Russia, China, and France—just as Britain and Israel had planned. Russia recalled its ambassadors from the United States and Britain, for the first time since World War II. The chief of the Russian Defense Ministry International Military Cooperation Department, Gen. Leonid Ivashov, told Itar-Tass that "Russia will be forced to change its military-political course" as a result of the war, threatening that Russia "may become the leader of the world community that disagrees with the U.S. diktat."

Chinese Ambassador to the UN Qin Huasun denounced the raid, saying, "There is absolutely no excuse or pretext to use force against Iraq."

Reactions among all Arab and Muslim states were severe. While the Clinton administration says it does not advocate a "clash of civilizations," they said, it is only Muslim countries that are labeled outlaw states and attacked, while actual outlaw states, such as Slobodan Milosevic's Serbia, get off scot-free. Japan was one of the only nations aside from Israel, to have supported, if quite reluctantly, the Anglo-American attack.

Meanwhile, some factions in Britain have already distanced themselves from the raid, as speeches in the House of Commons such as those of former Defense Minister Lord Denis Healey, and outpourings from the Royal Institute of International Affairs, indicate. Britain often successfully convinces its dupes throughout the world that it has been forced to play second fiddle to America, and, given a choice, would be a far more accommodating power to deal with. And one of the leading Israeli agents in the anti-Iraq process, American Scott Ritter—who the Iraqi government had denounced as an Israeli agent—is fanning the anti-American flames, telling everyone that the Clinton administration and Butler "broke the trust" of the UN Security Council.

Nor did the attack undermine the impeachment proceedings against Clinton, as those who say that Hollywood's scenario movie "Wag the Dog," serves as a model would claim. In fact, split-screens on CNN and other television networks simultaneously showed the bombing of Iraq and the impeachment debate, as did side-by-side front-page layouts in the nation's printed press, indicating that the Iraq attack, if anything, may serve to hasten Clinton's demise.

Setting the trap

In an interview with *Washington Post* reporter Barton Gellman on Dec. 19, National Security Adviser Berger admitted that the strike would rebound against the United States. However, he said it was necessary to strike Iraq, because "to have failed to do so not only would have lost UNSCOM, but would have lost the credible use of force."

Berger said the timing of the assault was based on the idea that there was a favorable "constellation of forces." If the United States had waited, Berger explained, Russia, France,

and China would have pressed to begin a “comprehensive review” of Iraq’s performance, with an eye to weakening or ending the sanctions. “Suddenly you’re in February and there’s no predicate,” he explained. “There’s no predicate for the world, and there’s no predicate for the American people: ‘Why are you all of a sudden attacking Iraq?’ ”

Besides, if Iraq were not attacked, Berger said, “it’s only a matter of time before [Saddam Hussein] develops WMD [weapons of mass destruction], and fires it at Riyadh, and fires it at Kuwait, or fires it at Israel.”

According to administration officials cited by Gellman, planning for the December attack began on Nov. 15, only hours after Clinton announced that he was calling off strikes on Iraq that had been planned at that time, following a British resolution rammed through the UN Security Council on Oct. 31.

Clinton was clearly not convinced of the inevitability of military action at that time. He had given an order for the air strikes on Nov. 13, which he rescinded, and then reinstated, on Nov. 14. He finally revoked the order, and called off the bombing, on Nov. 15.

But, while Clinton broadcast to the nation that he had cancelled the attack because Iraq “agreed to meet the demands of the international community to cooperate fully with the UN weapons inspectors,” other developments were afoot.

Simultaneous with that broadcast, Berger was chairing a meeting of the so-called “principals” group, the cabinet-rank foreign policy advisers to the President. While two of the “principals,” Gore and Albright, were out of the country (see accompanying article, p. 27), Gore was presumably represented by his National Security Adviser, Leon Fuerth. President Clinton did not attend.

There, the *Post* reports, the “principals” ordered the Pentagon to draw up a war plan, and deploy forces in the Persian Gulf on a “24-hour trigger.” They also came up with an air-tasking order defining what Berger described as a “70-hour operation,” which is precisely what later occurred.

“The decision was made on the 15th,” Gellman quotes an unidentified participant at the meeting. “I remember Sandy ending that meeting by saying, ‘I expect we’ll be using force within a month.’ ”

But in order to go ahead with a strike, a pretext had to be found. And this is where Butler came in. The Australian diplomat began his provocations within a week. On Nov. 21, Butler had already issued a statement that Iraq was in violation of its agreement, because it would not turn over specific documents. Between Nov. 21 and 23, the Iraqis wrote several letters to the UN Security Council, reporting that the documents did not exist.

Clinton was again not so enthusiastic to intervene over Butler’s renewed “crisis.” On Nov. 22, while visiting Seoul, South Korea, Clinton stressed, “It’s important we don’t over-react.” But between this statement and the Dec. 16 bombing, things had changed in Washington: Impeachment was on a

fast track, and Gore was itching for power.

Butler was an apt choice for carrying out such provocations. As the Australian Ambassador to the UN, Butler oversaw the multi-party effort to forge the Comprehensive Nuclear Test Ban Treaty, whose intent was to ensure that only the “Perm 5” and Israel could have nuclear weapons. UNSCOM has also served as a vehicle for those Israelis who oppose Mideast peace. In September 1998, former UNSCOM official Scott Ritter admitted to the *New York Times* that he was tasked to carry out Iraqi searches by the deputy director of Israeli Military Intelligence. He also admitted that he was under FBI investigation for leaking U.S. classified documents to Israel.

In January 1998, in the midst of an earlier Iraq crisis, Butler told the *New York Times*, without any evidence, that Iraq had enough anthrax and botulin toxin “to blow away Tel Aviv.”

But although Clinton initially rejected the efforts to order a U.S. bombing of Iraq over Butler’s charges, the countdown for the attack had already begun.

Appropriately enough, the final decision to go ahead with the strike took place in Israel, at a Dec. 13 meeting at which President Clinton was again not present.

According to the *Post*, the meeting at the Jerusalem Hilton, which issued the final order for the attack, was comprised of Secretary of State Albright, Assistant Secretary of State for the Near East Martin Indyk, National Security Council official Bruce Reidel, and Berger. Joining them, by secure video-link from Washington, were Defense Secretary William Cohen, Chairman of the Joint Chiefs of Staff Gen. Henry Shelton, Al Gore’s adviser Leon Fuerth, and CIA director George Tenet.

Following the meeting, Berger and Albright went up to Clinton’s suite in the hotel, and informed him that the group recommended a strike. Clinton told them, “Go ahead and let’s get ready.” On Dec. 15, Berger reports that the decision “was reinforced” with the President, aboard Air Force One on the return to Washington from Israel. On the next day, Dec. 16, the air strikes were launched.

The case of Assistant Secretary Indyk

The use of Israeli operatives inside the U.S. government to carry out policies contrary to U.S. interests, is, of course, an old story. The case of Jonathan Pollard is exemplary. As *EIR* pointed out at the time, Pollard was likely the fall-guy for a larger network linked to Ariel Sharon, dubbed by U.S. intelligence circles as the “X Committee,” which was never uprooted from the foreign policy establishment.

An article in the Israeli daily *Maariv*, the unofficial mouthpiece of the Israeli Defense Forces, on Nov. 7, 1997 emphasized that Gore and his aides have been particularly close to Israel. “Gore and Netanyahu have spoken not a little recently,” Ben Caspit wrote; “they also write to each other. A month ago, Gore wrote to Netanyahu, and received a detailed reply in writing within a few days. He wants to be the next American President, and he needs the Jewish lobby for this, Jewish money and

Jewish influence in America. Besides, Gore is also pro-Israel, some say a Zionist, for a long time now.”

It has even been suggested in State Department circles that Gore’s aide, Leon Fuerth, might be a Mossad mole. According to a June 16, 1998 article in the *Washington Post*, Fuerth “sputtered with anger upon being told that some officials in the State Department believe he is the conduit by which inside information is passed to Israeli Prime Minister Benjamin Netanyahu.”

A case in point of how a suspected Israeli agent infiltrated the U.S. government, to fulfill Israeli—and British—policy objectives, is that of Likud Party-linked Assistant Secretary of State for the Near East Martin Indyk. A former Australian intelligence official directing Mideast policy, Indyk is also the founding chairman of the Washington Institute on Near East Policy (WINEP), the think-tank of the American-Israeli Public Affairs Committee (AIPAC), Israel’s main cash-cow and lobbying operation in Washington.

The evidence is that Indyk was groomed early for his task. Born in England to Australian parents, Indyk first travelled to Israel in 1968, immediately after Israel’s successful war of conquest against its Arab neighbors. He returned to Israel in 1973 to study at Hebrew University in Jerusalem, returning back to Australia in 1975 to get his doctorate in international relations at the Australian National University. His thesis: “The Power of the Weak: The Ability of Israel and Egypt to Resist the Policies of Their Super-Power Patrons.”

Upon obtaining his degree, Indyk was immediately appointed Australia’s Deputy Director of Current Intelligence at the Office of National Assessments (the Australian equivalent of the U.S. National Security Council), where he directed Australian intelligence policy in the Mideast. While in that post, Indyk first began to work with career diplomat Richard Butler.

Indyk left his Australian government post in 1979, to become a media consultant for Israeli Prime Ministers, and Likud leaders, Menachem Begin and Yitzhak Shamir.

In 1982, Indyk emigrated to the United States to become the founding director of AIPAC’s first research department. The department is now led by Michael Lewis, whose father, Prof. Bernard Lewis, is a top British intelligence Mideast hand, and Mossad collaborator. In 1985, Barbi Weinberg, the wife of AIPAC President Larry Weinberg, put together the cash pool that Indyk needed to form WINEP. The reason AIPAC needed such a think-tank, he explained, was that the existing think-tanks in Washington were “too anti-Israel.” WINEP quickly became the main conduit of Israeli position papers into the U.S. Congress.

In 1993, Indyk was appointed Special Assistant to the President, and Senior Director of the Near East and South Asia, running the Mideast section of the NSC—the same job he earlier had for Australia. The position, which does not require Congressional approval, did require expediting his citizenship, which he received only eight days before taking

office. He is the first individual ever appointed to the NSC who had held an official position in a foreign intelligence service.

It was Indyk who first publicly enunciated the administration’s “dual-containment policy”—an aggressive posture simultaneously toward both Iraq and Iran, with a strong emphasis on economic boycotts. As one of the first Clinton administration foreign policy initiatives, it ensured that disastrous Bush administration precedents in the region would continue, to the benefit of British geopolitical interests, and Britain’s puppets in Israel.

In the aftermath of the 1993 announcement of that policy, the Israeli Foreign Ministry established a special section on Iran, detailed to operate in liaison with Leon Fuerth.

Indyk also took charge of the 1993 Oslo peace process. Working with him in that assignment was State Department Counselor Dennis Ross, Indyk’s former colleague at AIPAC and WINEP.

In the spring of 1995, Indyk became the U.S. Ambassador to Israel, during the buildup for the assassination of Prime Minister Yitzhak Rabin, one of the architects of the Oslo Accords, that fall. In 1997, he returned to the United States to become Assistant Secretary of State for the Near East, where he directs U.S. policy towards the Mideast. “You have no idea what it’s like,” one former U.S. official complained. “You try to brief Indyk on Morocco or the United Arab Emirates, and he immediately interrupts, asking, ‘How does this relate to Israel?’ Don’t Morocco and the U.A.E. have enough problems of their own, without asking about their relation to Israel?”

Indyk is not the only suspected Israeli operative planted in high-level positions bearing on Mideast policy.

For example, there is Stuart Eizenstat, who, as Undersecretary of State for Economic Affairs, oversees the U.S. embargo against Iraq, Iran, Libya, and Sudan, among other concerns. A former board member of the American Jewish Committee, and recipient of numerous Anti-Defamation League awards, Eizenstat has also served as a member of the board of the Israeli-intelligence-tied Israeli Discount Bank.

Then there is Tom Dine, the chairman of Radio Free Europe/Radio Liberty, who also directs Radio Free Iran and Radio Free Iraq. Dine was the executive director of AIPAC from 1980 to 1992, where he worked closely with Indyk and Ross, and Likud’s Prime Minister Yitzhak Shamir. He was ousted from AIPAC in 1992, after Prime Minister Rabin fought for the removal of U.S. Zionist organization officials who were hostile to peace with the Arabs.

Indyk et al. also work closely with Congressional Republicans on shared Israeli concerns. There is a basis for doing this. Former House Speaker Newt Gingrich’s chief of staff, Arne Christiansen, for example, was the former legislative director of AIPAC. Gingrich’s wife, Marianne, was a former paid lobbyist for an AIPAC outfit. Through such “bipartisan” support, Gingrich was able to appropriate \$100 million for his “Iraq Liberation Act,” despite the opposition of the Clinton administration, to fund covert operations against Iraq.

The Moon: Where it came from, how we will colonize it

Dr. Alan Binder discusses the continuing puzzle of where the Moon came from, and the discoveries that will make it more easily habitable. He was interviewed by Marsha Freeman on Nov. 2.

Dr. Alan Binder was the originator and motive force behind the Lunar Prospector mission currently in progress. Lunar Prospector was launched on Jan. 6, 1998, and it is in a lunar polar orbit at an altitude of about 60 miles. Less than two months after launch, Dr. Binder and the scientific team announced stunning new discoveries about the Moon, including their estimates of the amount ice at the Moon's poles. After its primary mission is completed at the beginning of 1999, Lunar Prospector's orbit will be lowered to less than 15 miles, on average, above the surface of the Moon, for a closer look.

Dr. Binder, the Principal Investigator for the Lunar Prospector mission, earned a bachelor's degree in physics in 1961 from Northern Illinois University, and a doctorate in geology and lunar and planetary science in 1967 from the University of Arizona's Lunar and Planetary Laboratory. Dr. Binder was a Principal Investigator on the 1976 Viking Mars Lander Camera Team. For ten years, he taught and conducted lunar research in Germany, and was an adviser to the European Space Agency. Before his recent founding of the Lunar Research Institute in Tucson, Arizona, Dr. Binder worked for Lockheed. He has authored 70 scientific papers, mainly in the areas of lunar and Martian geology, geochemistry, petrology, and geophysics.

During a wide-ranging discussion with *21st Century Science & Technology* Associate Editor Marsha Freeman, Binder reviewed the theories of how the Moon was formed and where it came from—questions still far from being answered. He described the results from his lunar spacecraft and contending theories on whether there is water ice at the poles.

Dr. Binder believes that Lunar Prospector has opened the door for the colonization of the Moon, because it has verified that there is water ice available, and because it has demon-

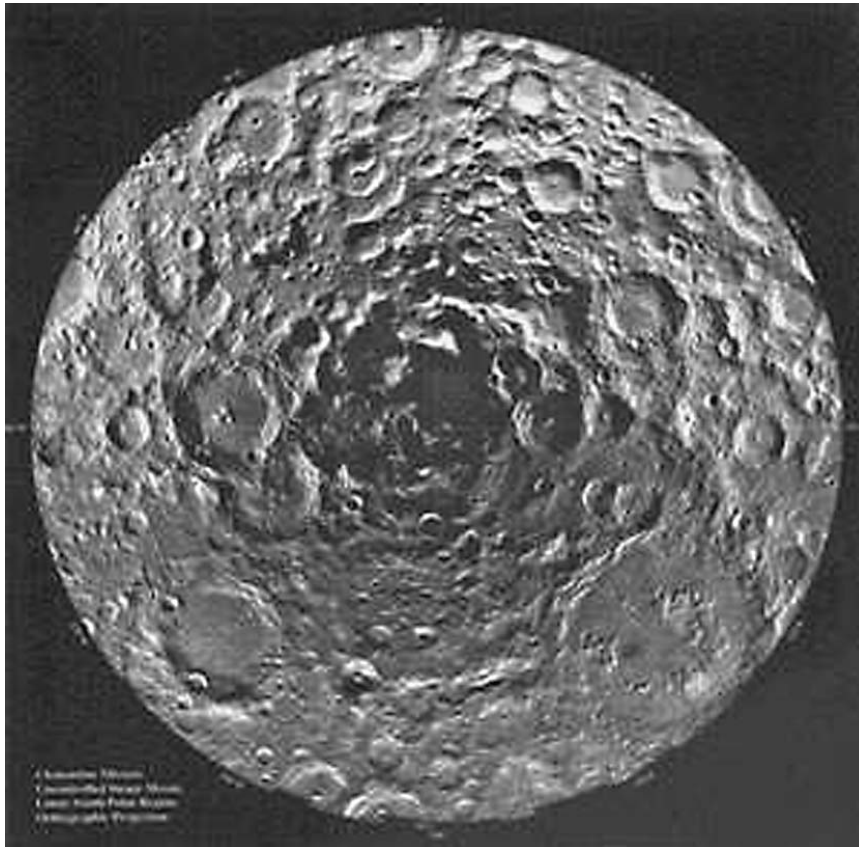
strated that inexpensive spacecraft, using available technology, can be marshalled by the private sector to take the next steps in lunar exploration. For NASA to lead the effort for a manned lunar base in the future, Dr. Binder believes that the agency would have to return to the mission-orientation it had during the Apollo program.

Interview: Dr. Alan Binder

Q: Many people believe that when we completed the manned Apollo missions in the early 1970s, we understood most of what we would need to know about the Moon. What did we learn from the Apollo missions?

Binder: Most people erroneously think that the Moon is a small place, and that once you've been there and brought a couple of rocks back, you've understood it. Part of the problem is that when the Apollo program was started, NASA gave a "motherhood and apple pie" objective, which we all have, which is to understand the origin and evolution of the Moon and the planets. Those clearly are our overall goals. But science doesn't work in that magical way, where you get one piece of information and all of a sudden, Eureka! you understand everything. It's a slow process of accumulating enormous amounts of data and sorting it out, and slowly but surely getting an understanding of whatever you're trying to understand.

Geologists have been studying the Earth for about 300 years, and there have been literally hundreds of thousands of geologists, or certainly on that order of magnitude, who have



This image taken by the Clementine spacecraft shows the Aitkin basin (center) at the south pole of the Moon. These permanently shadowed regions at the poles are where scientists expected to find water ice.

studied the Earth and who continue to do so, and we are still learning about the Earth. The Earth is fairly complex, obviously, but it's not easy to understand how any planet forms and evolves, and where the resources are. The Moon has a diameter about one-quarter of that of the Earth's, but the surface area is equal to North and South America combined. That's a big place. Think how little we would know about even just the United States, if there were six crews who spent a grand total of three working days exploring six sites in the United States. You would know virtually nothing about it. That's where we were with the Moon, after the Apollo program.

To be sure, the Moon is smaller than the Earth. Its active evolution quit pretty much within the first billion years of its existence. Most of the history that we see written in the rocks and on the surface is the first half a billion years. The time from the Cambrian, the time of visible life on Earth, to the current time, is also half a billion years, and that's what geologists have been spending these last 300 years trying to decipher. So, the magnitude of effort needed to understand the Moon, at the time when it was active, is about the same as that needed to understand the Earth. On the Earth, most rocks

are younger than this half a billion years. You pick up very few rocks that are much older than that, because they've been destroyed by plate tectonics, by weathering, erosion, and so on.

We've got a lot to learn about the Moon. It's a very complex place, certainly not as complex as the Earth, but nonetheless very complex, and we have just scratched the surface.

My background is basically astronomy. I was going to be an astronomer and study the planets, and when spacecraft came along, instead of telescopes (which I still enjoy), I used spacecraft to study the planets, and specifically, the Moon. We had a very poor understanding of the Moon before Apollo, as you might expect, from just remote observations. Even though we had the Lunar Orbiters and Surveyors, that was just the barest beginnings. The Apollo samples, and the Apollo experiments that were put down on the surface, such as the seismic network and the heat flow measurements, made a giant leap forward.

When we ended Apollo, we had some very basic knowledge about the lunar rocks, petrology, the timescale of lunar events, and the internal structure of the Moon. We did not know if it had a core, which is an important question.

We did not know what the real sequence of events was, prior to the Imbrium impact, since debris from that impact has covered a large part of the Moon, and most of the Apollo sites were near the Imbrium event, so we really had only started to decipher this history for the first billion years of the Moon's history.

[During Apollo] we sampled Mare Tranquilitatis, Serenitatis, and Imbrium, and a little of Oceanus Procellarum, in terms of mare units. We sampled four or five volcanic units in the mare, and yet there are many times that [number], that have been actually identified in terms of remote sensing. So, we've hardly even scratched the surface of looking at the mare basalt units, let alone the highland units. We had only one true highland sample site—that was on Apollo 16—and the highlands make up 80% or more of the Moon's surface. We've seen nothing from the far side, nothing from the poles. Basically, we've just gotten started.

Q: Wasn't it the case that because the Apollo missions were manned, the landing sites had to be near the equator, and on the near side that faces the Earth?

Binder: Yes. The Apollo landing sites were dictated by the

fact that there would be people on the surface. This meant that they had to be on the near side, to enable communications with Earth; they had to be near the equator, and all those things restricted our accessibility to the Moon. We've totally undersampled the Moon.

One of the things that I want to do is use unmanned vehicles to bring back samples from the Moon. There is a report called "Lunar Science from a Lunar Base," in which we called out about 100 different sampling sites, just to begin to understand the Moon. So, you can see the magnitude of what we're talking about. We've only had samples from the six Apollo sites, plus the three [Soviet] Luna sample sites. Nature has been kind to us and we have a half-dozen or more meteorites from the Moon, but the trouble is, we don't know where they're from. We have to do global sampling.

Q: What were some of the things we did learn about the Moon during Apollo?

Binder: During the Apollo era, we set up a seismic network of four stations, all very close together—about 1,000 kilometers apart—on the near side on the Moon.

We detected two basic types of moonquakes. One was the impacts from meteors, but we also found that there were very, very small moonquakes deep in the interior, between 1,000 and 1,400 km deep, which are caused by the tidal interactions between the Earth and the Moon. These are very weak. Their magnitude is zero to one-half on the Richter scale. You and I wouldn't even feel them, but they are there.

However, there are also true tectonic quakes which are occurring in the upper mantle and in the crust. The strongest one measured was on the order of 3 or 4 on the Richter scale. That's not too severe. These quakes are occurring now, and we see evidence from the high-resolution pan imagery of Apollo that there are fault scarps caused by these moonquakes.

One of the problems is that we only have seismic data from the Moon over about six years. In California, for example, there are a lot of earthquakes, but most of them are magnitude 3 or 4. Those which are destructive, magnitude 6 and 7, you get only every 30 or 40 years. We were not on the Moon long enough to know if there are significant seismic events.

On the Earth, the maximum magnitude that you can have is about 8.5 on the Richter scale, because the rocks simply will not stand more stress. They break at that magnitude. That's true when you're dealing with the quakes that occur around the edges of the tectonic plates, where the rocks are already fractured and relatively weak.

But the earthquake that occurred at the beginning of the last century in the Mississippi Valley was an interplate quake, and it is the biggest quake that has ever been measured. Of course, we didn't have seismic networks in those days, but seismologists can tell by the effects of the quake that it was much larger than the San Francisco quake. It was probably a 9 or so. When you're in the stable centers of tectonic plates,

the rocks are stronger and it takes a lot more force to break them. These are interplate quakes, which do occur very infrequently, but are very disastrous.

The quakes we see on the Moon are similar in characteristic to the interplate quake. It is conceivable that you have enormous quakes on the Moon, not very frequently, but when they occur they are a very large magnitude. There are a lot of little ones for every big one. One other factor: Rocks on the Moon are a factor or two stronger than Earth rocks, because there is no water or air to weaken them. We could have very big quakes on the Moon. My guess is that you could have quakes that are easily magnitude 9 on the Moon, but that's wild extrapolation.

Moonquakes also last a good hour. Unlike an earthquake, which lasts a few minutes, because there's no air or water in the rocks which could dampen the energy quickly and dissipate it, the seismic vibrations on the Moon go on, and on, and on. You could imagine if these quakes do occur on the Moon, how devastating it would be if we had a base or colony on the Moon. Yet we do not know that seismic risk factor.

There's a lot to do on the Moon. Because of a lack of weathering and plate tectonics, we do have the earliest history of the Moon preserved in these rocks. This equivalent early history of the Earth has been totally wiped out.

On Apollo missions 15, 16, and 17, science instruments were carried in the Service Module and we mapped the Moon through the gamma rays and X-rays and magnetometry—the same types of things that Lunar Prospector is doing. All these landing sites were in the near equatorial region, with the orbits of the Service and Command Modules in low-inclination orbits, so, at best, we mapped about 20% of the surface. But we need the global coverage, to begin to understand the global picture. Prospector began doing that. I picked five different mapping techniques and we've pretty much completed the mapping using those five techniques. There are still about seven orbital mapping techniques that I would like to do to get the complete picture, but Prospector started that.

Q: The one result from Lunar Prospector that has, without doubt, received the most attention, is that there is ice at both the North and South poles of the Moon, and that there is much more of it than previously believed. Why do you believe so strongly that there is ice at the poles, even though Prospector can only detect hydrogen and not water? Hasn't this extrapolation been questioned by others in the scientific community?

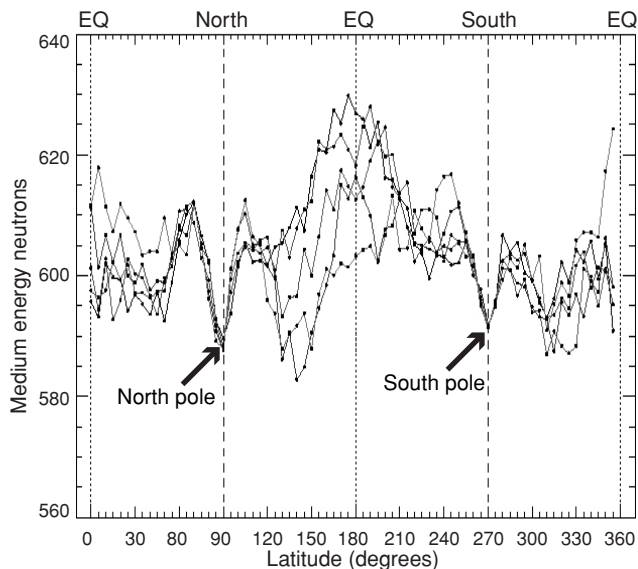
Binder: When we reported our first results from Lunar Prospector last spring, and announced that we had found excess hydrogen at the poles that we said was water ice, I was asked by reporters how sure we were, and how sure I was, that this is water ice. I said, "We're quite sure." The reporter asked, "Would you bet your house on it?" And I said, "Yes, I would." And I stand by that.

We are quite convinced that this is water ice. But there is

FIGURE 1

Water ice signature

(medium energy neutrons)

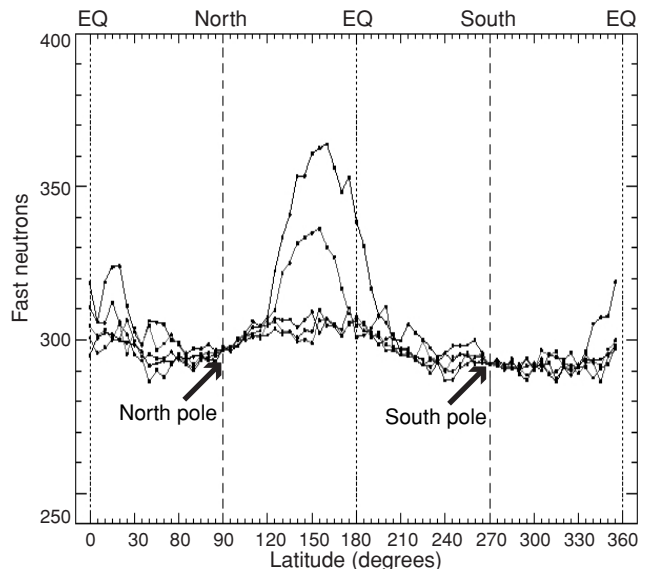


This graph of medium energy, or epithermal, neutrons, measured by Lunar Prospector's Neutron Spectrometer, clearly show two dips at the North and South Poles. Lunar soil with ice is better at moderating or slowing down these epithermal neutrons, which leads to these lower measurements. From this data, scientists estimate that there is 1-10 billion metric tons of ice in the lunar polar soil.

FIGURE 2

Ice below the lunar surface

(fast neutrons)



As can be seen from this graph, Lunar Prospector did not measure any dips in the incidence of high energy or fast neutrons at the Moon's poles. The Lunar Prospector team proposes that the ice is below the Moon's surface.

a difference between a scientific fact and a personal opinion. We don't have scientific fact right now; we have an extrapolation of our data, and even though we think we have very good arguments for it, it's simply not a fact.

The question has been raised by [geologist and Apollo astronaut] Harrison Schmitt, and others, "Is it something else?" Is the hydrogen that Lunar Prospector measures, solar-wind-implanted hydrogen?

What did we really find? Lunar Prospector maps hydrogen, not water. We know that there's an excess of hydrogen in the polar region, because we have sufficient resolution to observe it. The maximum amount of hydrogen is in the areas [at the poles] where there are permanently shadowed craters, so we are dealing with an area where the water is supposed to be.

We do know that the solar wind has deposited hydrogen in the regolith, or soil, of the Moon. If you take a typical sample brought back from the Apollo missions, you find on the order of 50 to 100 parts per million of hydrogen in the regolith. Our measurements are so sensitive that when we are done with this mission, we will be able to map the distribution of hydrogen in the regolith over the entire Moon at the 50-100 parts per million level.

What Harrison Schmitt is arguing is that the equilibrium

value of 50-100 ppm, which is in equilibrium, because the solar wind continues to put more hydrogen in the soil but some of it is lost, would change at the poles; that the colder it is, the higher that level of equilibrium should be [so you would expect to find more hydrogen, but not necessarily ice]. Frankly, I've had people who are chemists, tell me that that's simply not the case, but that's not been in the literature and I can't verify it.

Bill Feldman [at Los Alamos Laboratory] and I have found that our data in the intermediate energy range, or the epithermal energy range, of the neutrons [measured by Lunar Prospector], clearly show that there's excess hydrogen there. But we should see the same dip in the fast neutron, or high-energy neutron flux [in the presence of hydrogen], and we do not [Figures 1 and 2]. The only way you can explain this is if the hydrogen we are seeing is buried under about 30-40 centimeters of soil. The fast neutrons only come from the outer 30-40 cm, so, if there were hydrogen of any abundance there, you would see a dip in the fast neutron flux when you went over the poles. The epithermal neutrons that we're seeing come from as deep as a meter. There is no significant enhancement of the hydrogen in the outer foot or so of the regolith. We see it at deeper levels.

Interestingly enough, scientists see the same thing in the radar observations of Mercury, which indicate that the water there is buried by about a foot or so of Mercury's soil. [But]

we didn't know that, because that little fact is in one of the authors' Ph.D. thesis, and was never published. It also turns out that you can make radar observations, from the Earth, into the permanently shadowed polar regions of the Moon because of the libration. That is, the Moon tips back and forth, with respect to the Earth, by about plus or minus six degrees. Even though the Sun doesn't shine down in these craters, we can see partly into them from the Earth with radar. [But] those radar observations show no evidence of water. How do we explain that?

The difference between Mercury's soil and lunar soil is that Mercury's soil is very deficient in iron oxide, whereas the lunar soils are relatively rich. It turns out that radar doesn't penetrate very well in iron oxide-rich soil, so you're not looking very deeply into the lunar soils at radar wavelength, but you do look quite deeply into Mercury's soils with radar observations.

These three sets of observations—the Mercury observations, that indicate the ice is buried underneath a foot or so of soil; our observations, which say the neutron data indicate ice is buried a foot or so beneath the soil; and the fact that the Earth radar observations can't penetrate deeply enough in this relatively iron-rich lunar soil to get below this foot—indicate we're looking at ice deposits underneath the soil.

The solar wind that Harrison Schmitt is trying to use to explain the excess hydrogen that we're seeing, would be deposited in the upper part of the regolith. It would not be buried below the soil. So we're saying, if he were correct, then you should see the dip in the fast neutron flux the same way we see a dip in the epithermal neutron flux, and we don't. So we're quite convinced that we're dealing with water ice.

Q: Then you see the data from Lunar Prospector affirming the announcement made four years ago by the Clementine spacecraft team, of water ice at the poles?

Binder: Caution is required in evaluating the data from the Clementine spacecraft, which that team claimed was ice at the south pole. I don't want to be disparaging about their results, but I have to say what the rest of the scientific community thinks about those results. First of all, they made four different measurements attempting to look for water, two in the north and two in the south, and only once did they see a signal which they claimed was water. Ever since they put their results out, most of the scientific community has not given any credence to what they have reported. Stanford radio astronomers have taken those data that Clementine produced and did an independent analysis of it. They say flatly that what they are seeing is a typical noise pattern. In fact, they see the same noise pattern elsewhere [on the Moon], and I would tend to believe the professionals, rather than the Clementine guys.

Also, the Arecibo radar astronomy people have mapped the Moon with similar techniques, and they see anomalous results in the polar regions just about where the Clementine

people see it, but they also see the same type of anomalous signals elsewhere on the Moon at lower latitudes, where there could be no water. Even if the Clementine results were real and not just noise that they interpret as a real signal, you see that same type of signal elsewhere on the Moon, where there could be no water, because it's far too hot. My personal opinion, not trying to belittle their work, is that I don't believe it. They were pushing very hard to make a very interesting observation. I think they deserve a lot of credit for that, but I don't think they have really done anything except create a lot of interest, which is good. I just don't put any credence in the Clementine results. I'd like to, because then I could say, "We see water, and Clementine did, too," but I don't think their results are reliable enough to say that we've confirmed what they say, or vice versa.

Q: But you are very confident about your results?

Binder: When discussing Lunar Prospector's results, we always make a statement of caution, which is that, clearly, remote sensing observations never completely, 100%, prove anything. They are strongly indicative of something, but you've got to go down to the surface and measure it. That's the next step: to go with a rover or other lander and make measurements by drilling down into the regolith a meter or so, getting samples, and seeing if this is truly water. While I may believe strongly that this is water, the proof is in the pudding, when we actually get *in situ* measurements. But we're still dealing with water as far as we're concerned. I still will bet my house on it.

Q: What more do you expect to learn when the spacecraft's orbit of the Moon is moved to a lower altitude?

Binder: After the primary mission for Lunar Prospector is completed in early 1999, we plan to lower its orbit to 25 km above the surface, on average. We will then be able to refine our data concerning the presence of lunar ice.

First of all, right now the footprint of the neutron spectrometer is 200 miles across. That is how much of the Moon is visible below that instrument while we're flying over an area. But our data show trapezoid-shaped areas with about 60 km resolution, so we are already able to pull out information at one-third the resolution that the data hypothetically should be showing us. When we go down to 25 km, we're going to be seeing detail on the 10-15 km scale. That will allow us to very carefully show where these hydrogen deposits are, and help us determine whether they are in the permanently shadowed regions or not.

Second, when we get closer to the surface of the Moon, we are going to have more sensitivity, and there are things we should begin to see if there is any hydrogen in the outer 40 cm. We should start to see a dip in the fast neutron flux. That will be key, because we'll have greater sensitivity to see whether or not we're seeing anything in the upper foot or so of the lunar regolith. If not, if we only see it in the epithermal flux,

then that strengthens our case that this is really ice, and not solar-wind-deposited hydrogen. Even if we do see a little bit of a dip in the fast neutron flux, it should tell us that most of it is buried at a foot or so depth.

Q: One of the most puzzling questions that mankind has asked is: Where did the Moon come from? What do scientists think today? It seems that the “great impact” theory is now fashionable.

Binder: Over centuries, there have been many different theories about how the Moon formed, and where it came from. Like many other things, even in science, these theories have gone in and out of fashion. Science is like anything else. We’re human beings; we believe certain things because we are convinced of them, and things are fashionable.

If you look at the history of the theories of the origin of the Moon, there have been times during various epochs of studying the Moon when it was thought that it was a captured body [from elsewhere in the Solar System], and everyone believed that because the evidence seemed to point that way. Earlier, it was the fission concept [that the Earth flung off

material that became the Moon], because that seemed reasonable, so things do go in and out of fashion.

It is fashionable right now for everybody to believe in the giant impact model. I’ll tell you where the impact theory came from. The Apollo data clearly showed that the material from which the Moon was made was genetically related to the mantle of the Earth, because the composition of Earth’s mantle and the bulk composition of the Moon are almost identical. The isotopic ratios of things like oxygen and sulfur and silica are exactly the same for the lunar rocks as the rocks that come from the Earth’s mantle. Those isotopic ratios are very definitive. If you look at the meteorites we have from Mars, the asteroids, and materials from comets, every kind of body has a distinctive isotopic ratio for these elements, and they’re very, very different.

The big issue, in terms of trying to understand where the Moon came from, is the fact that the Earth has a giant core. Thirty percent of the Earth’s mass is tied up in the iron core. On the Moon, the core is, at most, only a percent or two. So here you have two bodies with identical compositions in terms of their silicates, the mantle material, and yet the one has 30% iron and the other has, at best, a couple of percent iron. How do you explain that?

The compositional similarity tells us that the material that the Moon is made of came off the Earth, in one way or another. Proposing that the Moon formed after the core of the Earth had formed, is the simplest way to explain why the iron content and two cores are so different.

Way back in Charles Darwin’s days, it was postulated that the Earth spun very rapidly [during its formation] and the Moon was flung off. Unfortunately, that process seems to be dynamically impossible. So colleagues of mine, started by Bill Hartman and Don David at the Lunar and Planetary Institute in Tucson, suggested that a Mars-sized body smacked into the Earth and splashed off the material the Moon was made from. The more that people have worked on that impact theory, though, the more improbable the dynamics become.

At first, it was a Mars-sized body that you required, and I find it difficult to believe that there were Mars-sized bodies careening around the Solar System in early history. But more to the point, [for the impact the-

Theories of where the Moon came from

Binary accretion

Fission

Giant impact

Capture

This cartoon illustrates the theories that scientists have considered as to the origin of the Moon. The binary accretion theory proposes that the Earth and Moon formed from the same proto-planetary disc, at the same time. The giant impact theory holds that a large body crashed into the Earth, splashing out material that became the Moon. The fission theory is based on the idea that the Earth was spinning very quickly during its formation, and flung out material that formed the Moon. The capture theory proposes that the Moon was a small body from somewhere else in the Solar System, that was captured by the Earth’s gravity.

ory to work], that body has now gotten twice as big as Mars: Every time they work through the dynamics, they find it has to be a bigger and bigger body.

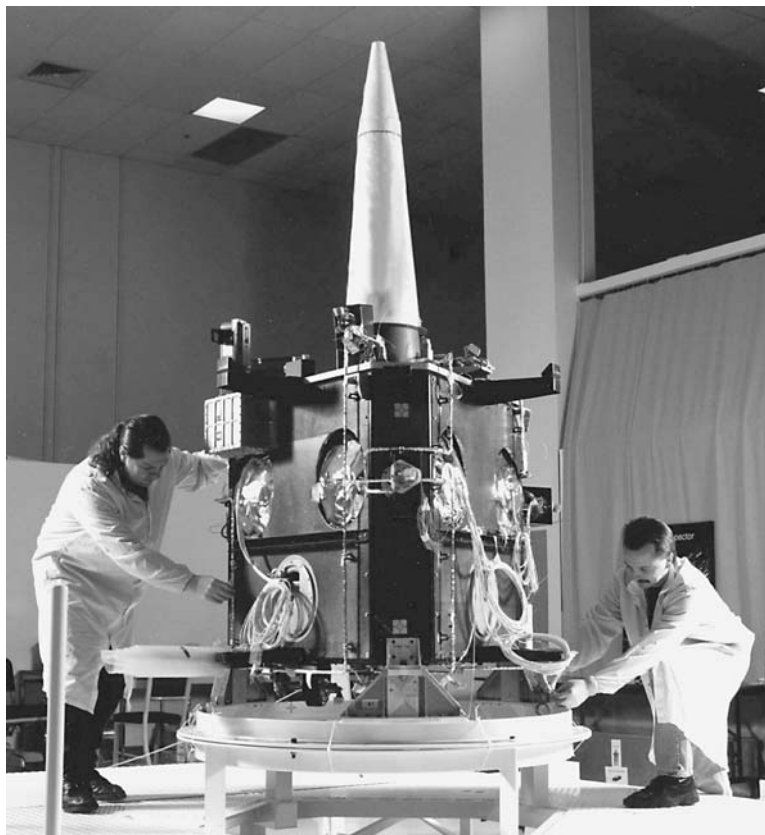
Also, one of the arguments against the fission concept of the formation of the Moon from Darwin's time, was the fact that nobody could figure out, dynamically, how that could happen, that the Earth threw off what became the Moon. If you take the angular momentum of the Earth-Moon system today, it's far too small for the Earth and Moon to have spun up that fast. Angular momentum is conserved in a system, and if you take what the Earth-Moon system has today, it's only about 40% the angular momentum the Earth would have had if the Moon were flung off. But now, it turns out that if you had had this huge body crashing into the Earth, the same problem with angular momentum exists. You cannot explain the current angular momentum [and what] the system would have had at that time, with the big impact theory.

When you have a new model which seems to answer some of the questions, as you dig deeper and deeper, you unfortunately seem to find more inconsistencies. I, frankly, have no idea how the Moon was formed. I know that the material came from Earth, but how it got off the Earth, I don't know.

Q: Does the fact that Lunar Prospector has identified a small core in the Moon, narrow down the theories that could explain where the Moon came from?

Binder: Yes. One key to the origin and history of the Moon is this question of the core. There has been an argument made that if the Moon does have a core, then it did not come from the Earth's mantle [as the giant impact theory would require]. That argument is based on the following: There are elements which we call siderophile elements, which means iron-loving elements, like chromium, platinum, gold, and others, which like to go where iron goes. Wherever there are big chunks of iron, that's where you find the rest of these elements. You do find, when you pick up a piece of Earth rock, whether it's on the surface or a piece of the mantle, there is always a small amount of these siderophile elements in there. They are at the parts-per-billion level—tiny amounts. But they have very distinct distribution patterns, that is, the ratio of platinum to gold to chromium to iron is a very set pattern.

When the Earth's core formed, it took these siderophile elements out of the mantle, to a large degree, and concentrated them in the core, and left behind a very distinct pattern, in the parts-per-billion level. If the Moon formed from the Earth's mantle after the core had been formed [which would seem to be the case, since the Moon's core is so much smaller], then

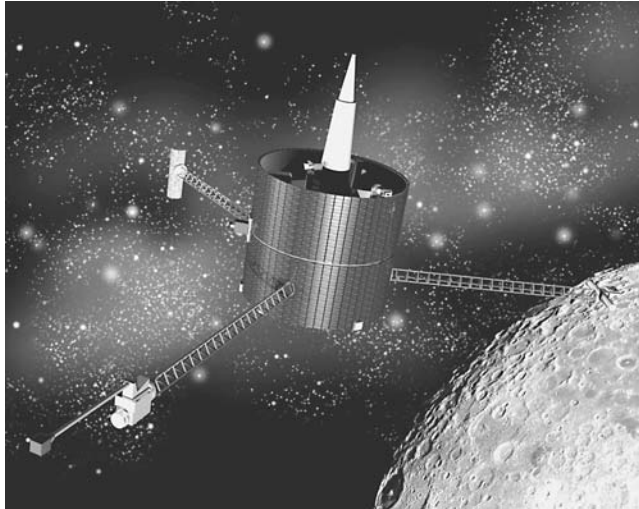


Lunar Prospector under construction, preparatory for launch at the NASA Ames Research Center in California.

you would expect that the siderophile pattern in lunar rocks would be identical to terrestrial rocks; but, that's not the case.

We find that there was an apparent second differentiation of iron-loving elements in the Moon. That might be expected, because clearly the Moon formed when the Solar System was still being formed and things were evolving. And even if the Moon were flung off or was splashed off from the Earth, the formation of the Earth's core was probably not complete, and you would have a slightly different pattern in the terrestrial rocks than you would in the lunar rocks. When I say slightly different, we have measured that, and we know the differences between the two, and it says, you could only have 0.5% or 1% more iron collecting in the lunar core to cause these differences between the Earth and the Moon's siderophile patterns. If it turns out that our Lunar Prospector measurements, and the seismic measurements that will hopefully follow, show that the mass of the lunar core is 2 or 3%, then you'd get a very distinctly different pattern.

All that's fine and good, but it does depend upon many of your assumptions. It depends upon whether you assume that the little iron droplets were spread uniformly through the Moon and then collected in a core, or whether they were formed by the reduction of iron oxide. There are a lot of ifs, ands, and buts in all this. This is why things go in and out of



An artist's drawing of the Lunar Prospector in orbit about 60 miles above the surface of the Moon.

being popular. I'll guarantee you this right now: If it turns out that the lunar core is 2 or 3%, people will go back to their modelling and decide what parameters are sensitive and can change these results. You can work out theoretical models which would explain what we see in terms of the actual data.

Let me tell you a little story. Before it was recognized that these so-called SNC meteorites—meaning shergottites, nakhlites, and chassignites (named after the places where they fell on Earth)—were from Mars, the dynamicists, the people who study impact phenomena, had sworn that you could not blast meteors from the Moon or from Mars. They said that it was just dynamically impossible. So, when the SNC meteorites were first discussed as possibly being from Mars, the dynamicists said, “No, no, no, that's just impossible.” A good friend and colleague of mine is one of those people, and he said, “You know, Alan, I just finished these calculations and there's one little bitty area in this diagram of pressure and force where you could possibly get the meteorites to come off Mars. But, I'm sure that I'll be able to show that that's really not the case, and that that one little possibility will go away.”

About a month later, it was shown conclusively that the isotopic ratios in the noble gases that were trapped in the SNC meteorites were identical to the atmospheric measurements taken during the Viking Mars missions. The scientific community said, “My God. These things came from Mars.” All of a sudden, that little bitty area on that one diagram that this theoretician was trying to get rid of, in order to show you couldn't get the meteorites off Mars, expanded. It became really easy to get these things off the planet.

In all of these calculations, you are bound by what you already know, and you are unbound by the things that you don't know. When we have more data, we will have to readdress these issues, and I'm sure that the size of the core, in terms of how big it could have been, had the Moon come from

the Earth's material, will change as we work through these models. That's the history of science. I am always amused by scientists—and I poke fun at myself in this—that we tend to believe things so fervently with the data we have, that when new data come in, we say, “We were still right. Now we just have to adjust the model parameters!”

Q: It has been said that old scientific theories die only when old scientists die.

Binder: But, I have also found that some of the old theories, which were intuitive to the natural philosophers from 150 or 200 years ago when they didn't have a lot of data, those intuitive guesses are quite frequently right. They get unpopular because our understanding gets better, they get laughed off, but frequently, the basic concept was right, but not the details. So, I tend to look at the old ideas a little more carefully than I think most people do, because some things are kind of obvious.

Take the Moon as an example. The concept that the Moon came from the Earth was, as I said, started by Darwin a century and a half ago, and was quite popular because it explained the fact that there was no core, or significant core in the Moon, and it said that the density of the Earth's mantle was about the same as the Moon. That was nice, and everybody kind of believed it.

Then, this fell out of favor, and one of the ideas was that the Moon was captured. This was a nice way of explaining a lot of things about the Moon, so that was very popular. In fact, [planetary scientist] Harold Urey was pushing that idea very hard just before the Apollo era. One of the reasons this could be popular, was because we had no idea of the composition of the Moon, because we had no basis for making a measurement.

After we got the Apollo rocks (actually, it took us quite some time to decipher the information and understand it), all of a sudden, here was a Moon that had the same composition as the Earth's mantle. That just completely annihilated the capture model, because if the Moon had been formed elsewhere in the Solar System and captured by the Earth, its composition would be very different from that of the Earth, and here it was, almost identical. So, we went off capture models and core accretion models, and now we're right back with the general concept that the material came from the Earth somehow.

On the other hand, even though the capture model for the Moon had been repudiated by the Apollo results, we're very convinced that Phobos and Deimos at Mars were captured. When I was a student, the idea of bodies being captured was considered impossible. There was nobody who could explain the dynamics, so it was assumed the moons had to be formed when the planet was forming. Now everybody just believes, without question, that they were captured asteroids. Again, there are a lot of popular concepts. It's amusing to me how quickly scientists go from one to the other.

An example: During the early part of the Apollo program, the accepted concept was that the Moon had formed by accretion in one way or another and that only the outer couple of hundred kilometers were melted, and that this explains some of the early observations from the Apollo rocks. These observations actually were not correct but, nevertheless, this model was very deeply ingrained in lunar thinking by most of the community, so most people, if you ask them, will say, "The Moon was only molten on the outer few hundred kilometers." There are a few of us who have argued that that's not the case, that the Moon was totally molten in the very beginning. I believe there is solid evidence for that. Those of us who said the Moon was totally molten were shouted down.

One consequence of the adoption of the idea that the Moon was formed by a giant impact is that initially the Moon would have had to have been totally molten. Everybody now just accepts that without even thinking about all the reasons they thought it was not totally molten before. They don't even question it anymore. If, all of a sudden, somebody says this is what fashion is, there is a strong tendency to follow that.

Q: How can what we learn about the Moon help us understand the other bodies in the Solar System?

Binder: When we go to the Moon, we can study what the Earth was like in the earliest stages of development. Similarly, we will understand Mars and the other terrestrial planets better by understanding the Moon.

Each one of these missions adds a couple of pieces to the puzzle. I would wager that, 50 years from now, when I hope we've had a lot of exploration and have a colony up there, we'll probably find that most of the things we thought we knew from the Apollo era are probably not very accurate.

If you take the terrestrial planets, which include the Moon, which we consider a planet in this context, the Earth, Mercury, Venus, and Mars, and even the asteroids, each of these bodies, because each is a different size, has undergone a different degree of evolution. The Moon was frozen in its evolutionary track about 1 billion years ago. The asteroids were frozen even earlier, because they were smaller. Mercury was somewhat larger and probably has a little longer history of development. Mars is one-half covered with ancient craters and the other half is fairly highly evolved with volcanic plains and the big volcanoes. The Earth and Venus are very large planets and are still actively evolving.

Before we started exploring the planets, you had data on one planet, and it's a weird planet that we live on. It has a thick atmosphere, not as thick as Venus's, but nonetheless an important, thick atmosphere, which is modified *dramatically* by biological activity. We have a lot of water, which has made a big difference in the evolution of the Earth, and we have plate tectonics. You find none of these things on the rest of the planets. So, the Earth is a very atypical planet, and yet this is where we had to start from when we started exploring the

Solar System. Every bit of knowledge that we gain about Mars, Mercury, the Moon, the asteroids, tells us more about how planets as a whole evolved.

Q: How does the Lunar Prospector mission move us closer to living on the Moon?

Binder: I believe very firmly that it is our destiny to go into space as a civilization, and that we will colonize the Moon, we will colonize Mars, and perhaps the planets, and that eventually we may even reach the stars. The research that I and others are doing is really opening up the Moon for human utilization. That's what I think is important.

You'll notice that we called this "Lunar Prospector." We did not call it "Lunar Explorer," or anything like that, because we wanted to make sure that the public knew that we were actually looking for resources, for things that can be useful to mankind. That is the significance of Prospector.

Everything we do on the Moon will be made easier if there is water there. When I was in Houston at the Johnson Space Center, working for Lockheed, I was involved, as I have been in a large part of my career, in doing planning on manned missions to Mars and the Moon. In those days, of course, ten years ago, we assumed that there was no water, because we had no reason to believe that there was water ice on the Moon. We knew how to build a lunar colony and a lunar base. It was very expensive without the water, but you could do it using the resources that are there.

Having water ice on the Moon makes it easier to do it, by a factor of 100. The water is an enabling fact. You've got water there for life support, you've got water there that you can make hydrogen and oxygen fuel out of, so it just makes it much easier and more feasible to do. It opens the door to lunar exploration and colonization and opens the door to the exploration and colonization of the rest of the Solar System, because the Moon becomes a fueling depot. Finding ice on the Moon is a tremendous operational discovery. It doesn't teach us much about the Moon, because the water that we're finding has been brought there mainly by comets. We may learn something about the history of cometary impacts, but the real thing is that this opens the door to have humanity live and work on the Moon.

I think that in the future, lunar exploration should be done commercially. I would say that Lunar Prospector is a total success from the standpoint of showing that this would be feasible. Yes, it's true we did not do it privately, but the purpose of Lunar Prospector was a demonstration. We didn't set out only to collect science data about the Moon, although that was our obvious objective.

Prospector was started by a large group of volunteers to show that you could do such a mission inexpensively, without a giant bureaucracy; that you could get good data at a very low cost; that it could be done commercially; and to create interest in lunar science again, and hopefully create interest in getting man to the Moon.

By “commercially,” I mean that the spacecraft and instruments would be privately financed and then the data would be sold to the government, universities, the European Space Agency, or whoever wants to buy it. NASA’s Discovery program is a “data buy” program. NASA pre-pays for the data, so it is still a NASA-supported program in that sense.

Those of us who want to do commercial lunar exploration are quite happy that NASA is not interested in the Moon, because it makes it easier for us to go ahead and do it commercially. The fact that they weren’t interested meant that I could do this. We worked very hard for a number of years, as you’re aware, to do this, but the fact that we got the job done, even though it was supported by NASA, allowed us to demonstrate you could do it cheaply with a private effort, using available technology. Now the world is really aware that there is a commercial viability to such missions.

There are a number of groups and individuals trying to do commercial lunar missions, including me and my institute. The public is now aware that you can do lunar missions so inexpensively that you could make a profit doing it. That was the real goal of Lunar Prospector. The Congress is passing legislation to encourage this. There are tax breaks for companies doing commercial space activities.

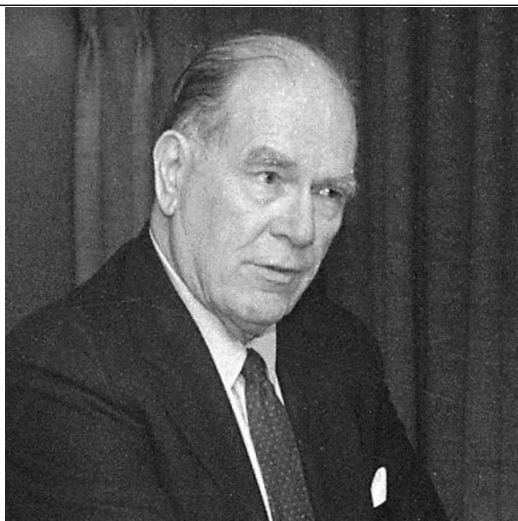
We are planning a workshop in March to verify the business plan that we are devising right now for a commercial

lunar base. My institute, and a colleague of mine who works at Sandia National Laboratory, have been working on a document which we have in the second draft form, called “Design Concept of a Commercially Viable Lunar Base Architecture.” I firmly believe that we will open the door commercially to a lunar base and the further exploration of the Moon, unmanned as well as manned, and that that will be the beginning of a lunar colony.

In the interim, we will continue to do unmanned exploratory missions, because we clearly need more information. We need to verify that there is water ice, because you do not want to set up a lunar base *assuming* that’s water ice; you’ve got to *know* it’s water ice. There is a lot to be done. Prospector was meant to show it *could* be done, and even though we had to get Federal funding, still, all the objectives that we had, we’ve reached.

NASA is very interested in Mars and, of course, Pathfinder and Sojourner got tremendous coverage. But NASA has done relatively little to promote Lunar Prospector, because they really don’t care that much about what is going on, on the Moon. That’s what I want to change with my institute.

As a scientist, I enjoy very much working on the origin and evolution of the Moon. But the real thing is, that the data we’re getting are going to help us define how we build a lunar civilization.



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The Russia-China-India triangle moves forward

by Jonathan Tennenbaum

Soon after Russian Prime Minister Yevgeni Primakov arrived in New Delhi on Dec. 21 for a two-day official visit, a sensational piece of news sounded across the globe: Primakov had publicly called for the formation of a “strategic triangle” among the three giant nations of Russia, India, and China. Encouraging India to see itself more as a world power, and calling for closer relations not only between India and Russia, but also between India and China, Primakov reportedly stated, “A lot in the region depends on the policies pursued by India, Russia, and China. . . . If we succeed in establishing a triangle, it will be very good.” As the Indian newspaper *The Hindu* commented, “The concept of a ‘strategic triangle’ covering India, China, and Russia, spelt out by the visiting Russian Prime Minister, Mr. Yevgeny Primakov, is of immense significance since this is perhaps the first time that a senior leader from Moscow has made such a statement.”

Wasting no time to research the real background of Primakov’s remarks, Western and other media were quick to impose their own distorted, mechanistic interpretation. The new “strategic triangle”—they intimated—was Russia’s reply to the U.S.-British bombardment of Iraq, the attempt of the weakened and frustrated former superpower to put together a new, anti-Western bloc. When a spokesman of the Chinese Foreign Ministry, reacting to such press reports, emphasized China’s strictly independent foreign policy and China’s policy not to participate in any sort of blocs or alliances, the headlines of the British press proclaimed triumphally: “You see! China rebuffed Primakov”!

In reality, the Russia-China-India triangle is no new invention made under the pressure of the Iraq crisis, but a crucially necessary feature of the entire Eurasian Land-Bridge development strategy, as repeatedly emphasized by Lyndon

LaRouche and others in the pages of *EIR*. For competently informed persons, the actual emergence of the “strategic triangle” Russia-China-India, became virtually inevitable no later than Chinese President Jiang Zemin’s historic speech at the Russian Science City Akademgorodok in Novosibirsk on Nov. 24, 1998. There, Jiang Zemin put forward the basic principles of a policy to harness Russia’s enormous scientific and technological potential, as typified by the “closed cities” of the military-scientific-industrial complex, for the economic development of the entire region. This policy, as Jiang emphasized, is integral to creating a “new, just, and rational world economic order,” guaranteeing the sovereign economic rights of the world’s developing countries. That same concept was affirmed in the official declarations of both the Chinese-Russian and Russian-Indian summit meetings.

The most appropriate comment to these developments, interestingly enough, came in the pages of China’s official foreign press review, *Reference News (Can kao xiaoxi)* on Dec. 24. *Reference News* published on its front page a detailed summary of a speech given by Helga Zepp-LaRouche in early December at a conference in Mexico City (see box). Her speech laid out the background and implications of Jiang Zemin’s Novosibirsk speech, and predicted that Primakov would push for the inclusion of India in the new China-Russia development partnership during his (then forthcoming) visit to New Delhi. What was most significant in the *Reference News* coverage of Mrs. LaRouche’s remarks, however, was her emphasis on the difference in attitude between the Chinese government—which paid attention to LaRouche’s analysis and warnings on the financial crisis—and the attitude of most other governments. That fact, indeed, uniquely coheres with China’s role as a center-point of a growing circle of nations

devoted to real development around the Land-Bridge policy, at a time when the United States and western Europe are plunging toward a self-imposed “dark age” of financial and socio-economic collapse.

Collision ahead?

It is only in this context, and not from some mechanistic geopolitical standpoint, that can one speak of the Russian-Chinese-Indian triangle as an “answer” to what is increasingly perceived in Asia and elsewhere as *a dangerous pattern of*

insanity coming from the West. The turning-point in that perception was doubtless the outrageous, disgusting performance of Vice President Al Gore at the Kuala Lumpur meeting of the Asian Pacific Economic Cooperation (APEC) forum on Nov. 17. Gore’s “globalist” ravings and his brazen attack on Malaysia for asserting its sovereignty against international speculators, are increasingly viewed in Asia as a signal for the same insane, destructive policy and mind-frame, which characterize the Anglo-American attack on Iraq and the closely related escalation of the fraudulent “legal coup”

Is the West too arrogant to learn?

On Dec. 24, the authoritative Chinese newspaper Reference News published a summary of a speech given by Helga Zepp-LaRouche at a conference in Mexico on Dec. 2. The article ran under the headline, “Blueprint for the Whole Human Race in the Next Century—A Foreign Scholar Appraises Jiang Zemin’s Speech in Novosibirsk Science City.” Here are excerpts from the Reference News summary of Mrs. LaRouche’s remarks:

... When Chinese President Jiang Zemin visited Moscow, he declared a new plan for cooperation between China and Russia. I want you to pay attention to the speech he gave at the famous Russian Science City of Novosibirsk. This speech is one of the most brilliant addresses to be given by any statesman of any country in recent years. This outstanding speech presents a blueprint plan for all of humanity in the coming century. I hope some patriotic newspapers in Mexico will print the whole text of the speech. In it, Jiang Zemin says cooperation between Russia’s scientists and China will make science and technology into the main locomotive of the world economy. . . .

In September 1997, Lyndon LaRouche (the American economist and politician) forecast that a global financial crisis would explode in October 1997. . . . What happened after that was exactly what he had predicted.

Can you imagine it? In this situation the Chinese government came out with a completely different reaction from any of the other governments of the world. Imagine for a moment: China’s leadership—ministers, the Prime Minister, the General Secretary—in a humble way used their weekends to study economics, to more deeply investigate the causes of this crisis. I don’t know if there are any other governments of the world that would acknowledge that they did not understand enough about economics, and then conscientiously go on to study the causes of the crisis.



Helga Zepp-LaRouche

Under these extraordinary circumstances, I happened, fortunately, to come to China to attend a conference, and discussed there whether or not it is necessary to extend the Eurasian Land-Bridge as a counteroffensive to the present financial crisis. This conference took place in four Chinese cities, and had a huge influence on the discussion between the Chinese and Russian participants.

In late November, Jiang Zemin visited Moscow. He and Primakov were unanimous in their view, that from this point on, Russia and China will build a new strategic partnership, whose focal point should mainly be scientific and technological cooperation on the Eurasian Land-Bridge, on agricultural development, and many other projects.

They explicitly emphasized, that this alliance is not directed against any other country. . . . Primakov is going to visit India, and recruit India into this new alliance. . .

against U.S. President Clinton. All add up to an unprecedented assault against the very institution of the sovereign nation-state—including, emphatically, against the constitutional system of the United States itself. Going hand-in-hand with a major escalation of British geopolitical destabilizations in the Near East and elsewhere, and a coming, new global financial earthquake of unprecedented dimensions, that assault has already brought the world closer to nuclear war, than anyone could have imagined a mere 12 months ago.

One should not forget, that it was China and India's stubborn insistence on maintaining their sovereignty in the face of "financial globalization," that has so far permitted those two countries to weather the so-called Asian financial crisis, while less prudent nations went under. The striving to restore to Russia a modicum of national sovereignty, is key to the constellation of forces behind the Primakov government. It is above all this issue of national sovereignty and economic development that is placing China, Russia, India, and other Asian nations—despite the repeated, and doubtless sincere affirmations that their growing partnership is not directed against any third party—on a collision course with the "globalist" policy championed by Gore.

The sharp reaction to the Iraq bombing, by Russia and China particularly, is a mild foretaste of what may come. Unequivocal condemnation of the Iraqi bombing was a major

point of the Russian-Indian joint declaration signed during Primakov's visit. In an unprecedented action, Russia recalled its ambassadors from the United States and Great Britain, while at the same time calling a limited military alert. Soon afterward, Russia gave the world a pointed reminder of its continued existence as a nuclear superpower, by deploying the first of its new generation of mobile, high-precision ICBMs. China's representative at the United Nations did not mince words in ripping apart the fraudulent basis for the whole operation, naming UNSCOM director Richard Butler in public. And after the Dec. 28 incident in which U.S. planes enforcing the so-called "no-fly zone" fired on an Iraqi anti-aircraft position, the speaker of the Chinese Foreign Ministry, Zhu Bangzao, declared: "The Chinese side has many times declared that the sovereignty, territory, and independence of Iraq must be fully respected. China regards the action of creation of a 'no-fly zone' in Iraq as contrary to the United Nations Charter and to standards of international relations." Another, increasingly angry message is implicit in the sharp statements and actions of the Chinese government, in dealing with the Western-supported political opposition movement in China itself.

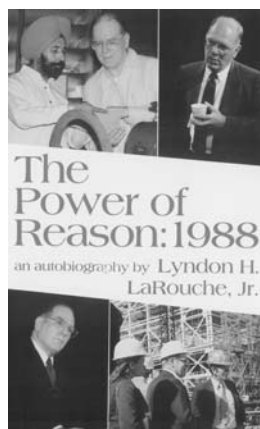
A growing community of interest

Russia, India, and China make up 22% of the world's land

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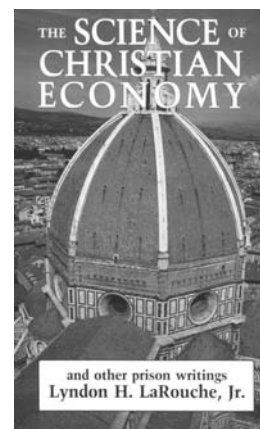
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area and over 40% of its population. As the world's largest and most populous developing nations, whose very maintenance requires enormous inputs of science and technology, India and China have a strong common interest in stabilizing and developing Russia. Russia, for its part, can only survive by bringing its scientific and technological potentials into full economic play, which in turn requires large and stable markets for the kinds of industrial goods it can best produce. All three nations have a vital joint interest in Central Asia, and so forth.

They also share, in different ways, the experience of significant joint development in the 1950s. At that time, both India and China profitted greatly from close scientific and technological cooperation with the former Soviet Union—a partnership which was also key, in its direct and indirect effects, to the relatively rapid rates of industrial growth in the Soviet Union in that period. In a limited, but significant way, the transfer of industrial technology and know-how from the Soviet Union to China and India, in that period, helped shape the Non-Aligned Movement's later striving for a "new, just world economic order."

For all these and other reasons, a profound *community of interest* now exists among the three giant nations. That community of interest is by no means limited to the three alone, but explicitly includes the concept of joint cooperation in other developing countries. It should be noted, for example, that the Russian-Indian agreements signed during Prime Minister Primakov's visit, provide for joint exploration and exploitation of oil and gas resources not only on each other's territories, but also in Kazakstan, Central Asia, and Iraq. Iraq has already been an important oil supplier to India, and India and Russia both have considerable interest in developing petroleum resources there.

But the pathway to consolidation of the Russia-China-India triangle is by no means an easy one. It will be necessary to overcome a long heritage of British geopolitical manipulation in Eurasia. That heritage is lodged above all in false axioms and habits of thinking among the elites, which have permitted the nations of the region again and again to be manipulated against each other in the name of falsely defined, so-called "competitive national interests." The earlier triangle was effectively smashed in the late 1950s and early 1960s, by geopolitical manipulations whose fruits included the Sino-Soviet split, the Sino-Indian war, the apparently "insoluble" Indo-Pakistan conflict, and so on. One of the notable tools in those British-directed manipulations, incidentally, was none other than the late Armand Hammer, sponsor of the Gore family and supposed "great friend" of the Soviet Union. Some painful rethinking of old mistakes will be needed on all sides, if Russia and its partners want the "Great Triangle" to succeed today. That means above all gaining a more competent understanding of the historical conflict between the United States and Britain—or in other words, why Lyndon LaRouche has the friends and foes he has.

LaRouche's ideas circulate in Russia

by Rachel Douglas

One new publication and one reprint, issued in Moscow at the end of 1998, have put key strategic writings of Lyndon LaRouche into circulation among Russian-speakers.

Bulletin No. 8 of the Schiller Institute for Science and Culture (Moscow) is headlined "Russia's Relation to Universal History," and features LaRouche's "Letter to a Russian Friend," which was published under that title in *EIR* of Nov. 29, 1996. The subject-matter resonates with Chinese President Jiang Zemin's recent address to Russian scientists at the Novosibirsk center of the Russian Academy of Sciences (see *EIR*, Dec. 4, 1998), as LaRouche develops why the greatest strength of Russia, defining its potential to make a decisive contribution to saving mankind, is the quality of bold, "dissident" thinking by the Russian scientific intelligentsia. The preservation of Russian science and collaboration with Russia on "such great projects of reconstruction and progress as are urgently wanted for the benefit of both Russia itself and Eurasia more generally," LaRouche writes, is in the vital interests of every nation, especially the United States.

Pictured here is the other just-issued publication, a reprint of the proceedings of the April 24, 1996 round table held at the Free Economic Society in Moscow, at which LaRouche was hosted by Academicians Leonid Abalkin and Gennadi Osipov, to speak on "Russia, the U.S.A., and the Global Financial Crisis." The 92-page booklet is published by the Institute of Social and Political Research (ISPI) of the Russian Academy of Sciences, with an introduction by ISPI's director, Academician Osipov. In his keynote at the round table, LaRouche developed the need to revive Franklin Delano Roosevelt's design of collaboration among the United States, Russia, and China for genuinely post-colonial development of nations after World War II. (An English translation of the round table proceedings appeared in *EIR*, May 31, 1996.)



The timeliness of the round table reprint was underscored when its themes were echoed in a major article on U.S.-Russian relations by Russian Foreign Minister Igor Ivanov, in the daily *Nezavisimaya Gazeta* of Dec. 16. Ivanov cited the precedent of Prince Gorchakov, negotiator of Tsar Alexander II's alliance with Abraham Lincoln during the American Civil War, for his perception of "natural solidarity of interests and sympathy" between the United States and Russia at that time (which was a time of intense hostility towards both on the part of Great Britain).

Ivanov's article contained an important, new formulation on the potential for U.S.-Russian cooperation today, in the context of efforts to address the global financial crisis. That potential is directly attacked by the British-orchestrated bombing of Iraq, which provoked a furious reaction from Russia. Reviewing various aspects of U.S.-Russian relations in a now "multi-polar" world, Ivanov wrote, "*Now that we have a joint global adversary—the world economic crisis, it is especially urgent to step up interaction.*"

Also in the second half of 1998, the Russian periodical *Kto yest kto* ("Who Is Who") carried a biographical article on LaRouche, which emphasized his decades-long battle to defeat monetarism and the tyranny of the International Monetary Fund. Excerpts from the magazine's interview with LaRouche, which accompanied the article, appear below.

LaRouche in Russian 'Who Is Who'

Kto yest kto, the Russian journal *Who Is Who*, printed its interview with Lyndon LaRouche in Issue No. 4 of 1998. LaRouche answered written questions from editor Zakhar Bolshakov in March 1998.

Q: What are some episodes that characterize various periods of your life?

LaRouche: a) Hearing the voice of President Franklin Roosevelt on the fateful morning of Dec. 7, 1941, and watching the sudden transformation of the mental outlook of most U.S. persons I saw during the next several hours.

b) The struggle, against the British tyrant, for national independence of India, as a U.S. soldier temporarily stationed in Calcutta, during Winter and early Spring 1946.

c) The terrible shock of returning to a U.S., under Truman, rather than Roosevelt, during April-May 1946.

d) The 1962 missile crisis.

e) The assassination of President John F. Kennedy.

f) The Aug. 15-16, 1971 collapse of the Bretton Woods Agreements.

g) My March 1973 meeting, for discussion of a research

project, with the young woman who was to become my wife four and a half years later.

h) The Ibero-America Crisis of Spring-Summer 1982, from Britain's war against Argentina, and the crushing of Mexico in October 1982.

Q: What family legends and history of your relatives are of most significance for you?

LaRouche: The continued living influence, at the family dinner-table during the 1920s, of a great-great grandfather, Daniel Wood, of the same generation as President Abraham Lincoln, who had been a prominent fighter against slavery during the middle of the Nineteenth Century.

Q: What did you want to be, at the ages of 10, 18, and 30?

LaRouche: Philosopher-scientist.

Q: What do you value in yourself, and in other people?

LaRouche: A passion for truth and justice.

Q: Do you have any adversaries? In what do they oppose you?

LaRouche: The only adversaries of importance are London-centered networks of financier-oligarchs and their lackeys, such as the circles around the recently deceased McGeorge Bundy, here in the U.S.A. The issues are the same as those for which the same class of oligarchs hated and murdered President Abraham Lincoln.

Q: How do you define the meaning of your life?

LaRouche: To be as an angel, who accepts the mission which circumstances of life present to him, and to pass on from life as having been a person whose existence has been useful to mankind.

Q: What was the beginning of your political activity?

LaRouche: India, 1946.

Q: Who are (or have been) your opponents in the elections?

LaRouche: The only important enemies have been personalities and agencies of the Anglo-American financier oligarchy, such as McGeorge Bundy and George Bush, or, their lackeys, such as Leo Cherne and Henry A. Kissinger. As Cherne explained this to Stefan Possony, in deploying Possony against me, in Summer 1976, the issue was that I represented a threat to the interest of "the families."

Q: What meetings, during your life, left the greatest impression?

LaRouche: My meeting with Mexico's President José López Portillo, during Spring 1982. What impressed me was his patriotism, and his later courage to act along lines I had proposed for that coming crisis, during the relevant events of August-September 1982.

Mandelson resigns; can Blair be far behind?

by Mark Burdman

As the new year begins, the government of British Prime Minister Tony Blair is in a state of decomposition. On Dec. 23, Minister of Trade and Industry Peter Mandelson, a close Blair ally and second most powerful figure in the Cabinet, and Geoffrey Robinson, the U.K.'s Paymaster-General, resigned from their posts. The scandal that brought them down, has quickly extended to Chancellor of the Exchequer Gordon Brown, and threatens to engulf the entire cabinet, including Blair himself.

Mandelson and Robinson resigned one day after the *Guardian* revealed, in its lead story, that Mandelson had never disclosed the fact, including to Blair, that he had received a £373,000 loan from multimillionaire Robinson, in 1996, to buy a home in London's exclusive Notting Hill district. The *Guardian* revelations have brought to the surface an incredible nexus of cronyism in Blair's New Labour, which swept to power on May 1, 1997, partly on the promise to end the sleaze which was pervasive in the previous Tory government of John Major.

The fact that the scandal was broken by the Labour Party-linked *Guardian*, indicates a growing discontent with mad-bomber Blair within the heart of his own party. It is hardly an accident, that the revelations were published only days after the massive bombing of Iraq, which was carried out at the insistence of Blair and his U.S. co-thinker Vice-President Al Gore. *EIR* has been told by reliable sources, that many Labourites were privately seething with rage, over the bombing campaign. The public sign of this was the Dec. 20 declaration by former Labour Defense Minister Denis Healey, attacking the bombing as "illegal," and as profoundly damaging to British relationships with Russia, China, the Arab countries, and continental Europe. Healey's comments echoed those of Labour parliamentarian Tony Benn, and established a firm cross-party consensus against the mad bombing, since former Conservative Prime Minister Edward Heath also strongly attacked Operation Desert Fox.

It is not to be excluded that Gore could be hurt by what the British press is referring to as "Notting Hill-gate." He and Mandelson are ideological soul brothers. Mandelson is the chief architect of the so-called "New Labour" strategy, and a leading ideologue for Blair's Third Way, both of which aim to distance Labour from its traditional, trade union-based constituencies, and to bring the party into alignment with the neo-liberalism of Margaret Thatcher. This is identical to the

approach of the New Democrats in the United States, for whom Gore is the stalking horse.

The queens' cabinet

Mandelson is the embodiment of sleaze. As we reported in our Dec. 18, 1998 issue, he was already under fire, following revelations in the investigative magazine *Punch*, that he had had a number of outlandish homosexual escapades while in Brazil on an official visit in July, and that he was the leader of a clique of homosexual influentials at the top of New Labour. The Blair government had earlier been hit by another homosexual scandal, ending in the resignation of Welsh Secretary Ron Davies. Davies had been caught in a series of strange goings-on beginning on London's Clapham Common, a well-known cruising ground for homosexuals. Truly, Blair's is the queens' cabinet.

For Blair, the ramifications of Mandelson's resignation cannot be underestimated. He has tried to limit the damage, by announcing that Mandelson will play a key role in the development of relations with Germany, by acting as the joint chairman of an Anglo-German working group, together with Bodo Hombach, state minister in the office of Gerhard Schröder, Germany's Social Democratic Chancellor. Hombach himself is a disreputable creature, being a collaborator of disgraced former Clinton campaign strategist Dick Morris.

But this damage limitation exercise is not going to succeed. The opposition Tories have embarrassed Blair with pointed questions in the Parliament, including asking why Blair had waited six days, after he was privately informed on Dec. 17 about Robinson's loan to Mandelson, before he took any action. The Conservative-linked *Daily Telegraph's* lead headline on Dec. 28 was "Storm over Mandelson Grows: Why Did Blair Wait Six Days to Act?" The paper's lead editorial was headlined "Questions for Blair." Among the questions raised, is whether Mandelson could soon be prosecuted for mortgage fraud, since he allegedly never declared the Robinson loan to the building society which lent him money for his Notting Hill purchase.

Blair is running scared

On Dec. 28, the Prime Minister demanded that all cabinet members keep silent about the Mandelson-Robinson affair, so as not to give comfort to the government's opponents, both among the Conservative Party and within Labour itself. His cabinet enforcer Jack Cunningham issued a stern warning on the same day, to ministerial aides, against pursuing "their own agendas." He proclaimed that "unauthorized, anonymous briefings have caused trouble for the government, are causing trouble, and have to stop."

Cunningham's warning is indicative of how rife the Blair government is with internal squabbles; the former atmosphere of unity in the months following the May 1, 1997 election, has evaporated. According to numerous sources, the Prime

Minister's office, 10 Downing Street, is convinced that the information about Robinson and Mandelson was leaked to reporters by Chancellor of the Exchequer Gordon Brown's press secretary, Charlie Whelan. London is awash with rumors, that Whelan's head will be the next to fall. But, on Dec. 29, the *Financial Times* reported that Brown is adamant about keeping Whelan on the job. The paper commented: "Mr. Whelan's survival will be a test of political strength between the Prime Minister and his Chancellor, and threatens to further destabilize the administration. . . . With . . . bad blood building between the Prime Minister and the Treasury, the prospect of the government being damaged by further feuding is growing."

Aside from this byzantine feuding, Brown himself is being touched by the scandals at the end of 1998. He and Robinson have always been close, and there are numerous reports that Robinson's largesse also went to Brown, for his offices and possibly other purposes, in the period before Labour came to power.

The case of Geoffrey Robinson opens up a can of worms. He is often referred to as the "bankroller of New Labour." He now owns the main Labour-linked weekly magazine, *New Statesman*, which he bought a couple of years ago when it was financially ailing. He finances a Labour think-tank, the Smith Political Economy Unit, named after the late Labour leader, John Smith. He opened his Tuscan villa in Italy, for vacations by the Blair family, in 1996 and 1997. Similarly, his vacation home in Cannes, France, has been available to Brown and his family. Robinson's penthouse suite at the Grosvenor Hotel in London is regularly used for brainstorming and other activities by Brown aides.

Elements of Robinson's financial empire are murky. He has a hedge-fund-type firm registered offshore in the Guernsey Islands, named the Orion Trust. When he became Paymaster-General, he neglected to itemize the dealings of Orion, causing an outburst of controversy, the which he had to calm down by apologizing before the British Parliament. In 1987, he became involved with the wheeler-dealer Robert Maxwell, who later died under mysterious circumstances, and whose body was found floating near his yacht, off the Canary Islands. Robinson's Transtec engineering firm and Maxwell's Hollis PLC engineering firm had a number of intricate dealings, which terminated soon before Maxwell's death.

Both the Maxwell and Robinson financial empires have recently been under investigation by the Department and Trade Industry (DTI). However, since the minister in charge of DTI, until Dec. 23, was Peter Mandelson, one suspects that the investigation was something less than vigorous. But, in the new atmosphere at year's end, a great deal of dirt about Robinson and his shady operations can be expected to come to light.

Tony Blair has a lot to think about, while on his New Year's vacation in the Seychelles.

Blair's Fortress Europe decouples from U.S.A.

by Tore Fredin

"We Want to Be Close to NATO" was the headline of an article jointly written by Finland's Foreign Minister Tarja Halonen and Sweden's Foreign Minister Anna Lindh, in Sweden's largest daily newspaper, *Dagens Nyheter*, on Dec. 5. That two Social Democratic ministers from these countries openly state a pro-NATO policy is an astounding development, because a policy of neutrality has been the trademark for both the Swedish and Finnish Social Democratic parties, particularly since the end of World War II.

It has become clear, since the fall of communism in the Soviet Union in 1991, that Finland and Sweden are reorienting their security and military policies; but until now, this has been occurring within the framework of continued neutrality. In the mid-1990s, both countries joined the Western European Union (WEU) as observers, and became members of the West European Armaments Group (WEAG). This, in reality, meant that neutrality is a thing of the past, because both countries' military production and military procurement would be coordinated by WEAG. Nevertheless, the official line was maintained that the new alliance didn't violate neutrality.

The question is, why are these pretensions now being dropped? One reason is the Amsterdam Treaty, which will go into effect in 1999, and which changes the status for Finland and Sweden as passive observers within the WEU. Now, if those countries take part in military operations carried out by the WEU, they will also be involved in the planning and decision-making process. This means, write Halonen and Lindh, "close cooperation with NATO on a policy level." Here, they are explicitly referring to the call of British Prime Minister Tony Blair for a militarily stronger Europe, in order to give some backbone to the European Union's (EU) foreign policy. Blair wants the Europeans to decide independently on using NATO's military and logistical capacity. This demand has been aired by oligarchical circles within EU/WEU. Blair's call is supported by the authors, who also throw some light on British Foreign Secretary Robin Cook's recent statements about a "NATO with two pillars." This policy also fits hand-in-glove with the Socialist International's drive for a supranational "red-green" European Union.

Military-industrial aspects

The concern for European defense also has a more immediate reason, particularly for the Swedes. Leading industrial and financial groups have allied themselves with British interests, such as the group around the Swedish military-industrial complex, controlled by the Wallenberg family. Several years back, this group began a program of intimate military-industrial cooperation with British Aerospace, to market the Swedish Gripen aircraft, which is produced by the Wallenberg-controlled SAAB. It was a joint operation by the British and Swedes, who, in a tough international competition, secured the sales of 30 planes to South Africa for 15 billion Swedish kroner, which is about \$2 billion. A large part of the deal is a pledge, mainly by Wallenberg-related companies, for huge industrial and technological development projects in South Africa. Total investment plans are for Skr 50 billion (a bit more than \$8 billion). Representatives from JAS are calculating that in the next 20 years there will be a market for 2,000 new military aircraft, of which Gripen intends to take a fifth, or 400 planes.

For the last year, several important Wallenberg-related industrial companies have either merged with British companies, such as the biomedical firm ASTRA, or moved their headquarters to London, such as the electronics firm Ericsson. Other companies which have been bought up by the British are Avesta steel and, just recently, PLM. It looks as if a large part of the Swedish elite is putting its eggs into one basket with the British. The linkup is also very obvious in Stockholm's tailing British policy toward the European Monetary Union. Now, when the British Labour Party is changing its EMU policy and considering EMU membership earlier than the year 2002, the Swedish Social Democrats are following suit.

The orientation toward Europe in general, and the British in particular, feeds a policy trend of decoupling from the Americans. Anti-Americanism has been prominent in recent exposés of the Social Democratic-run intelligence agency called IB, which used to carry out covert operations against communists working in sensitive high-technology, defense-related industries.

The latest investigation was carried out by a group of parliamentarians, who stated that the IB was created in the late 1950s, at American request, as part of the Cold War policy, to prevent industrial espionage by the Soviets. Anti-American sentiments are reinforced by the revelation that material gathered by IB was delivered to U.S. immigration authorities.

Military, security, and technological cooperation between Sweden and the United States during the Cold War is not news, but what is important now, is how it is being played. Most telling are two articles in the conservative newspaper *Svenska Dagbladet* on Dec. 5 and 6, by Ola Tunander. He gives an overview of all the dirty undercover

operations that U.S. intelligence agencies have conducted in Europe: how James Jesus Angelton, Allen Dulles, and William Casey at the end of World War II, protected both Nazis, such as Otto Skorzeny, and Fascists, such as Valerio Borghese, for the future struggle against communists. Tunander shows further how the "stay-behind" network orchestrated several destabilizations of Italy, up to the murder of Christian Democratic leader Aldo Moro; how the CIA worked with the Propaganda-2 masonic lodge; how Allen Dulles's man in Germany, Reinhard Gehlen, who had been Hitler's chief for eastern espionage, became chief of West Germany's BND intelligence agency, etc.

Tunander puts all the blame on the Americans, and does not devote even a single word to the British role. The effect of both his articles and the official IB investigation—which have official backing—is to burn the bridges to the Americans. *Svenska Dagbladet*, where Tunander's articles appeared, is considered to be Wallenberg's mouthpiece. The half-century-old alliance between the Wallenberg grouping and the Social Democrats is once again moving in to determine policy in Sweden. This time, it aims to officially dump neutrality and "go European," while also dragging Finland out of its military collaboration with the United States.

DO YOU KNOW

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- that Washington and Franklin championed Big Government?
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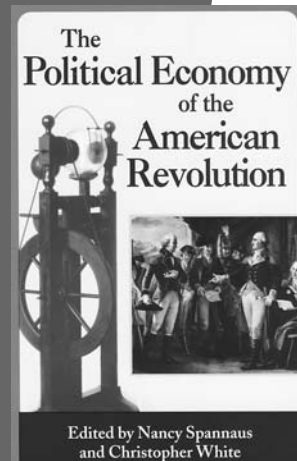
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Paris Club bankrolls Central Africa wars

by Linda de Hoyos

The Paris Club, the consortium of government lenders and donors to developing countries, has effectively acknowledged its interest in instigating and fueling wars in East and Central Africa, whose purpose is the annihilation of the governments and nation-states of the continent, and the deaths of millions of civilian men, women, and children.

The announcement came Dec. 10 in the form of the Club's decision that it would hand over to the Ugandan government of President Yoweri Museveni the sum of \$2.2 billion over the next three years, a decision believed to be heavily backed by London and complicit circles in Washington. This is a huge sum, in comparison to the tens of millions eyedropped to most African countries. To underline its endorsement of the Museveni regime, the Club's bankers chose not to meet in Paris, as is usual, but travelled to the Ugandan capital of Kampala to officially render their financial decision.

As the Paris Club was meeting, these are some of the stories that were gracing the newspapers in Kampala:

- On Dec. 6, Maj. Gen. Caleb Akandwanaho (a.k.a. Salim Saleh), the half-brother of President Museveni, was forced to resign from his post as Senior Adviser to the President on Defense and Security, when evidence finally came to light proving conclusively that Saleh had secretly bought the Ugandan state bank, the Uganda Commercial Bank, when it was privatized as part of the International Monetary Fund-dictated state privatization plan.

- The World Bank released a report to the Ugandan government documenting 12 cases of embezzlement of public funds from the Ugandan Treasury — mostly donor funds. According to the World Bank report, "Uganda is one of the more corrupt countries in the world." The United Nations-backed Transparency International has placed Uganda as the 13th most corrupt country out of 85 surveyed.

- A Ugandan Parliament select committee issued a 54-page report on the privatization process in Uganda, and has recommended the dismissal of four Cabinet ministers for their role in large-scale corruption and conflict of interest in the privatization process.

- Uganda was the recipient of a large shipment of tanks, from Russia, and then another shipment from Bulgaria, which, as reported in the *New York Times* on Dec. 6, U.S. officials predicted would be used in Uganda's ongoing military operations in the Democratic Republic of the Congo, or

would be used against Sudan by Ugandan troops with John Garang's Sudanese People's Liberation Army.

As African nations know only too painfully, if such corruption and military expansionism were being carried out by any other government, pressure would be coming down for the removal of the government. The Western press would be running high-profile stories against the corrupt mismanagement of the dictatorial and nepotistic President; lenders would be shutting off the spigot in demand that corruption be cleaned out; military aid would be out of the question; the U.S. State Department and British Foreign Office would be issuing denunciations of the Museveni government, demanding its compliance with "norms."

None of this has happened. The Paris Club monies are the equivalent of two-thirds of the national debt, as Uganda's \$6 billion debt has already been whittled down by a series of debt relief packages. In its \$2.2 billion offer, the Paris Club declared that the bankers were still "concerned" about rising military expenditure because of the Congo deployment, and also about corruption.

The Ugandan Popular Defense Forces are currently deployed in military operations in several neighboring countries:

- Sudan, where the UPDF has aided the Sudanese People's Liberation Army, with invasions against Sudan in September 1995, January 1997, and September 1998.

- The Democratic Republic of Congo, where UPDF troops have seized control of the northeastern area of the D.R.C., from which it operates with the SPLA both inside Sudan and in the Congo. Operations there are led by Museveni's nephew Brigadier James Kazini, who directed the Ugandan invasion of the Congo on Aug. 2, 1998. There are reports that Rwandan and Ugandan troops, allies in the war to militarily bring down the Congo government of Laurent Kabila, are now clashing with each other over the spoils of mineral-rich eastern Congo. A recent battle reported between the two former allies resulted in 8 Ugandans and 31 Rwandans dead.

- There are reliable reports that the Ugandan military is equipping Jonas Savimbi's Unita in its renewed civil war against the government of Angola. Unita is now launching an assault on Angola's central highlands with "sophisticated equipment," including 90 BMP-2s, the world's most technologically advanced assault vehicle. According to South African defense forces, Unita has acquired "a mobile war capacity which combined armor and artillery" for the first time, in its current offensive. It is believed that this was acquired through Uganda, which wants to escalate the war in Angola in order to force the withdrawal of Angolan troops deployed in defense of the Congo.

At the same time, at least one-third of Uganda's own territory — including the entirety of the two northern districts of Kitgum and Gulu — is under constant assault by insurgencies, which the Ugandan forces are apparently unable to defeat,

while the government has used the excuse of the insurgencies to gain military equipment.

None of the deployments of the UPDF would be possible financially for Uganda—a nation with one of the world's lowest life expectancies—if it were not for the largesse of the donor community.

The donors took note of Museveni's "defense" expenditures, but then "signed on" to promote Museveni's expansionist drives: "While recognizing the regional and internal security issues that confront Uganda, they saw a risk that pressures for higher defense spending could undermine Uganda's record of macro-economic stability or divert government resources from priority expenditures." However, "the overall judgment by donors was that the performance level of Uganda has been very good. Uganda has openly accepted its mistakes and proposed to rectify them. Uganda has shown the best average GDP growth in sub-Saharan Africa over the last decade, and this is evidence that its economic policies are working."

Corruption in very high places

Working for whom? is the question most Ugandan citizens have. The World Bank report on corruption in Uganda reported, "The impression of the World Bank anti-corruption mission is that the prevalence of corruption in Uganda is highest in the areas of procurement, particularly military procurement, and reform, and privatization of public enterprises." The report also noted that there is widespread institutionalization of bribery throughout the country, especially in dealings with the police and with the judiciary, areas in which Museveni's security apparatus is directly involved.

Cases of large-scale embezzlement documented in the World Bank report included the stealing of donor funds disbursed to the ministries of health and education and to the Ugandan Electoral Commission, as well as funds disbursed to projects aimed at helping alleviate poverty, which were embezzled and never benefitted the intended poor. The World Bank report specifically targeted Vice President Wandira Kazibwe, whose office is being investigated for the loss of 3.4 billion Ugandan shillings in a valley dam scheme which was paid for, but never constructed.

The report of the Ugandan Parliament select committee on the privatization process in Uganda covered the privatization of three parastatals: the Ugandan Commercial Bank, illegally bought by Museveni's brother; the Uganda Airlines Corporation; and TransOcean. State Minister for Privatization Matthew Rukikaire has already been forced to resign because of the report. The report said that the privatization process had been completely manipulated by what it called "powerful families."

The case of Salim Saleh

The Criminal Investigations Department (CID) in Uganda has now opened files on Maj. Gen. Salim Saleh and

four ministers in the government: State Minister in Charge of Privatization, the now-resigned Matthew Rukikaire; Works and Transport Minister John Nasasira; State Minister for Finance Sam Kutesa; and former Finance Minister Mayanja Nkangi.

Rukikaire and Nkangi are to be held responsible for failure to supervise the privatization process, while Kutesa and Nasasira are named for running down the Uganda Airlines Corporation. Kutesa's wife, Jennifer, is a cousin of First Lady Janet Museveni. Kutesa is the chairman of the board of the Entebbe Ground Handling Services, in which Salim Saleh's firms, Global Airlinks and Efforte, have majority shares.

Saleh's proffered reason for his illegal acquisition of the Uganda Commercial Bank is that he wanted to retain the bank in the hands of Ugandans. However, he is himself involved with foreign exploiters of Africa's mineral wealth. He is a stockholder in Banff Resources, the Canadian company which is planning to mine the Kilembe Mines. In the mid-1990s, he was understood to be the secret shareholder with Baroness Lynda Chalker, former British Minister for Overseas Development and the foremost supporter of President Museveni, along with Barclays Metals, in the gold mines of Karamoja.

Aside from the UCB scandal, Salim Saleh is also coming under investigation for his role in a deal with Israeli arms dealer Amos Golan of Silver Shadow, Ltd., for the sale of 62 T-55 tanks to Uganda, of which all but eight were not combat-worthy.

Salim Saleh has also admitted to the press that he was previously heavily involved in business ventures in eastern Congo, which he has revived under the current invasion. On Sept. 26, 1998, Salim Saleh's name turned up when the plane of one of Museveni's nephews, Col. Jet Mwebaze, crashed in western Uganda near the Congo border. More than \$1 million in cash was found on the plane, and Mwebaze and the pilot had reportedly been shot. Other passengers included Asian businessman Arif Mulfi and Israeli businessman Zeev Shif, a partner in Salim Saleh's Efforte Corporation. The belief is that the plane was going to the Congo for a pick-up of gold in areas currently under the occupation of Ugandan troops.

Now, it is reported in the pro-government Ugandan daily *New Vision* that Salim Saleh is now preparing for a massive deal in beef exports to Burundi, where the Tutsi military allied to Museveni runs the nation's business.

Both Salim Saleh and Museveni deny that the Ugandan President, the commander-in-chief of Uganda's armed forces, has any knowledge of Salim's business ventures. They even claim that Museveni disapproves of them. But it is hard to escape the conclusion that Museveni et al. are reaping the pecuniary benefit of the deployment of Ugandan soldiers. With the Paris Club ready to dish out \$2.2 billion as their "investment" in Uganda's militarism, it is also hard to escape the conclusion that the stake of those in London, New York, and Paris is a lot bigger.

ASEAN members unite against global economic crisis

by Michael O. and Gail G. Billington

On Dec. 16, after a two-day summit of the heads of state of the Association of Southeast Asian Nations (ASEAN) in Hanoi, Vietnam, the ASEAN leaders released the “Hanoi Declaration of 1998.” The second point of that declaration reads: “We have decided to admit the Kingdom of Cambodia as the 10th member of ASEAN and instructed the foreign ministers to organize a special ceremony of admission in Hanoi.” This act completes the unity of the 10 nations of Southeast Asia, a goal of the founders of the association more than 30 years ago.

There was opposition to Cambodia’s admission—primarily from Singapore and the Philippines—but the majority of the ASEAN leaders, faced with the overwhelming reality of the continuing economic collapse across the region, followed the lead of host Vietnam, and Malaysia, Indonesia, and Laos, in insisting that unity of action on the economic crisis overrode concerns about stability in the newly constituted Cambodia coalition government (see accompanying article).

Another effort to distract the attention of the ASEAN leaders from the economic tasks came from Thai Foreign Minister Surin Pitsuwan, who in the past year has called for ASEAN to drop its historic commitment to non-interference in each other’s internal affairs. This came to a head recently when Philippines President Joseph Estrada, and some others, criticized Malaysia over the arrest and trial of former Deputy Prime Minister Anwar Ibrahim. However, even Thai Prime Minister Chuan Leekpai refused to pursue this destructive course. The third point of the Hanoi Declaration states unequivocally: “We note ASEAN’s success in promoting regional peace and stability, based on the cardinal principles of mutual respect, non-interference, consensus, dialogue, and consultation.”

Perhaps the most significant aspect of the Hanoi Declaration is the identification of the destructive role of the rampant speculation, which has characterized the “globalization” process. The ASEAN leaders created an “ASEAN surveillance process” in order to “highlight emerging risks, recommend appropriate policy responses, and encourage early action to

avoid such risks.” They also endorsed the wider use of local currencies to circumvent the speculators. More generally, the sixth point of the Declaration states: “We believe that reform efforts at the national level must be reinforced by corresponding reforms at the global level to address weakness in the international financial architecture, and welcome the contribution of the G-22 in this area. We strongly urge that further work be done within the G-22 or an expanded version of it.” (The G-22 was called into being by President Clinton to address the global economic crisis, giving equal weight to the developing nations of Asia, Africa, and Ibero-America, and to representatives of the G-7 and multilateral institutions.)

The Hanoi Declaration also takes special note of the “Miyazawa Plan,” the \$30 billion plan put forward by Japan, independent of International Monetary Fund (IMF) policies and conditions, to support industries and infrastructure in Southeast Asia and South Korea.

Currency controls

As important as what is contained in the Declaration, is the absence of any statement of support for the IMF policies, which have caused destitution and social chaos across Southeast Asia. Although Thailand, Indonesia, and South Korea continue to follow IMF conditionalities, the resistance to the IMF’s “new colonialism” is mounting throughout the region. The greatest fear of the IMF pundits is that Malaysia’s successful defense of national sovereignty through currency controls and government investment in development projects, will be adopted by the other nations of Asia and around the world—a concern voiced by mega-speculator George Soros in his recent, much-publicized book.

Malaysian Prime Minister Dr. Mahathir bin Mohamad, the architect of Malaysia’s controls, has repeatedly spoken out against the colonial intent of the speculators and the IMF, and is increasingly seen as the spokesman for those in the developing sector who refuse to die upon the alter of IMF “free trade” dogma. In his speech to fellow ASEAN heads of state, he described the attempts of Southeast Asian countries, including Malaysia, “to implement a virtual IMF approach”:

“We discovered that these measures worsened the economic situation. . . . As the international community refused to do anything, Malaysia had no choice but to change direction. . . . What we have done is merely to insulate ourselves from the predatory speculators. . . . We have no choice but to impose controls. Until the international community agrees on an international regime that will remove the kind of dangers we have been exposed to, we will have to continue with our controls. . . . The financial turmoil has underscored the many challenges inherent in globalization.”

Chinese Vice President Hu Jintao addressed these concerns on the final day of the conference, when officials from Japan, South Korea, and China were invited to join the

ASEAN heads of state in an ASEAN-plus-three informal summit. Vice President Hu said: "Top priority should be given to strengthening supervision, regulation, and control over the flow of international capital. It is not only an urgent task to safeguard the economic security of the East Asian countries, but also a long-term need for ensuring sustained and steady growth of the East Asian economy." China's support for ASEAN continues the historic diplomacy of the past months between China, Russia, India, and Japan, which has dramatically increased the potential for the Eurasian Land-Bridge to become the centerpiece for a new strategic and economic alliance of sovereign nations—and a means for reversing the on-rushing new world depression.

In spite of the disinformation in the world press, which generally denigrated the ASEAN conference for failing to implement further self-destructive free-trade measures, the truth is that crucial collaboration between Southeast Asia and East Asia on new economic architecture is now a reality.

Cambodia overcomes NED subversion

by Michael O. and Gail G. Billington

Despite extensive international efforts to subvert the results of the popular election held in Cambodia last July, a new coalition government was finally formed in November, ending the threat of yet another era of foreign-instigated warfare in this long-suffering nation. The success in forming a government was greeted at the United Nations by the re-establishment of Cambodia's seat. That seat had been suspended in July 1997, after the attempted coup by troops loyal to Prince Norodom Ranariddh and remnants of the Khmer Rouge, and Prime Minister Hun Sen's military suppression of that attempted coup.

In mid-December, the Association of Southeast Asian Nations (ASEAN) also decided to admit Cambodia, a move postponed in 1997, because of the government crisis. Cambodia's entrance completes the unity of the 10 nations of Southeast Asia (see accompanying article).

The July 1998 election saw the enthusiastic participation of more than 93% of the electorate, and was almost universally praised by international observers as both free and fair. Prince Norodom Ranariddh had been pardoned by King Norodom Sihanouk (with Hun Sen's approval), for his criminal collaboration with the Khmer Rouge in 1997, in order to allow him to participate in the elections. His Funcinpec party won 31% of the vote, as against 41% won by Prime Minister Hun

Sen's Cambodian People's Party (CPP). The third candidate, Sam Rainsy, the favorite of the U.S. National Endowment for Democracy (NED), won only 14% of the vote.

Nonetheless, Sam Rainsy, with full backing from his sponsors in Europe and the United States, immediately launched an international campaign to overturn the election, including violent demonstrations in Phnom Penh, replete with incitement to military attacks on the government and racist diatribes against Cambodians of Vietnamese descent. Although Prince Ranariddh put his name on all the public statements issued by Sam Rainsy, he generally stayed in the background.

Because the constitution requires a two-thirds majority to form a government, Hun Sen could not form a government on his own, except by changing the constitution. He made repeated offers for a coalition government to Prince Ranariddh, and even to Sam Rainsy, which were all rejected, leaving the country in a dangerous crisis for nearly four months. Finally, in November, Prince Ranariddh broke his unholy alliance with Sam Rainsy, and joined Hun Sen in forming a legitimate coalition government. This constitutes a dramatic victory for Cambodia, and for all of Asia, against the subversive efforts of the NED.

What is the NED?

The role of the United States in Cambodia is full of contradictions, which go a long way toward explaining the current crisis in the United States itself. President Clinton played a crucial role in preventing Prince Ranariddh's efforts to revive the Khmer Rouge, and later Clinton exerted extensive pressure on the Prince to accept the election results and form a government with Prime Minister Hun Sen. After the coalition was created, Prince Ranariddh told the press that "enormous international pressure" was applied, and that U.S. Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth and U.S. Undersecretary of State for Political Affairs Thomas Pickering "telephoned me personally, asking me to return to negotiate the establishment of a new government."

At the same time, however, the NED, financed by the U.S. government, was instigating Sam Rainsy into a rebellious insurrection against the election and against the government, and trying to tie Prince Ranariddh to the Sam Rainsy subversion. What, then, is U.S. policy?

The answer lies in the nature of the NED, made up of a Republican half, the International Republican Institute (IRI), and a Democratic half, the National Democratic Institute for International Affairs (NDI). The NED was created by the associates of former President, now Sir George Bush, in the 1980s, representing those elements of both parties committed to defend the geopolitical status quo of the increasingly bankrupt Wall Street and London-centered International Monetary Fund (IMF) financial system. As the rate

of collapse of that system has accelerated since the onset of the “Asian contagion” in July 1997, the NED has served as a key vehicle in trying to sink a new strategic combination of nations, centered on the positive results of the early summits between President Clinton and China’s President Jiang Zemin, and in collaboration with the new Russian leadership around Prime Minister Yevgeni Primakov. The new strategy aims at bringing in India, Japan, and key developing nations around collaboration in great global infrastructure projects, and a return to the best principles of stable financial policies under the Bretton Woods system.

The IRI is dominated by the same Republican yahoos who are leading the treasonous impeachment effort against Clinton, while the NDI is closely linked to the Al Gore faction of the Democratic Party, which staunchly defends the IMF system and opposes Clinton’s policy commitments toward Russia, China, and the Middle East. Exemplary is Gore’s most recent disgusting insults to Malaysia, and all of Asia, at the recent Asia-Pacific Economic Cooperation (APEC) summit in Kuala Lumpur, and his collaboration with British Prime Minister Tony Blair in bullying President Clinton into the disastrous bombings of Iraq.

The constitutional crisis in the United States has had a direct impact on the Cambodian situation. The attempted subversion of Cambodia’s government would not only destabilize Southeast Asia, but would undermine China’s efforts toward regional peace and development, and threaten the U.S.-China relationship. The victory against the NED operation in Cambodia by the establishment of the new government is a significant blow to that subversion.

In the new Cambodian government, Hun Sen will be the only Prime Minister. Prince Ranariddh will become president of the National Assembly; however, that post will no longer serve as head of state, during King Sihanouk’s frequent absences for medical care in China. Instead, an upper house, a Senate, will be created, whose president will assume that authority. Chea Sim, president of the CPP, and former president of the National Assembly, will preside over the Senate.

The primary economic and foreign policy cabinet positions will be filled by the CPP, but the Funcinpec will hold several cabinet posts. The Defense and Interior ministries will be shared, with co-ministers from the two parties. In addition, several generals loyal to Prince Ranariddh, who had joined forces with the Khmer Rouge over the past year, were pardoned, as were two members of the royal family, earlier convicted of plotting coups against Hun Sen.

The peace is fragile, but real. The Dec. 25 defection to the Royal Government of two of the three remaining top Khmer Rouge leaders at large should give hope that the 30-year civil war may, literally, be on its last legs. However, continuing disruptive efforts by prominent members of the U.S. House Foreign Relations Committee aim to undercut the new coalition. U.S. Rep. Dana Rohrabacher (R-Calif.), while addressing a campaign fund-raising event with the Cambodian com-

munity in California, on Oct. 30, 1998, told his audience that in the next six months, it is imperative to stop Hun Sen from establishing a “dictatorship.” Rohrabacher even suggested that they encourage a mutiny of Cambodian armed forces against the duly elected Prime Minister.

Rohrabacher, whose congressional career has been punctuated by close ties to Ollie “I’m a Contra, too” North, and sponsorship of the pro-Taliban Afghanistan Foundation, told his Cambodian ex-patriate audience: “Hun Sen is tied to the worst people in the world. . . . There are many people in the army who take orders from Hun Sen . . . but they’re not bad people. . . . If someone is a patriot in the Cambodian army, he should not be using his weapons against the people of Cambodia, he should be using his weapons against the Hun Sen dictatorship. . . . And the troops that come over should be treated as heroes.”

Sam Rainsy continues to identify with such disruptive efforts by opposing crucial aspects of the new coalition, such as the creation of a Senate, and, as recently as Dec. 22, he appealed to the U.S. Congress to pass resolutions denouncing Prime Minister Hun Sen.

Even more dangerous is the fact that Cambodia’s new chance at peace, after 30 years of bloody war, comes in the early stages of the worst global financial crisis in 500 years. The hard work must now begin.

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Disarming national sovereignty

UNSCOM chief Richard Butler emerged from the bowels of the nasty, globalist faction controlling the Australian Labor Party.

On December 17, as most of the world recoiled in horror after Tony Blair and Al Gore orchestrated air strikes against Iraq, Prime Minister John Howard struck his best Churchillian pose, and intoned, "We have been confronted with a clear choice between rolling over to a dictator who has in his possession weapons of mass destruction, or not." Howard added, regarding UN Special Commission (UNSCOM) boss Richard Butler's fraudulent report (see p. ●●), "I have examined that report; it is stark and unambiguous."

Howard, like Blair, is a member of Her Majesty's Privy Council, and he is also the leader of the Liberal Party, founded in 1944 by the raving Anglophile, Sir Robert Menzies, so his dribble is not surprising. More surprising, at least historically, was Labor Party boss Kim Beazley's unequivocal endorsement of the strike the same day. After all, the Australian Labor Party (ALP) was founded at the turn of the century as a bastion of anti-British nationalism.

However, notwithstanding the nationalist ideals of its first five decades, it was the ALP which fostered the entire career of British agent Butler, and his "disarmament"-driven assaults on national sovereignty. The ALP's transformation, reflected by Butler, is a perfect case study of what Lyndon LaRouche has emphasized for years, a point still too little appreciated: That the cultural degeneration which is driving today's global financial collapse, was only possible due to the schemes for "world government through thermonuclear terror" of Lord Bertrand Russell and his associates,

such as novelist H.G. Wells, consolidated by the shock of the 1962 Cuban Missile Crisis.

From its roots in the bitter strikes of the early 1890s, when Britain pulled its capital out of Australia and plunged the country into a depression, the ALP struggled to establish a sovereign nation upon the American model. From the outset, it identified its strategic enemy as the "Money Power," the City of London-based global financial oligarchy, which it repeatedly attacked:

- first through establishing the Commonwealth National Bank in 1911 modelled upon Alexander Hamilton's National Bank;

- then, in 1932, through the debt moratorium declared by New South Wales Labor Premier Jack Lang against London—until the King's state Governor General sacked him;

- then through one of Lang's closest backers, ALP head John Curtin, who became Prime Minister in 1941 and broke with Churchill and the Empire to ally with Gen. Douglas MacArthur and FDR;

- and then, after Curtin died in July 1945, through Labor Prime Minister Ben Chifley's passage of a bill to nationalize all of the private banks, in order to continue the wartime rates of growth and development, until the Privy Council in London overturned the bill in 1949, and Labor was driven from power through aid of the London-owned Australian media cartel.

In 1963, Prince Philip and Queen Elizabeth toured Australia and Philip established the Australian Conservation Foundation as a branch of his brand-new World Wildlife Fund. Be-

tween the ACF, which developed enormous clout in the ALP, and the post-1962 nuclear hysteria, the ALP was transformed. As one semi-official ALP history put it, "By the early 1960s Labor was being influenced in new directions by the growing campaigns in Britain and the United States for the banning of nuclear testing in the atmosphere, and for controls on nuclear weaponry." Bertrand Russell's one-world threnody that "national sovereignty=science and technology=nuclear weapons=nuclear war" was taking root.

The last gasp of "old Labor" came in 1975, when the Queen's Governor General sacked Labor Prime Minister Gough Whitlam. Whitlam had proposed to kick the British mining cartels out of the country, and to set up a national infrastructure grid. Interestingly, Butler was Whitlam's private secretary in 1976-77, after he had been ousted as Prime Minister.

When Labor came back to power in 1983 under Bob Hawke and Treasurer Paul Keating, it was a different party altogether. It deregulated Australia's financial sector, floated the Australian dollar, and pushed one globalist scheme after another, including privatizing the Commonwealth National Bank. It also appointed Australia's first-ever "Ambassador for Peace and Disarmament"—Richard Butler. From that point on, as Australia's Ambassador to the United Nations, Butler worked through the British Commonwealth-controlled UN apparatus, to become one of the world's top globalizers, helping to draft the Nuclear Non-Proliferation and the Comprehensive Nuclear Test Ban treaties. There, the crowd around U.S. Vice President Al Gore and Secretary of State Madeleine Albright "talent-spotted" him and drafted him as UNSCOM head, as Australian sources have emphasized to *EIR*.

Lazare Carnot: the excellence of leadership in times of crisis

by Elisabeth Hellenbroich

The following speeches were given on Nov. 21, 1998 to a conference of the Schiller Institute in Bad Schwalbach, Germany. The panel was introduced by Mrs. Hellenbroich, a European Executive Committee member of the International Caucus of Labor Committees.

We are presenting to you in this following panel an historical paradox, by focussing our attention on the “ironical” case of one of the greatest military leaders of France—Lazare Carnot (1753-1823). Carnot became known throughout Europe and the U.S.A. as the “Organizer of Victory.” In the years after the successful war of independence of the United States against Britain, Carnot, whose most important victories were fought between 1793 and 1797 against an overwhelming coalition of European forces, shaped the destiny of the nation of France. He did this by giving moral leadership, by evoking among the citizens of France a love for the sovereign nation-state, the feeling of being a patriot and a world citizen, whose identity lies in the defense of the inalienable rights of every individual. Against a seemingly invincible force, Carnot set the concept of the superiority of the *creative mind*.

Yet the tragedy is, that this great statesman, military leader, scientist, and poet (he wrote his own poems and translated Friedrich Schiller’s “The Glove”) was betrayed—a betrayal whose implications historically are still felt to this day. Carnot, in his own words, was “obedient to the Constitution,” was “against conquests,” and conceived himself as an “arch-enemy of Robespierre” (Carnot said he had an “evil heart” and “mediocre intelligence”). Carnot was the only one of the French leaders who spoke out publicly against Napoleon’s making himself Emperor; he loved and cultivated the sciences and arts, and he “deeply loved his nation”—this man was forced by a political cabal that worked with the British oligar-

chy, to go into exile in 1816, to the German city of Magdeburg. He came there with the help of a network in Germany, passing through Warsaw, where he was warmly received by the network of Tadeusz Kosciuszko.

Carnot lived in Magdeburg from 1816 until his death in 1823. Ironically, while ignored by his own nation, his creative contributions were transmitted through a network of people who were linked with the Göttingen scientific tradition and the U.S. West Point Military Academy. This, in turn, laid the foundation for a whole new scientific renaissance and industrial revolution in the United States and Europe.

What Andreas Ranke, Dino de Paoli, and Jacques Cheminade will present to you, is unique historical material, never before presented to an audience in this way: On the one side, because the historical truth about Carnot and his European-wide network was distorted or simply suppressed; on the other side, because, as a result of the Second World War, many historical archives were destroyed, such as the military archive in Potsdam.

We will look at Carnot from the standpoint of a lesson about the Socratic principle of leadership and statecraft. We look at it, seeing ourselves as the heirs of the best humanists who lived and shaped civilization’s history, our best friends being Eratosthenes, Homer, Plato, Augustine, Leibniz, Rabelais, Schiller, Pushkin, Beethoven, Mickiewicz.

The implicit question embodied in the study we present to you is: How are we future leaders assembled here in this room going to shape the fate of human civilization? We are today faced with a much bigger global financial breakdown crisis today, than any crisis that preceded it in the past centuries. It will inflict many more tragedies than occurred in the entire twentieth century. What kind of responsibility does this put on us? What does this imply, in terms of the community



Lazare Carnot, the head of the revolutionary armies. He became known as the Organizer of Victory, because he mobilized the minds of Frenchmen to save their nation, against the Jacobin rabble-rousers and aristocratic fops-turned-revolutionaries.

of principle of “true sovereign nation-states” which we have to actualize and bring forth in each nation we represent?

The impact of the American Revolution

We shall situate the life and actions of Lazare Carnot in an historical period which belongs to the most fascinating moments in the history of mankind. It is the period starting with the end of the victorious American War of Independence, which was mobilized around the highest conception of mankind, set forth in the Declaration of Independence, July 4, 1776, which states: “We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these, are life, liberty and the pursuit of happiness. That, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.”

A contemporary of Carnot, Tissot, in a little booklet written in 1824 about Carnot’s military memoirs, recalls how

much the American War of Independence inspired the true patriots of Europe: “The independence of America, conquered and assured by the help of our arms, strongly electrified the nation and in all minds plans how to improve the political situation were maturing; this was the subject of all conversations: The troops, upon their return from the Hemisphere, felt flattered to be called ‘soldiers of freedom’; a spark could from one moment to the next cause a universal brush-fire. . . . All the army identified with those that had founded the independence of America.”

Indeed, the American War of Independence became the reference point for all republican humanists in Europe—as John Quincy Adams (U.S. President from 1825-29, who frequently, as a leading U.S. diplomat, had visited the European continent) stated in a speech to the U.S. Congress in 1821: “In a conflict of seven years, the history of the war by which you maintained that Declaration, became the history of the civilized world. . . . It was the first solemn declaration by a nation of the only legitimate foundation of civil government. It was the cornerstone of a new fabric, destined to cover the surface of the globe. It demolished at a stroke, the lawfulness of government founded upon conquest. It swept away all the rubbish of accumulated centuries of servitude. . . . From the day of his Declaration, the people of North America were no longer the fragment of a distant empire, imploring justice and mercy from an inexorable master in another hemisphere.” Adams called the newly founded U.S.A. a nation “to which all inhabitants of the earth may turn their eyes for a genial and saving light . . . a light of salvation and redemption to the oppressed.”

Looking at the humanist republican network in Europe, which for years had close contact with Benjamin Franklin; Robert Fulton, the inventor of the steam engine; the later U.S. Presidents John Quincy Adams and James Monroe, we see people assembled in France around Carnot and the scientists of the Ecole Polytechnique: Monge, Berthollet, Gay-Lussac, the brothers Montgolfier; we see in Russia a network of military people close to the poet Aleksandr Pushkin; in Poland, we see the network around the famous general Kosciuszko, who was educated in the same period as Carnot in Paris and by Carnot’s teacher Monge, at the Ecole des Arts et Métiers in Mézières, while fighting in the American Revolution as an expert in fortification; in Germany, we see the network around Friedrich Schiller, the economist Friedrich List, and the Humboldt brothers—in particular Alexander von Humboldt, who, in his capacity as Prussian diplomat and universal scientist, living from 1807 to 1827 in Paris, had one of the most extensive networks of friends in the science community in France, including Carnot, the astronomers and physicists Laplace, Lalande, Arago, Biot, La Méthrie, the chemists Gay-Lussac, Berthollet, Thenard, Fourcroy, et al. He also had extensive networks in the United States, Russia, and Ibero-America.

Carnot was the center of a network of “American” organizers—a European network, which tried to replicate the ex-

perience of the War of Independence in a flanking maneuver in Europe, by using the French Revolution so as to defend the “American System,” in a war against the “British” feudal system in Europe. This revolution, as Schiller and Heinrich Heine had observed, started out as the source of hope and inspiration for all true patriots in Europe, but was subverted and sabotaged by British tools such as Robespierre, Marat, Barras, Napoleon, and the ensuing Bourbon restoration.

Carnot’s expulsion from France in 1816 marks a watershed in European history: the beginning of the Vienna Congress restoration, the Carlsbad decrees, and the end of France’s excellence — only later echoed again in the personality of Jean Jaurès and Charles de Gaulle.

The power of ideas

By studying the example of Carnot — his life, his military, political, and scientific work, and the tradition in which Carnot was based — we learn something fundamental about history which Lyndon LaRouche, in all his recent writings, has emphasized: We learn that history is based on *ideas* and that the fate of nations depends on people’s individual and sovereign determination to fight for those ideas.

At the moment when France faced its darkest crisis, when defeat was almost certain, Carnot managed to turn defeat into victory. He did it by showing “excellence” in leadership, by making a revolution in military warfare, mobilizing the best scientists of France, making use of the Ecole Polytechnique so as to lay the foundation for a broad-based education of French citizens, while using his own discoveries of new scientific principles in the field of machine-tools and machine building, so as to create the basis for an industrial and technological revolution in France and Europe as a whole.

Carnot was convinced that the key to organize nations and people, to elevate citizens to become true nation-builders, is based on the *moral* quality of leadership whose excellence is not based in the academic knowledge of theories and books, but which shows in particular under conditions of crisis, wars, and duress. The biggest resource and strength in building nations is the sovereign, creative mind of the individual who, faced with the unknown — with obstacles and paradoxes that challenge customary opinion — is forced to look for creative flanks and bold solutions. “Circumstances develop sometimes faculties in us whose germ we did not think of, making our souls greater and giving our souls energy,” Carnot said. Among his most excellent generals, he chose people at the age of 25 or 30, upon whose shoulder he put responsibility, having confidence in their powers of imagination and boldness.

That emotional quality of the mind, indispensable for overcoming obstacles and making discoveries, is what Carnot calls “enthusiasm” — passion. According to his son Hippolyte, who wrote the most insightful and wonderful biography of his father, “A great passion is the soul of the great totality.” “Passion is the unique principle of all that is beautiful and

great in the world.”

In a poem called “Ode to Enthusiasm,” Carnot writes:

Enthusiasm, love of beauty!
Principle of noble flames. . . .
You are not raving drunkenness,
you are not cold reason;
you go further than wisdom,
without exceeding its extent.
Delicate instinct which precedes
both the counsel of prudence
and the calculations of judgment.

Without “enthusiasm,” there can never be a creative discovery in science or art. Carnot calls that creative capacity of the mind the “natural geometry,” where, with a *coup d’oeil*, or glance, with “artistic ingenuity” the mind forms new hypothesis.

The two Prussian reformers Gerhard von Scharnhorst and Clausewitz studied very closely Carnot’s concept of warfare, as well as his scientific writings. People in Europe who so contemptuously looked upon those French “hordes of *sans-culottes*,” were, as von Scharnhorst analyzed in an essay on the French Revolution, taken totally by surprise by the quality of war-fighting, the moral quality of “enthusiasm.” Clausewitz refers to it when he speaks in his book *On War* about the “*moralische Grössen*,” the moral magnitudes being the essence of warfare. The quality of “boldness,” according to Clausewitz, has its roots both in reason and courage — opposite to one who is anxious, hesitant, or prudent. This, together with the quality of “mental alertness” (*Geistesgegenwart*), which accepts the unknown, and decisiveness (*Entschlossenheit*), is the key for becoming an excellent leader in times of crisis.

Excellent leaders, as we see in the example of Carnot and LaRouche, love their nations, but are also friends of every nation, and would, if their own nation were to fail, do everything possible to keep fighting for its rescue, while helping other nations to fight for the common good. Because there is a principle of community of nations — based on the idea that what we work for is the uplifting and progress of humanity as a whole.

Carnot refers to this quality of excellence of leadership by showing that true leaders of nations are those who make no distinction between the love for their own nation and the love for the destiny of all nations: “How rare it is that the wise man is able to obtain the fruits of his labor! He is ahead of his century and his language can only be heard by posterity, but that is enough to sustain him. He is a friend of those yet to be born; he converses with them in his profound reflections. As a citizen he watches over the Fatherland, he takes part in its triumphs; as a philosopher he has already overcome the barriers which separate empires; he is the citizen of every land, contemporary of all ages.”

How Carnot became a lieutenant general in the Prussian Army

The following article, based on Andreas Ranke's speech to the Bad Schwalbach conference, was translated from German by George Gregory.

Lazare Nicolas Marguérite Carnot was born on May 13, 1753 in Nolay in Burgundy. Beginning in 1762, he attended the Collège d'Autun, a school of the Oratorian order. His studies included Cicero, Cato, Ovid, Virgil, Caesar, Terence, Sallust, Livy, Tacitus, Suetonius, Horace, Seneca, Demosthenes, Homer, Pindar, Sophocles, Euripides, as well as Erasmus and Comenius. Eight years later, he attended the school of de Longpré in Paris, where one of his teachers was the mathematician and encyclopedist D'Alembert, who noticed Carnot's talents quite early.

In 1771, Carnot applied to the School of Military Engineering, in Mézières. Since he was not a nobleman, he had to prove that there had been at least six officers of the French Army in his family. In general, the career opportunities for someone not from the nobility were limited to attaining the rank of captain. Carnot stayed in Mézières for two years. His most important teachers there were Charles Bossut and Gaspard Monge.

It was in 1772 that Benjamin Franklin visited Mézières. Franklin had been the American emissary in England since 1767, and from there he visited Holland and Prussia, in addition to France. It was there that he laid the foundations for the American War of Independence. In 1777, he wrote: "All of Europe is on our side, as far as applause and good wishes can carry. Those who live under despotism still think that freedom is good, and they strive for it. It is a general observation here [in Paris] that our cause is the cause of all mankind and that we are fighting for their freedom when we defend our own."

In 1773, Carnot left Mézières with the rank of lieutenant. He began to write his first work, *Mémoire sur la théorie des machines* (Memoir on the Theory of Machines), which he presented in 1779 in a competition of the Academy of Sciences in Paris. Later, his *Essai sur les machines en général* (Essay on Machines in General) developed out of this work, which was published in 1783.

But the work which represented his "breakthrough" and drew great attention to him, was his *Eloge de Vauban* (In Praise of Vauban), which he presented in a competition of the Academy of Dijon, winning first prize. Marshal of France

Sébastien de Vauban was not only the most important fortifications architect of the 18th century, but also one of the most influential mercantilists in France, who had no inhibitions against launching sharp attacks against the corruption under Louis XIV. Vauban's essay against the *Dîme Royale*, the royal tax tithe, made him particularly famous. He demanded a just system of taxation and criticized the injustices of the feudal aristocracy relentlessly. He also managed to impose the rule that a solid study in mathematics was obligatory for people working in military engineering.

Like Vauban, Carnot believed in the progress of mankind. In his *Eloge* he wrote: "Of what are men not capable if they summon up the forces which are fragmented by opposition and countless intervening factors, if the particular is subordinated to the universal?" And, like Friedrich Schiller, he, too, hoped for the advent of an "age of reason." He wrote: "The wise man hurries ahead of his time. . . . As philosopher, he has already broken through the boundaries which divide the empires, he has no adversaries any longer, he is a citizen of every place and a contemporary of all times."

Someone called Carnot's writing to the attention of Prince Henry, the brother of King Frederick II of Prussia, who was visiting Dijon en route to Paris. A "private presentation" by the author was arranged for the high-ranking guest. Later, Carnot sent the written work to the Prince, for which the Prince thanked him warmly. If we recall that Carnot was only a captain, and not nobility, this serves to emphasize the importance which Carnot already had.

Prince Henry travelled onward to Paris for secret negotiations, which were clearly an attempt to develop a continental European alliance against England. Since the Seven Years' War, in which British manipulation of Europe triumphed, the plan was to forge an alliance between France and Prussia via the "lever America" (in 1778, there was an alliance of France and America and also the League of Armed Neutrality of Russia and Prussia). In 1785, Franklin concluded the first trade treaty with Prussia on behalf of the young United States. The French Baron de Kalb, who later became a general in the American War of Independence, had been in America since the 1760s, to observe the developing potential for a revolt against England.

The great importance attributed to Carnot is also evident in the fact that—still a captain—he was accepted into the

French Academy of Sciences as a full member. It is also known that Prince Henry offered him a post in the Prussian Army. In 1785, Carnot participated in an essay competition of the Prussian Academy of Sciences with a *Dissertation sur la théorie de l'infini mathématique* (Dissertation on the Theory of the Mathematical Infinite). Three years later, he wrote an essay on defense policy, in which he rejected every form of war of aggression. The meaning of war could only lie in the "defense of civilization." Everything else was a crime. As he elaborated, "just war" can only be defensive, which included, of course, all manner of offensive operations. This was the reason why he appealed for the maintenance and further development of the French system of fortifications, and it makes Carnot the last military theoretician

who had a comprehensive moral-philosophical foundation.

In 1797, Scharnhorst, who was then working at the General Staff of Hanover, mentioned Carnot's *Eloge* in his essay, *Development of the General Cause of Success of the French in the Revolutionary Wars*; Scharnhorst could only have obtained a copy of Carnot's work from Prince Henry. Another area in which Carnot showed that he was thinking far ahead of his times, was in his essay on the future military importance of aerostatic balloon warfare.

The 'Organizer of Victory'

On April 20, 1792, Austria and Prussia declared war on the French Republic, in order to restore the power of Louis

Carnot and his times

1753: Lazare Carnot is born in Burgundy (May 13).

1773: Carnot studies under Gaspard Monge at the military academy in Mézières, where he meets Benjamin Franklin.

1783: Carnot becomes a captain in the army.

1789: French Revolution begins. Storming of the Bastille in Paris (July 14).

1791: Flight and capture of King Louis XVI. Carnot is elected to the new Legislative Assembly (Oct. 1), in charge of education. He writes his first proposals on reform of the army.

1792: France declares war on coalition of Austria and Prussia. Storming of the Tuileries (Aug. 10); overthrow of the monarchy. Chaotic situation in the army, with losses on all fronts, massacres in Paris. Carnot slowly begins to impose his policies. Carnot elected to National Convention (September); goes to the Pyrenees to organize defense against a possible attack from Spain.

1793: Louis XVI is executed (Jan. 16). France declares war on Britain, the Netherlands, and Spain. Northern front is collapsing. Carnot is sent there, writes a famous report stressing the need to strike the enemy on the flanks. He turns the military situation around, winning some battles. Girondists are driven from power by Jacobins (July). France is ruled by Maximilien Robespierre and the Committee of Public Safety. Reign of Terror results in guillotining of 1,251 people by July 1794. British Navy intervenes in the Mediterranean. France responds with mass mobilization (*levée en masse*). Carnot reforms the army and brings its strength up to 1 million men (4% of the population). Carnot named member of the Committee of Public Safety (August). He reorganizes and takes all military

operations under his control.

1793-94: Carnot's reforms: 1) formation of a new, mass-based army; 2) organization of military forces to fight "total war"; 3) new political strategy: Obtain the neutrality of Prussia. Disrupt communications between Austria and England. Concentrate efforts on attacking the English, leading to an invasion of England.

1794: France occupies the Netherlands (until 1795). French victory at the battle of Fleurus (June), in the north, followed by retaking of all the northern ports, crucial to getting U.S. help for the French. Coup of 9-10 Thermidor, led by Paul Barras, ends the Reign of Terror and leads to the arrest of Robespierre. Danton and Robespierre are executed (July). The authority and military influence of Carnot are used to remove Robespierre, although Carnot will never accept the reactionary policies of the Thermidorians. French armies continue to regain territory after territory. Creation of the Ecole Polytechnique (September).

1795: Dutch fleet captured by France. Prussia, Spain make peace with France. Carnot leaves the Committee of Public Safety, in opposition to the policies of Barras. He returns to power on April 11, becoming a member of the Directory, which rules France with a five-man executive committee.

1796: Napoleon Bonaparte leads French army in conquest of most of Italy by 1797. Carnot elected president of the Directory (April 30).

1797: Coup d'état of 18 Fructidor by General Augereau (Sept. 4). Carnot is removed from the Directory, escapes first to Switzerland, then to Germany. The Directory, now a triumvirate under Barras, becomes dependent on Napoleon.

1798: French occupy Rome, invade Switzerland. Bonaparte leads expedition into Egypt (until 1799), takes Cairo. British fleet defeats French in the Battle of the Nile.

1799-1800: Bonaparte invades Syria. Coalition formed of Britain, Austria, Russia, Portugal, Naples, and

XVI. The actual reason for the war, as so often, was to prevent “American conditions” from emerging in Europe. On Sept. 6, Carnot was elected a member of the Convention for the district of Pas de Calais. The first major battle was the famous “bombardment of Valmy” on Sept. 20, 1792, which was indeed only a bombardment, in which two starving and exhausted armies took their distance from each other as fast as they could, after having shot off a bit of ammunition. From September to November 1792, Carnot was in the Pyrenees as a special emissary of the Convention. After his return, he presented proposals for the economic development of the otherwise backward mountain region (developing its textile industry) so that it could free itself from British domination.

Ottoman Empire against France. French driven out of Italy. Coup d'état of 18 Brumaire: Bonaparte returns to France, overthrows the Directory, and sets up a Consulate, which rules until 1804. Carnot returns, is named minister of war; but resigns in opposition, 1800.

1802: Treaty of Amiens between Britain and France. Bonaparte is created First Consul for life, over Carnot's opposition.

1803: War breaks out between Britain and France.

1804: Bonaparte crowns himself emperor. First Empire lasts until 1814. Third Coalition is formed by Britain, Russia, Austria, and Sweden against France.

1805: France defeats Austria at Battle of Ulm. British defeat Franco-Spanish fleet at Battle of Trafalgar. France defeats Austria and Russia at Battle of Austerlitz.

1806: Napoleon dissolves Holy Roman Empire. Prussia defeated by France at Jena and Auerstädt.

1807: Carnot withdraws from public life.

1808: France occupies Spain.

1810: France annexes Holland.

1811: French driven out of Portugal.

1812: Napoleon invades Russia; occupies Moscow, but is forced to retreat.

1813: Prussia begins War of Liberation from France. Coalition against France formed by Russia, Prussia, Britain, Austria, and Sweden. France defeated at Battle of Leipzig, Battle of Vittoria. Allied forces invade France.

1814: Coalition forces enter Paris in March. Carnot is appointed governor of Antwerp by Napoleon. Napoleon abdicates and is exiled to Elba. Louis XVIII becomes King of France. Treaty of Paris ends Napoleonic Wars. Congress of Vienna (to 1815).

1815: The Hundred Days: Napoleon returns to Paris. Carnot serves as Minister of the Interior. Battle of Waterloo: Napoleon defeated and exiled to St. Helena. Carnot is exiled from France (July).

1823: Carnot dies in Magdeburg.

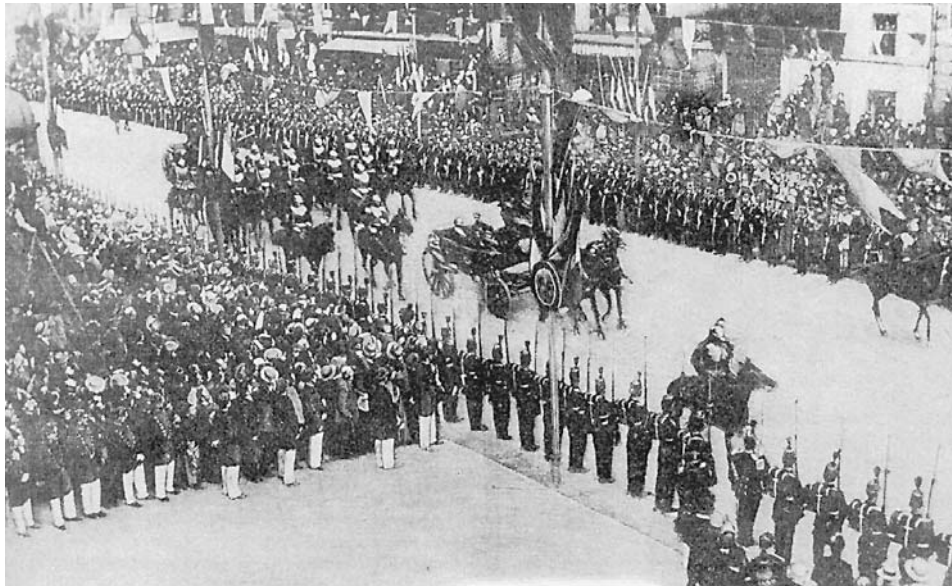
Since the allies Austria and Prussia suffered a defeat that year at Jemmapes, Britain was forced to enter the war against France in February 1793, following some propaganda work of the chief of the British secret service, Edmund Burke. The British strategy was simple and brutal: France was to be attacked from the sea and by land simultaneously. The country was to be starved into submission by means of a blockade. Part of the operation included inciting revolts in the Vendée, Toulon, and Lyons. The commander of the French northern army, Dumouriez, deserted on April 2, 1793 and went over to the British. This led to a complete disintegration of the French Army.

In that period, Carnot was elected to the Committee of Public Safety, the highest institution in France, where he was responsible for military planning and the movements of the armies. The French Army had been severely weakened by the desertion of over 6,000 noble officers. Nepotism and political factionalization prevailed. Carnot's major task was to combine the remainder of the army units with the newly recruited, but untrained masses (“*levée en masse*”) to form a capable force, and to reestablish the authority of the officer corps. Moreover, the entire army structure had to be changed. Carnot reduced the number of the armies from ten to six, and then to five. He introduced brigades and divisions and attempted thereby to improve the mobility of the formations. Another of his tasks was to promote “young talents,” such as Lazare Hosch, who was promoted to the rank of general at the age of 24.

Carnot was well aware that the employment of the most modern science and technologies would be decisive for victory. He was the first to implement a scientific-technological “crash program.” Scientists such as Berthollet, Chaptal, Monge, Prier, Guyton, de Morreau, Vandermonde, Foucoy, and Hasenfratz were brought in. Monge, for example, wrote a handbook on the production of cannon, and set up an immense cannon factory in Paris. Vandermonde was responsible for the mass production of bayonettes, Chaptal worked on the production of gunpowder and saltpeter. It did not take long before there were 258 forges in Paris, which produced over 1,000 cannon barrels per day, and the powder-works in Grenelle produced, with a newly developed procedure, 30,000 pounds of gunpowder daily. A census of all industrial labor in Paris was carried out, and many workers were pulled out of private industry and assigned to state production facilities. A research unit for balloon warfare was set up in Chateau Petit Meudon.

Of course, the Ecole Polytechnique, which Carnot established, was of the utmost importance, and its first head was Gaspard Monge, Carnot's former teacher and friend.

In September 1793, the allies (Austria, Prussia, and Britain) had advanced to Mauberge, the last fortification before Paris. If this fortification fell, Paris would have been opened up to an attack by the allies. Fortunately, the allies made a mistake. In a typically British manner, the Duke of York left the army under the command of General von Coburg, in order



On Aug. 4, 1889, General Carnot's body was returned to France for burial in the Panthéon in Paris.

to capture Dunkirk for the British Empire. On Sept. 6, he was defeated at Houchard and retreated to the north.

Carnot went to the front himself and devised a plan to attack Coburg's main forces at Wattignies. His plan was a double flanking attack. The left flank under General Fromentin was directed at Wattignies. The right flank under Duquesnoy and Carnot was to advance at the same time, while the center, under Ballard, Mortier, and Bernadotte, was to delay and hold the line. The attack on the right flank on Oct. 15 was a success, but the attack on the left flank broke down. In an evening evaluation discussion, everyone, with the exception of Carnot, demanded that the left flank be reinforced. Carnot rejected that idea and carried out a reinforced attack on the right flank the next day.

Carnot, as a member of the Committee of Public Safety, grabbed a rifle from a soldier who was standing nearby, and, in his civilian clothes, recognizable only by the large feather he wore in his hat, he himself led the attack at the head of his troops. General Gratien thought this attack was too daring, so Carnot ordered his arrest right there on the battlefield. The psychological effect of the attack was devastating. Coburg withdrew to the north the next day, and Paris was saved.

In 1794, Carnot developed a military plan for the liberation of France. With the victory of the French at Fleurus, the tide had turned. In the same year, James Monroe, who would later be the American President, came to Paris and became friends with Carnot.

In 1796, Carnot developed a second war-plan, whose chief thrust was against Britain. The core of the plan was the idea of a landing operation in Ireland. To this end, the Irish freedom fighter Wolf Tone came to France to work closely with Carnot. The commander of this operation was to be La-

zare Hosch. Unfortunately, Carnot received no support from his colleagues in the Directory, and because Napoleon acted on his own, in 1796, France shifted the thrust of its operations increasingly to the south.

The insanity of the Napoleonic era

In the beginning of 1797, Carnot was practically out of power, and on Sept. 4, 1794 the Fructidor coup took place, during which Carnot was forced to leave France as quickly as possible. Hosch died on Sept. 21, 1797, which cleared the way for the Napoleonic insanity of a new empire. With this strictly imperialistic thrust, the

last positive potentials of the French Revolution were destroyed. Carnot's flight, pursued by Fouché, led him through Switzerland and then into the vicinity of Augsburg, in Germany.

Carnot was able to return to France, with Napoleon's permission, in 1800. Napoleon had himself named First Consul in 1799. For six months, Carnot had the practically meaningless post of Minister of War. His main efforts were devoted to the support and development of new technologies. He promoted Robert Fulton's project, for example, to develop a submarine and a steamship, which then, indeed, sailed on the Seine in 1802. Later, in 1814-15, Fulton built the first steam-powered warship in the world, in the United States. In 1806, Alexander von Humboldt had settled in Paris and quickly became friends with Carnot, as the Prussian author von Dorow reports.

Carnot once more took up his studies of fortification, which resulted in his major work, *De la défense des places fortes* (The Defense of Fortified Places), published in 1808. This work was so important that Scharnhorst, with the help of Varnhagen van Ense, attempted to obtain a copy of it. He failed, but the Saxon officer Rüde von Liebenstein, had a German translation under the signature R.v.L., dedicated to the Prussian King. As thanks, the King took him into the Prussian Army as a colonel.

In February 1814, Carnot was promoted to lieutenant general and made commander of the fortress of Antwerp. Napoleon was quite amazed that Carnot was still a lieutenant colonel, because he had never given himself any promotions. That forced Napoleon to promote him from lieutenant colonel to lieutenant general in just one day. During Napoleon's 100 Days, Carnot became Minister of Interior again.

Post-Napoleonic France

After Napoleon was overthrown, Carnot nearly became the head of the provisional government, but that was sabotaged by Joseph Fouché. At that point, it became increasingly clear that there were but two scenarios for post-Napoleonic France. On the one hand, there was the British-Austrian plan to return the Bourbons to the throne — under British control, of course. On the other hand, there was the concept of a continental alliance of sovereign nation-states, with a constitutional reform, in which Prussia and France would be the bulwark against the resurgence of imperial ideas — and this plan was by no means a dead letter. The main representatives of this potential in Prussia were the so-called Reformers (Humboldt, Stein, and Hardenberg, to a certain degree, as well as leading personalities in the Prussian military such as Scharnhorst's student Boyen, and Grolmann and Gneisenau). The Prussians were basing their work on the promises for a constitution given by Frederick William III in 1813. These Prussians understood that their partner in France was Carnot, the friend of Alexander von Humboldt. Hardenberg wrote on July 3: "Wellington, Castlereagh and Pozzo di Borgo bring Louis XVIII to Paris — a major mistake." On July 15, Hardenberg, Stegman, Jordan, and Varnhagen travelled to Paris. The Prussians' role in the negotiations was an isolated one. Pozzo di Borgo wrote: "Prussia has posted itself at the head of a revolution. A military conspiracy has taken power there."

On July 24, a proscription list against the so-called "57 regicides" was published—the signer was the "regicide" Fouché. The "regicides" were those deputies who had voted for the execution of Louis XVI. The list was only a pretext to move against all of the remaining republican networks, especially Carnot. Varnhagen wrote, "The proscription lists make a very bad impression." Fouché took a perverse pleasure in handing the list over to Carnot personally. Carnot then asked him: "Where can I go now, traitor?" Fouché replied: "Wherever you want, idiot." For Carnot, as for Dante, treason was the worst of all crimes.

On Stein's initiative, Justus von Gruner was named police chief of Paris on Aug. 8, 1813. Von Gruner was one of the most remarkable personalities among the reformers, and he developed the Prussian counter-intelligence service from 1811 onward. Varnhagen wrote that he had been able to accomplish certain things "without commission" because of his connection with the Chancellor (Hardenberg). Gruner wrote to Hardenberg: "I have put Prussia on the path of winning over the entire constitutional party of France. If we fail at this, no one can foresee the consequences." Gruner, a secret service man, intercepted a memorandum of the leading royalist de Lièges, in which the royalists were warned against Hardenberg, Gneisenau, Humboldt, and Gruner. The Prussian Interior Minister, a leading agent of Metternich, stated the issue point-blank in a letter to von Bülow: "Carnot has been much favored by Gruner and his friends, and they have many ideas in common with this man."

A British officer summed up, that there was a peculiar phenomenon, that the political spirit of the Prussian Army was in harmony with the public opinion of the nation. Alexander I of Russia went so far as to assert that it might be necessary to come to the aid of the Prussian King against his own army.

Carnot in exile

On Sept. 9, 1815, the Holy Alliance was founded. That meant that the ideas of Wellington and Metternich had won out over the compromiser Frederick William III. It also meant that the situation in France became deadly for Carnot. He obtained a false passport under the name "Gerault" and 1,500 francs from Gruner, and he also obtained a Russian passport to go to St. Petersburg. On Oct. 12, Gruner was made a nobleman and was fired. On Oct. 17, Carnot crossed into Belgium as a merchant under the name of "Roxan." From there, he proceeded to Warsaw.

Alexander I had great interest in Carnot as a military expert, but far less interest in his political thinking. Carnot's position in Warsaw become increasingly difficult because his relationship to the brother of Alexander I, Grand Prince Constantin, who was the commander in Poland, had deteriorated. This was no secret to the Prussians, so they sent two emissaries to Warsaw to secretly negotiate for Carnot to come to Prussia. The negotiations were conducted by Julius Schmidt and the young officer Leibzius. Under the pretext that he wanted to take a vacation in Tepel, Carnot reached Breslau on Sept. 29, 1816, and then Berlin on Oct. 10.

There is a very interesting letter which Carnot wrote to Schmidt on July 4, 1816, stipulating his conditions for going to Prussia. He demanded a position as lieutenant general and specified that he never be required to fight against France.

Unfortunately, all of the Prussian Army files were burned during the bombing of Potsdam in April 1945, but it is known that, after Carnot's death, Government President Motz wrote a letter to Chateaubriand, mentioning that Carnot had drawn a salary of 1,200 thaler. That sum corresponds precisely to the annual income of a lieutenant general in the Prussian Army. In Berlin, there was a direct conflict between Minister of War Boyen and Interior Minister Wittgenstein, whom Boyen once called "prime minister behind the scenes." The idea of making Carnot the head of the department for fortifications or the head of an Ecole Polytechnique for Prussia, could not be fulfilled.

Carnot could not remain in Berlin under the pressure from Wittgenstein, so he decided to move to Magdeburg, arriving there on Nov. 3, 1816. Magdeburg was then one of the strongest Prussian fortifications, and from 1807-14 it had been the headquarters of the French Elb Department. Hardenberg wrote to the Government President von Bülow (an adversary of Carnot) that Carnot "was well educated and studied." In his first discussion with von Bülow, Carnot said, "The British have imposed an unworthy and hated tribe of regents [the

Bourbons] upon France.” And Wittgenstein wrote to Metternich that Hardenberg was not to be trusted.

Because the military files on Carnot were burned, the only extant reports are those of the police, filed under “State criminals, domestic and foreign.” One of these reports notes that Carnot, through one of his servants, had delivered a package of letters to the commandant of the fortification. This commandant was General von Horn, who established the direct connection between Carnot and Minister of War Boyen. At that time, 1817, French exiles still had hopes of exerting influence on Alexander I, because he saw the Bourbons as protégés of the British.

The two leaders of the so-called “Refugees,” Vielcatel and Chiarandia, visited Carnot in Magdeburg and proposed he act as emissary to the court of Alexander I. This plan had emerged with the obvious support of Hardenberg, but it could not be carried out.

Carnot’s role for the Prussian military was of the greatest importance. The chief of the Prussian fortifications, General von Aster, sent Colonel Le Bauld de Nans et Lagny as a liaison to Carnot. Lagny and Aster were responsible, for example, for the construction of the Ehrenbreistein fortress in 1817.

The other area in which the Prussian military were most interested was the establishment of an Ecole Polytechnique on the French model, for which Carnot wrote a memorandum, *Etablissement d’instruction professionnelle théorique et pratique pour les diverses carrières civiles et militaires* (Establishment of Professional Theoretical and Practical Training for Various Civilian and Military Careers).

Carnot’s younger son, Hippolyte, accompanied him to Magdeburg, where they both studied the German classics in German: Goethe, Schiller, Körner, Gleim, and Gellert. Carnot himself began to write poetry. He composed a version of “Don Quixote,” translated Schiller’s poem “The Glove,” and wrote a poem in praise of Theodor Körner. These poems were published in 1820 as *Opuscules poétiques* (Poetic Works) in Paris.

Carnot befriended many of the German scientists, such as Natasius, who built the first steam engine in Magdeburg in 1817. In addition to Colonel Le Bauld de Nans et Lagny, another Magdeburger was among his friends: the young Louis Gruson, who was almost the same age as Carnot’s son, Sadi. He was the son of a respected councilman, also a friend of Carnot. Louis Gruson’s son, Hermann, who contributed to the development of machinery factories in Magdeburg, recalled in his older years, that his father used to talk proudly about how the great Carnot had praised him when he was younger. On May 6, 1818, Carnot was an eyewitness when the first steamship arrived in Magdeburg from Hamburg.

Carnot was also closely acquainted with the chancellor of the University of Halle, Professor Niemeyer, who had a reputation in Halle and Magdeburg similar to that of Humboldt in Berlin. It was probably through Niemeyer that Carnot

came in contact with the pedagogue and theologian Heinrich Gottlob Zerenner. Zerenner was appointed Inspector of Schools in 1819 in Magdeburg. Carnot, as well as Zerenner, held to the principle of “mutual education,” that is, instruction of the younger students by the older ones. In 1815, as Napoleon’s Interior Minister, Carnot had proposed introducing “mutual education,” because, as his memorandum said, the purpose was to allow the “poorest classes” to share in the “benefits of education.” Carnot saw this method as a way “to turn the children into teachers among themselves for moral leadership as well as intellectual instruction.” In the same spirit, Zerenner wrote: “The reciprocal system of education is excellently suited to educate an entire school and even large numbers of children, and to purposefully promote the moral education of the youth.”

In nearby Haberstadt, two other “refugees” were living. One, Boulay de la Meurthe, was an important jurist who had participated in drafting the Napoleonic Code. His patron in Prussia was Counsel of State Staegemann, who had been commissioned by Hardenberg to prepare the Prussian constitution. The other exile was Jean Baptiste Bory de St. Vincent, who had made a name for himself as a geographer. He was also General of the Army under Marshal Nicolas Soult. Alexander von Humboldt had personally intervened to assure that Bory could come to Prussia. Through Boulay, Carnot’s became acquainted with the Cathedral Deacon Körte, one of the grand-nephews of the poet Gleim. Körte decided to write a biography of Carnot in 1829, which was a daring venture in the period of the Carlsbad Decrees. This biography was published, together with other unpublished poems of Carnot, by Brockhaus in Leipzig in 1820. As Varnhagen wrote, Körte was “cursed” because of this biography.

On March 23, 1819, the student Sand shot the playwright Kotzebue, which was later taken as the pretext for the Carlsbad Decrees. This, in turn, led to the “minister crisis” in Prussia, in the course of which all of the reformers lost their posts. Only Hardenberg remained in office, but he was largely demoralized and isolated.

As for Carnot, his health deteriorated. In 1820, he wrote: “Success is a perspective and hope leads us to the point from which we can be happy about it. Our worries come from our exaggerated ideas of happiness, which we seek beyond the measure which human nature permits.” His old friend Gaspard Monge, who was a broken man after his exclusion from the Academy (Carnot was also excluded), was impoverished and alone, and died in Paris on Aug. 28, 1818.

On Aug. 2, 1823 Carnot died in Magdeburg and was buried in the Protestant military cemetery. At the end of his life, this great scientist and republican had to watch as France degenerated to become a “lap dog” of the British Empire. Thus died the great Carnot as a Prussian lieutenant general, in Magdeburg, betrayed by his homeland. To remain true to his ideals and his homeland, he had no other choice but to end his life as a French patriot in Prussia.

Carnot's theory of technology: the basis for the science of physical economy

If you look at any physics textbook, you will find Sadi Carnot's laws on thermo-machines, but nothing on the work of his father, Lazare, who developed the same law for mechanics and also inspired the formulation of his son's famous law, to the extent that I will use here a formulation valid both for Sadi and Lazare. The reason for this underplaying of Lazare Carnot—and of Gottfried Leibniz as well—is mainly because the science they had improved upon, has de facto disappeared. The mechanics they developed, a conscious alternative to Newton's, was part of a broader science which we call physical economy. Although this concept was still explicitly used during Carnot's time, it then disappeared until, to my present knowledge, Lyndon LaRouche rediscovered and extended it.

This specific school of mechanics includes students of Carnot such as Sadi Carnot, J.V. Poncelet, C.L.M. Navier, G. de Coriolis, and Charles Dupin—to limit ourselves to the French side. By “physical economy,” we mean the study of the relationship between the existence of the human population and the optimal increase of physical free energy necessary for that existence. Mechanics becomes, then, the study of optimal conditions and the limits in obtaining such free energy from machines of all sorts, and the study of that process in relationship to more general laws of nature.

We start from the sacredness of our existence as human beings, from the necessary conditions to assure that, and we discover the laws of nature adequate and needed for it. We do not start from an abstract mathematical scheme of a universe in which we are not supposed to even exist. It is only in this framework, that one can understand the results and the intentions of Lazare Carnot's work and the reason why he linked it to Leibniz's and opposed it to Newton's.

Let me now give you a short scientific biography of Lazare Carnot.¹

Born in 1753, he received his early education at the Oratorian college in Autun, and he learned about Jean Bernoulli and Leibniz through Charles Bossut. In 1771, he entered the military-engineering school in Mézières, where he studied under Gaspard Monge, and graduated in 1773. In 1777, the

Academy of Sciences in Paris proposed a competition on “The Theory of Simple Machines with Regard to Friction.” Carnot entered an essay in 1778, and, because nobody won, he resubmitted it in 1780, when he received an honorable mention, after Charles Augustin Coulomb, who won. (This essay was where Coulomb developed his law which links friction to weight—although today we know that this law had been written down much earlier by Leonardo da Vinci.) Carnot, in 1783, revised his essay into his first publication, *Essai sur les machines en général* (Essay on Machines in General).

In 1784, there was another competition, in Dijon, in the presence of Prince Henry of Prussia, about the famous economist and military engineer Marshal Sébastien de Vauban, which gave Carnot the occasion to present his *Eloge de Vauban* (In Praise of Vauban). This time, he received first place. It is said that on this occasion, Prince Henry offered Lazare a job in the Prussian Army.

In 1784, Carnot wrote an unpublished *Lettre sur les Aérostats* (Letter on Aerostatic Balloons), following the flight of the Montgolfier brothers. Here, he proposed the use of a steam engine to steer aerostatic balloons, and added, “Take note . . . how many arms will be spared in manufacturing, when the mechanics of fire is better known.”

In 1785, he produced another document, this time for the Prussian Academy, printed in 1797 and translated into many languages: *Réflexions sur la métaphysique du calcul infinitésimal* (Reflections on the Metaphysics of the Infinitesimal Calculus).

In 1795, he founded the “Ecole Centrales des Travaux Publics” (Polytechnique).

After Carnot left active politics, he published another round of scientific works. In one group, he developed the geometry linked to the theory of machines, culminating in 1803 with the *Géométrie de position* (Geometry of Position, translated into German in 1810). Around this central piece he also published *De la corrélation des figures de géométries* (On the Correlation of Figures in Geometry, 1801), *Théorie des transversales* (Theory of Transversals, 1806), and others.

In 1803, he reprinted, with little modification, his 1783 essays, under the new title *Principes fondamentaux de l'équilibre et du mouvement* (Fundamental Principles of Equilibrium and Movement).

1. All biographical notes and quotations from Carnot and Laboulaye, unless otherwise specified, can be found in my article in *Nouvelle Solidarité*, July 2, 1981, reprinted in part in “Lazare Carnot's Grand Strategy for Political Victory,” *EIR*, Sept. 20, 1996.



Gottfried Leibniz. Carnot learned about Leibniz's ideas from Charles Bossut, and immediately used them to counter Newton's silly concept of a perpetual motion machine.

From 1800 to 1815, Carnot was a member of the National Institute of France, whose purpose was to promote and review inventions in the realm of technology. In this period he wrote many reports, of which we mention two that influenced Sadi Carnot²: *Rapport sur la machine pyr  lophore de J.N. Niepce* (Report on the Combustion Engine of J.N. Niepce, 1806), and *Sur la machine    feu de M. Cagnard* (On the Heat Engine of Mr. Cagnard, 1809).

In 1815, he went into exile, and died in 1823, in Magdeburg, Germany.

Carnot's scientific epistemology

On a famous portrait of Carnot, he himself inscribed four names around the border: Socrates, Archimedes, Cato, and Franklin. This list tells you more than 100 biographies about his ideals. We focus first on Benjamin Franklin.

Carnot's family was linked to Franklin, and this helps us simplify the political context of Carnot's work: the implementation of the "American System" in Europe. In a sense, this operation was politically a failure. The French Revolution, said Carnot, failed because it was largely led by an English

2. On the issue of Carnot at the Institute, see my article on "Lazare Carnot ou le savant-citoyen," in J.P. Charnay, *Colloque tenu en Sorbonne*, January 1988.

operation to put the Orl  ans family in power, so as to prevent French industrialization. We know, contrary to the myth that everything in the past must be better, that even at that time it was screamed: "The Republic needs no scientists!" Ecologism is obviously older than Germany's Green Party Foreign Minister Joschka Fisher!

That Franklin's American Revolution was not fully successful in Europe was explicitly stated by Carnot in 1802: "Only one republic has been the work of philosophy: the U.S.A. There, prosperity grows every day in leaps . . . to the admiration of all other nations." And in 1815: "When the Americans founded a town or even a village, their first concern was always to bring a teacher, plus the necessary machines. The students of Franklin and Washington knew that to meet human physical needs, one has to cultivate the human mind. We in Europe are leaving the largest part of our society in ignorance."

My point here is not to focus on the success or failure in Europe of Franklin's projects, but to locate Carnot's work in that context. As we know, the "American System" was actually based on Leibniz, and it had at its center the apparently very simple idea that human economy, unlike animal ecology, starts with, and is based on, the use of an *invented* machine. For example, to use a French version of this theory, we quote freely from C. Laboulaye, a follower of Carnot, and the translator of Franklin: "Man acts on nature not as the animals do, but by his intelligence. . . . His discoveries accumulate and are retransmitted to future generations. . . . Civilization could develop only among people able to produce surplus value. This means that there cannot exist a single law of nature which should not find its application in industry, and that there should be no useful industrial process not based on a law of nature."

The Americans were already applying it; the Europeans were trying and fighting for it. To us, what is relevant here is the fact that, at the core of Franklin and Carnot's ideas, ecology and machines are two quite different things. For that reason, a more precise calculation of such relationships was required, and Carnot contributed in part to this, by clarifying some crucial parameters in the study of machines. We look at this now.

1. The theory of 'the machine in general'

I will try now to briefly summarize Carnot's theory, as elaborated in his various writings.³

3. Other aspects of Carnot's scientific work are elaborated in:

Dino de Paoli, Jacques Cheminade, et al., *La science de l'  ducation r  publicaine—le secret de Monge et Carnot: Polytechnique et les arts et m  tiers* (Paris: Campaigner Publications, 1980).

Morris Levitt, "Lazare Carnot and the Leibnizian Machine," *Fusion*, December 1978.

C.C. Gillispie, *L. Carnot Savant* (Paris: Vrin, 1979). Here are reprinted the essays of 1778 and 1780.

I also used *Principes fondamentaux de l'  quilibre et du mouvement* (Paris: Imprim. Crapelet, an XI, 1803).

As we have seen, one of the names inscribed on Carnot's portrait was that of Archimedes, the originator of mechanics in Carnot's mind. (This is true enough, but Carnot did not forget Leonardo. Leonardo's manuscripts on mechanics were to be rediscovered some years later, by people around Carnot.)

Let us start by looking at what a machine is. For Carnot, a machine is any intermediate material body or system, serving to transmit and transform motion from a generic form of energy into useful work.⁴ Useful for whom? For our society, for us, living in this universe, and not in outer space. So, you see from the start, the implicit "subjectivity" of this kind of science.

Carnot immediately specifies that in this realm we are not interested in Newton's abstract "forces." We must instead use the alternative mechanics put in place by Leibniz and Bernoulli, and be concerned with real transformation in nature, involving matter and energy.⁵ The difference between Newtonian ideal mathematical systems, and real ones, can be grasped easily: In ideal cases, the same type of motion can go on forever, while in the Leibnizian cases, the fact of "doing work," imply considerations like "getting tired," or the "threshold of power" etc.⁶ We then have to give a great deal of consideration to friction in all of its aspects.⁷

Let me sum up Carnot's general conclusions, in a simple scheme and using my own symbols: Let X equal motive power, either natural (e.g., falling water, wind) or artificial (e.g., a steam engine). Let E_p equal the energy level of X. M = machine. W = useful work produced or social free energy. This parameter is crucial for us, because it defines the necessary, although not sufficient, minimum condition for the LaRouchian potential population density parameter. Q = waste caused by friction or fatigue. The general equation is given by the aggregate work consumed per unit hour by the machine (E_p), and the aggregate useful work produced per unit of time (W), plus the work lost due to friction (Q).⁸

The sources of quotes in the section on machines, will be specified in this way:

Memoir 1778: A plus paragraph number

Memoir 1780: B plus paragraph number

Memoir 1783: C plus paragraph number

Memoir 1803: D plus paragraph number

4. "Machines are very useful, not because they increase an effect of which powers are naturally capable, but in modifying this effect in the most advantageous way, according to the aim [of the machine]." (D, 266)

5. "The science of the universal machine and of any mechanics comes down to the following issue: Given a virtual motion of any system of bodies — that is, the one the body would have if free — find the real motion which will take place . . . [but] considering it as it exists in nature." (C, 10)

6. Carnot gives a concrete example. In an ideal machine, one man-hour plus another man-hour can have less net effect than two man-hours (two persons working together for one hour), because of the threshold effect. (B, 156)

7. "Friction and other resistances . . . can be regarded as active forces." (A, 50)

8. "Whatever the induced change, . . . the work consumed per unit of time is always equal to half the increase of the live force over the same time . . . minus half the quantity the live forces would have augmented over the same time, had the bodies moved freely over the path." (C, 293)



Benjamin Franklin outside his printing house and bookstore. Carnot, who knew Franklin, hoped to reproduce Franklin's American Revolution in France, complete with America's high level of literacy and love of scientific endeavor.

So, we can write: $E_p = W + Q$

All this led Carnot to the areas of potential and kinetic energy, of work and power, consumption and production, input and output relations, etc. He was really the first to use the equation of work, to measure what forces and powers do, or can do, and to be the unity in the equation of the conservation law. Carnot makes it clear that the relative values of W and Q depend on the geometrical construction, the constraints of the machine, and they can increase or decrease accordingly, in relation to the efficiency of the system. On the other side, the absolute values of W and Q are determined by the nature of X expressed in its potential (E_p). Carnot says that given the maximum ideal relationship defined by a pure transformation $E_p \rightarrow W$, assumed without a machine, then no machine could ever produce more W than the above. We will come back to this, but let us now specify some detail.

1.1. No perpetual motion

Leonardo, Leibniz, and Carnot all strongly attacked any idea of a *perpetuum mobile*: that is, a mechanical system

"The sum of the live forces after the shock . . . is equal to the sum of the live forces which would have been obtained if the bodies would have moved freely with a speed equal to the one they lost because of the shock." (D, 178)



Statue of Gaspard Monge in Beaune. The dedication to this colleague of Carnot's at the Ecole Polytechnique, reads: "To Gaspard Monge, His Students and His Fellow Citizens, 1849."

which could function permanently, conserving itself indefinitely. The reason for this emphasis will become clear if we use an image to represent Newtonian mechanics. Imagine a permanent lake, where the same water that exits (output) later re-enters the lake as input. This would be an ideal swimming pool for ecologists! No consumption of water and energy! But, they would be disappointed to realize that it is impossible to swim in such a lake. In an ideal mathematical system, there is no friction; nothing is lost, but also, no real work is possible.

Another example: It was realized that in a Newtonian ideal fluid, no bird could fly! But birds *do* fly, and they're not the only ones! So, the real world seems a bit different from the Newtonian one. In this context, you will fully realize the importance of Leonardo's work on vortices, i.e., friction.⁹

Leibniz had warned Newton: In our real world, he said, Newton's mechanical universe, faced with work, friction, and turbulence, would come to a halt. Carnot explains that this is true for *any* machine or mechanical system.¹⁰ Machines have

9. See my article on Leonardo's hydrodynamics in *Fusion*, January 1986.

10. "Assume no acting motive force. . . . The speed will constantly decrease and so one looks in vain for a machine which could perpetually maintain its motion. Moreover, friction increases when the relative speed decreases; and

no magic power, he said, and left to themselves would come to a standstill — and, Carnot could *calculate* the precise instant when this would happen.¹¹

Thus, in reality, the energy lost as a result of friction (Q) is not simply lost, but generates a non-linear effect on the system, de facto destroying it. If we think in terms of simple cycles, at each new cycle (for a fixed E_p), we will tend to *reduce* the free energy (W) and increase Q. This is the actual basis for the so-called "rate of diminishing return" in an economy.

1.2. Efficiency

If we were existentialists, we could stop here and just calculate the day of our funeral; but we are not, and for that reason, we have to add a few other things. To face the issue of conservation of real existence, as opposed to abstract entities, we have to face this paradox of the two sides of the same coin: work and fatigue.

This was actually the background of the fight of Leibniz against Descartes and Newton, which went under the general issue of what is it that really conserves the universe. We sidestep all the details and leap ahead to Carnot's conclusions.

Carnot was the first to generalize Leibniz's concept of the importance of the conservation of *vis viva*, or power to do work. But, he amplified it, made the concept of work more explicit, including, as we saw, the "work lost." All this, we summed up above with the equation $E_p = W + Q$, where we have to note that W is quantitatively smaller but qualitatively bigger than E_p , given that W can do a type of work for society which E_p cannot do. The ratio $W//E_p$ measures the rate of efficiency. One can increase or diminish it, according to the quality of a given machine.

This is the real function of machines, and Carnot specifies a series of conditions or constraints to get such maximum efficiency. This was obtained by using the appropriate geometric designs to minimize the lost work:

"To obtain the maximum effect one has to avoid any possible shock . . . discontinuous change . . . or any loss resulting from work uselessly absorbed" (D, 280). And he calculated it.

The reciprocal relationship of maximum-minimum is very clear from the above, and this we now have to expand a bit.

1.3. The maximum effect is also a minimum action.

Carnot says that before him, the principle of least path, or least action, had been used mostly for virtual or ideal cases. He transformed it for application to real situations, and he called it *geometric motion*. He gives illustrations, for example: An ideal least path is a line, but for a real string in our world, the least path is a curve in the form of a *chain* [the catenary — ed.]! So, the curvature is linked to the minimum

the rate of lost speed at each instant will be greater and greater, so that the motion will not only become slower, but will stop completely." (D, 281)

11. "Not only will any machine left to itself come to a stop, but I can calculate the precise instant when that will happen." (D, Introduction)

principle. For the sail of a ship, it is negative curvature which defines the best forms.

Geometric motions, although they have different definitions in Carnot's text, are generally those which do not modify the relative physical relationships among the elements of the system. That is, the relationships are kept constant when there is a minimal inner deformation, resulting from the absorption of work by the machine itself. These physical deformations are transformable in geometrical relationships as conservation of distances, metric, and curvature. As we shall see, Carnot indicates the need for a new science, better able to establish energy-work balances with geometry, and he points to topology, force-free fields, and reversible or irreversible transformations, which his son Sadi would in part develop.

Carnot, then, has linked the minimum path to the conservation of geometrical configurations and conservation of certain physical balances, which includes the lost work.¹² He has transformed the calculation of the maximum efficiency of a machine (maximum W), in a calculation of a geometrical minimal path and a minimal production of Q . Power has to be transmitted with minimal secondary effects. This was also his military conception.

We resume the work of Carnot, with a formulation that is also valid for his son:

"No engine can be more efficient than an ideal reversible engine [i.e., geometrical motion] working with the same energy potential [Ep]" (D, 257). For a given fixed energy potential, each machine has an inner relative upper limit, expressed as efficiency. This can be improved with new designs, but there is a more general limit given by the energy potential of the motive power itself, which no machine using that form of energy can overcome. This prevents any machine or mechanical system from being "non-entropic" or able to "create energy." We will come back to this.

2. The geometry behind it

Let me now quickly indicate what type of mathematics this mechanics requires. Like Kepler and Leibniz, Carnot starts, not from single particles and paths, but from the determination of the total configuration, or energy, of the system which defines the conditions or constraints for the paths or orbits, according to the principle of geometric motion seen above. This best path defines at the same time the issue of "conservation"; that is, what is relevant, and so has to be conserved, in the process. All this can be measured taking in consideration the "interval" or distances of the links between elements of the systems. The physical conservations are then translated into geometrical conservation in the form of metric (distances) and curvature (the form of the links). Carnot, treating universal machines, must use a

12. "Among all those possible, the real motion which will take place is the geometric motion where the lost work is a minimum." (D, 185)

very general set of links: rigid-linear, rigid-curved, flexible, and so on, thus arriving at issues of general curvature. At the same time, the geometrical motions are the ones which minimize the Q , that is the transfer of energy to the configuration of the machine. These are motions which are "reversible"; they do not produce or absorb energy, and can be considered "force free," which translates in geometry as geodesic paths.

All this needed a new geometry, and Carnot elaborated part of it in his various geometrical essays, summing it up best in his "Geometry of Position." We will not go into any details here, and in any case, the most interesting thing for us is in its introduction:

"Leibniz developed an analysis of situation [*Analysis Situs*—ed.], an idea which has not been really developed. . . . My work [on the geometry of position] is different, although analogous to Leibniz's idea. The geometry of situation treats of a class of questions which, although in the domain of geometry, seems not to be susceptible of algebraic analysis. . . . Motion and transpositions of the elements of the systems are an essential element of [the analysis of situation] . . . and so its relationship to mine is the same as that of motion to rest. Moreover, the analysis of situation is itself only a small part of a very important and much larger science, which has never been treated. This is, in general, the theory of motion, without taking into consideration the forces which produced and transmitted it, . . . [that is] of motions which I have called geometric motion . . . and whose theory is the passage between geometry and mechanics."

In other words, Carnot is saying that his geometry is a small part of Leibniz's project. Carl F. Gauss, who contacted Carnot on this issue, carried out the necessary elaboration, and Bernhard Riemann put it in the most general form. I have, in another location, given a summary of Leibniz's analysis of situation;¹³ From here, let us proceed to the conclusion.

3. Beyond the limit

Regarding the theory of the simple machine, there would be nothing further to add. We have the physics and we have the geometry. We came to the conclusion that for any given motive power, the production of free energy will reach a maximum level and then decrease, and with it the potential population density. There is no easy way out of this, no real conservation—not to mention that evolution (as opposed to gains), can take place only from recycling or reallocating the same type of energy. No magic new investment will come from just reducing savings. To quote Laboulaye again: "There are different ways to obtain gains which have a personal value, but a small real social value. If the producer decreases wages, he will produce at lower cost at the expense of workers. If he

13. See my article on Leibniz's *Analysis Situs* in *21st Century Science & Technology*, Fall 1997.

buys raw material at a stealing price . . . he gains, but for society the real increase of value is null. The transmission of wealth from one hand to another does not indicate any real creation of wealth.”

There is no perpetual mechanical system and no self-developing mechanical system. But, if birds, contrary to Newton’s law, *are* able to fly, real people also historically have shown the ability to constantly increase their population potential, and so the free energy available. Where, then, does that surplus of energy come from? We obviously have to introduce something else to Carnot’s conservation laws ($E_p = W + Q$), if we want to conserve our world. If a machine cannot increase E_p on its own, then man can do it. So, in the energy equation, we have to introduce something “as if from outside.” A process which must appear as *creation* of a new, higher form of E_p , and so of a higher quantity of free energy. But this “outside” event is not a result of Newton’s *deus ex machina*; it must happen from inside this world, and it has happened in this way. That is why Leibniz called ours, the best of all possible worlds. This, our geometrical world, Carnot would add. Social economy can conserve itself because it evolves, and that is possible because there are not only machines, but also real human beings who *invent* them, and who define new motive powers, or better, as Carnot says, who create them.

“It is always a precious thing the discovery of a *new* motive power in Nature . . . especially when used to help the action of man. . . . The ancients knew only a few of such motive powers: water, wind, animals, etc. . . . The mechanical theory came to help in the evaluation of their effects. . . . But . . . machines can only transmit energy; they cannot increase it. The key is [in] the motive powers. We have discovered new motive powers, or better *we have created* them, because although the elements are already pre-existing in nature, their low density makes them not useful to man. Only artificially do they acquire the quality of motive powers, as in steam engines, gunpowder.”¹⁴

For a given energy level E_p , we can obtain increases in efficiencies; The comparison and measure of such increases for different machines we call *the science of technology*. That is not enough to conserve and increase the population potential. We have to create new higher E_p , we have to discover new motive powers. Evolution is not given by generic investments, nor even by simple inventions, but only by inventions linked to the discovery of new laws of nature. As LaRouche says: “Real growth is evolution, not extension. It depends absolutely on considerations related to the role of science-driven effect expressed as axiomatically non-linear quality of technological changes.”¹⁵

14. See the references in footnotes 1 and 2, which are specifically dedicated to this.

15. LaRouche elaborates this in all his writings.

We have now, at the same time, a program and a measure for real economic growth. It is not investment in more efficient wind or water mills that will conserve our world, but, according to Carnot’s law, the discovery of higher motive powers. And he would add that “higher,” is something he could calculate. This is the science of physical economy, at its minimum. It defines the necessary, although not sufficient, condition for population potential growth.

Let us look at the last step.

Evolution is an output caused only by the human creative mind. But what is the input to the mind? What energy does the mind consume to generate ideas? Better food? Better infrastructure? Better education? Yes, all of that, but a bit more. Precisely “that bit more,” Carnot was trying to foster by creating specific political, economic, and educational institutions, modelled on those of the U.S.A. To create a culture where “all individuals of the human species could be elevated to the dignity of a human being.” The necessity of such institutions results from the paradoxical reformulation of Carnot’s law: Creativity cannot be created; it is a given and a gift. But, it can and must be cultivated, activated, put in the condition to produce and solve the real problems of human existence. And those conditions, “I could calculate,” Carnot would say. Creativity cannot be planned, but it can be constrained, says Carnot. Human beings can create only under conditions of freedom, but not the virtual, undifferentiated freedom of Newtonian space. Man is born free, but he must and can learn the “necessary condition” of existence. And those, but only those, “one could calculate.” This is the geometry of evolution. Carnot wrote, in his *Eloge de Vauban*:

“There is a geometry more subtle than that of Euclid. This [new] natural geometry is genius itself applied to the science of measure. . . . It is through such a natural geometry that man sees, although as in a fog, the results of a new hypothesis, before any calculation. This natural geometry creates, the other just cleans; without the first, the second is useless.”

In conclusion, Carnot would say, it is the moral concern to assure the necessary increase of the population potential (increase based on reasonable and calculable law of nature), that defines the real inner motive power of human creation. Carnot writes, again in the *Eloge de Vauban*:

“How rare it is that the wise man can enjoy the fruits of his labor! He is ahead of his century, and his language can only be heard by posterity; but that is enough to sustain him. . . . He is a friend of those yet to be born; he converses with them during his profound reflections. As citizen, he watches over the fatherland. . . . As philosopher, he has already overcome [all] barriers. . . ; he is a citizen of every land, a contemporary of all ages; he follows man . . . from the moment when, weak and alone, he was a plaything of the environment, up to the times when, reunited with all his fellow men in a unanimous concert of all the means allocated to his species, he commands the universe as a master.”

‘A citizen of all places, and a contemporary of all times’

Here is the speech of Jacques Cheminade to the panel on Lazare Carnot at the ICLC/Schiller Institute conference at Bad Schwalbach, Germany, on Nov. 21, 1998. Cheminade is the president of the Solidarity and Progress movement in France, and a longtime associate of Lyndon LaRouche.

There is no history but the history of ideas. To know the lives of great thinkers, is to relive those acts of discovery through which they have changed history. It is thus, says Lyndon LaRouche, that we come to know a great thinker whom we have never met, better than many members of our own family. When we hesitate before our responsibilities, or when we have to make a major decision, those great thinkers come to us as examples, not through fixed sets of instructions, but through their deeds, works, and acts of discovery.

Today, at this very moment, not only is the world financial system collapsing, but, because of its lust for usury and the political corruption of the population associated with it, that collapse is leading toward the self-destruction of world civilization as a whole. We are confronted by a system of beliefs and behaviors axiomatically opposed to the essence of human nature; hence, if we identify with what we see or feel around us, we necessarily become pessimists, and therefore accomplices of that collapse. The only possible way to intervene efficiently is from a higher level, breaking with the rules of the game, with a full commitment to change the very axioms, to correct and improve ideas respecting man’s relationship to the universe and the relations among men themselves. We are confronted with one of these crucial moments where history demands leadership, the intervention of men who are up to the challenge, “*hommes de caractère*”, men of character who catalyze social forces into action.

We are all here to become one of them, and that’s why we have to see through the mind’s eye of Carnot.

Lazare Carnot, the “Organizer of Victory” of the French Revolution armies against the coalition of monarchies invading France, and a great scientist—inspired by the method of Leibniz—stands beside us as a giant on whose shoulders we have to climb. He faced, like us, a terrible challenge and, climbing on the shoulders of his giant predecessors, changed the course of history.

The key point to understand first, is that his passion was to defend his nation and make of it a better republic, in a total war against oligarchism, a war of weapons, but, far beyond that, a war for the human mind. There was absolutely no contradiction between that republican passion for his nation, and the cause of civilization. For him, as it should be for all of us, the true interest of France as a republican nation-state, was to do good for the cause of civilization as a whole.

In doing so, one’s identity is that of a patriot and a world citizen, a citizen and a philosopher, working for our time, but also for the cause of those yet to be born.

This is the first and more fundamental of Carnot’s paradoxes: It is by becoming a father to generations to come that the cause of one’s nation and the cause of civilization as a whole become one. And this is the principle of “universal solidarity”—*solidarité universelle*.

In his “Eloge de Vauban” (Praise for Vauban) written in 1784, when he was about 31 years old, Carnot says of the late Marshal of France: “How rare it is for a wise man to reap the fruit of his works! He is ahead of his century, and his words can only be understood by posterity; but that is enough support for him; his imagination breaks through the shades of error; he is the friend of men yet to be born, he converses with them in his deepest research; as a citizen, he looks to his nation, his hopes are for it, he applauds its successes; he takes part in its triumphs; as philosopher, he has already crossed the boundaries separating empires. He has no enemies, he is a citizen of all places and contemporary of all times; he stays with man from his frail origin until his final perfection.”

We are poles apart both from the chauvinistic attachment to one’s fatherland—the romantic Bonapartism of “me against all”—and from one-worldism, today’s “globalization.” Both take man as an instrument, from the outside, for immediate purposes of domination, while Carnot, as a true contemporary of Schiller, whose works he had translated into French, is inspired by the future, by an horizon expanded to the common interest of mankind.

Speaking to the Academy of Arras on May 25, 1787, on the subject of habit, Carnot—paradoxically, again—defends “habit” as the means to attain wisdom. “There is only one true practicable morality, it is the one that teaches us to draw our



A statue of Maréchal de France Sébastien de Vauban (1603-1707) outside the Louvre in Paris. Vauban was famous for developing the defense of cities. Carnot, in his “Praise for Vauban,” referred to this patriot as a “citizen of all lands and contemporary of all times.”

particular interest from the common interest of mankind. . . . By the habit of serving the common interest of mankind, through the constant practice of virtue, the citizen arrives at a type of pleasure that only its very practice can give. . . . It is the only pleasure that, rather than becoming time-worn, has the unique advantage of increasing itself through its fulfillment. When you do the good, you always want to do more, you always know that there is much more to do and you can never be satiated.”

Remember what LaRouche and [Jonathan] Tennenbaum have been insisting, and what Gauss also said about a mind of a discoverer: It finds fulfillment, not by some external reward, or even by the solutions it discovers, but by the pleasure of seeking, of discovering, of becoming, for a moment, “a citizen of all places and a contemporary of all times.”

To the man for whom doing the Good is a habit, Carnot contrasts the courtier and his vanity, the sense of honor degenerated into vanity. For the courtier, he stresses, the future

cannot exist, because he is only concerned with his “self.” That sort of “honor,” says Carnot, is “the deceitful homage paid by a mob of slaves seeking their own interest,” and constitutes “the main agent for destroying all moral law.” There are a number of anecdotes about Carnot harshly mocking Napoleon on this issue: In June 1815, just after Napoleon’s defeat at Waterloo, Carnot, then Interior Minister, told Napoleon: “You would have been better off if you had remained First Consul. By becoming Emperor and creating a nobility, you got in with very bad company, and deserved your present fate.”

Carnot’s life is therefore entirely guided by an active principle of *agapē*: He was a great admirer of Christianity’s holy books and he had studied theology, but he always rejected exhibitionist devotions. At the end of his life, he writes: “The practice of religious devotion and prayers may be of useful help to correct one’s bad inclinations—but without good works, they are nothing but insults to God.” His definition of *agapē* is that, to do Good should become a “natural impulse of all instants,” because “man is born to work, and *otium*, idleness, is the source of all human degradation.” In his speech “On the Supreme Being,” on May 16, 1794, he elaborates on the same subject that Pope John Paul II recently developed in his most recent encyclical, *On Faith and Reason*. Carnot says: “A bit of philosophy, a famous man once said, leads to atheism; a lot of philosophy leads one back to the existence of the Divinity. Because a little bit of philosophy creates that pride that does not accept anything to be above itself, and much philosophy allows man to discover within himself his weaknesses and external miracles that he is forced to admire.”

‘The hard workers’

Now, at this point, I am sure that what comes to your minds, is the image of a man doing his thinking at some comfortable estate, honored and protected. Quite the opposite: His principles were fully defined for action. Carnot’s inner mandate was to serve the people in the midst of the most violent events. “It is not an easy task,” he once commented. “It demands courageous operatives; but let us pity those who are unable to love the people, despite their flaws, and to serve them despite their ingratitude.” He did not serve the people to be rewarded by their admiration; more than once he was slandered to such an extent that he said of himself: “I have met many men, who, after the picture painted of me by some newspapers, could not conceal their astonishment to see who I really was.” Sounds familiar, doesn’t it?

Let’s watch Carnot at work, in the very volcano of the French Revolution: There he is, the brain, organizer, and commander-in-chief of the republican armies of the Revolution, winning the greatest wars against a coalition of all of Europe’s kingdoms and nobility. It is under his unity of command, as [conference panelist] Andreas Ranke said, that, in the 17 months between August 1793 and January 1795, he obtained

victory. Mobilizing his mind, this relatively inexperienced artillery captain in his early 40s, defeated all of Europe, mobilizing generals who were themselves only in their 20s and 30s.

Scharnhorst, in his treatise “On the Successes of the French in Their Revolutionary Wars, and Notably in the 1794 Campaign,” minces no words regarding Carnot’s innovative unity of command as “that advantage of the whole which keeps all the mainsprings of the machine in a state of extreme tension.”

Think for a moment: Carnot is one of the twelve—and then basically nine—members of the Committee of Public Safety, exerting full power to save the French nation-state republic. France has been invaded from all sides: Alsace and the northern front are broken through; Spain threatens in the south; the west and the south of the country are agitated by monarchist insurrections supported by the British; Bordeaux, Caen, and then, Lyons, are in insurrection. The very fabric of the nation is collapsing. And Carnot, with a few men, takes over and snatches victory from the jaws of defeat. In 17 months, from Aug. 14, 1793 to January 1795, from Hond-schoote to Wattignies in the north, to the fall of Figueras, in Spain, the impossible was accomplished.

How? Through informed love for the people, and by addressing their minds. The secret of victory was to change the rules of the game: the administration, the army, the mobilization of men were as never before. There was no model to be sought in the past. Carnot knew that he was alone, exerting the sovereign power of a leader, alone with the wise men of the past and the interests of the people, present and future—alone at a turning point, with no example to copy, as we are today. Alone against the oligarchy of Europe, the “tyrants,” the “rapacious England,” as he wrote, “which owes its ephemeral power only to the disasters of the continent.” Alone among most of his own friends who were fearful or corrupt.

Within the Committee of Public Safety, you had the three organizers of the nation, who would soon be called by everyone “the hard workers”: Carnot, with full war and administrative powers; his ally Robert Lindet, in charge of supplies, transportation, and communications; and his friend Pierre Louis Prieur, in charge of all the rest, including setting up the Ecole Polytechnique.

But, otherwise, what an irrational bunch:

Georges Jacques Danton, a corrupt agent of British influence; Maximilien Robespierre, Georges Couthon, and Louis de Saint-Just, nicknamed “the heavy hands.” The Romantic, Jacobin, Roman triumvirate, full of hatred and pretense; and there were also the three babblers, only good for making reports and raising cash from foreign powers: Billaud-Varenne, Collot d’Herbois, and the arch-corrupt Barrère, probably the main British provocateur.

Then, you had the Hébertistes sans-culottes running amok in the streets of Paris, mobs roaming around the Convention (the assembly), the city rife with rumor, slander, and lies. The currency created by the Revolution, the assignat, had

collapsed into hyperinflation. (Goya’s painting of *Saturn Devouring His Children* makes a good metaphor for the French Revolution.)

The authority of Carnot was so great that he was never really challenged, except by Robespierre at the very end. Because he had understood that the war had to be won, in which you had first to fire all the old generals—at least all those who had not fled to the enemy’s side. Between 1791 and 1793, he fired 593 generals, who were replaced by sergeants. Why were the new generals obeyed by those who were their comrades just the day before? Because there was a general trust and enthusiasm in the nation, a unity of impulse, concentration of power, and rapidity of action. A centralized revolutionary agency worked for the safety of the nation.

Imagine the life of those men on the Committee of Public Safety during those years: 500 to 600 major decisions to make each day. They woke at 8, examined some documents, and held their first meeting at around 11; then a quick lunch, work at home or attendance at the Convention deliberations; the evening meetings began at 7 and lasted until 2 or 4 in the morning, with 12 commissions reporting every day.

How could Carnot and Prieur maintain their mental equilibrium? The secret was that Carnot wrote poems and Prieur set them to music. They were nothing great—good, but not great. They had no claim to be great artists, but to work, to look inside their own minds, as enlightened amateurs. Carnot himself says that mastering and educating the imagination is necessary to foster the courage to generate hypotheses.

It is through that unbroken connection to great artists—Dante, Cervantes, Schiller—that Carnot could continue to advance, making those *percées*, breakthroughs, a term that he created, which changed both science and the organization of society.

Interestingly, Robespierre was extremely jealous of him, and could not figure out how Carnot worked: He often came silently to inspect Carnot’s maps and notes, and would repeat, “I cannot understand how you go about it.” Carnot, whose favorite division in the army was the Cartography Department, one day smiled and responded, “projective geometry, and beyond that, a profound vision, stirred by the love of humanity.” Robespierre retorted, “But you are in charge of war, you command the 14 armies of the Republic.” “Precisely,” smiled Carnot. Robespierre went back to his friends and reported: “Either Carnot is deceitful, which I think not, or he is more insane than all of us.”

The mission orientation

Carnot’s method was to find people with the “capacity of command”—like Hoche, whom he called “my godsend”—to educate them by giving them responsibilities and elbow room to exercise it. “To impassion man is my task, he once said, only a great passion is the soul of a large whole.” Mission directives for the republican armies were “not for controlling purposes, not with precise instructions which lose all rele-



Carnot's deadly enemies on the Committee of Public Safety, Georges-Jacques Danton (left) and Maximilien Robespierre. The former was a British agent of influence. The latter was an aristocrat who practiced his caste's emotionless good manners, even while inundating France in its own blood.



vance by the time they reach the field, but to convey the passion of the Revolutionary Assembly to the soldiers in the battlefield.”

Levasseur, whom Carnot sent to put down a revolt in the northern army, asked, “Where are my instructions?” to which Carnot answered, “They are in your heart and in your mind, they cannot be put on a piece of paper. They will come to you naturally under the press of events. Go and remember your mission.”

Remember Wattignies: General Jordan, who was in command, disagreed with Carnot. He wanted to stick to the old rules, supporting forces where he was losing, on the left flank, to reestablish equilibrium. No, said Carnot. Throw away the classroom instructions; there is no such thing, in science or in battle, as “equilibrium.” The secret of victory is to foster the active principle—the dynamics defining an entirely new order. Attack *en masse* where you can win, on the right flank, because that is where you are least expected. The enemy general is, like you, “stuck to the old tactics.” He would never even conceive of our boldness, our insanity, according to the old order. Jordan, who was afraid to lose—and to lose his head, as was the bad habit of those times—said: “If we adopt the advice of the People’s Representative, I warn him: He should bear the responsibility for our fate.” Carnot answered, “I am, to be sure, in charge of everything, including carrying out the orders.”

The next day, Carnot and Duquesnoy marched at the head of the armies, carrying the hats of the People’s Representatives on the points of their swords. The battle was won. “Tradition, in those days,” Carnot reflects, “was our chief enemy;

the most audacious decision was the wisest, if supported by unity of impulse and of consciousness.”

The nation, and especially Paris, were reorganized to meet the needs of the war effort: Was saltpeter needed to produce gunpowder? A collection was organized throughout the nation: A special class was created to teach the unskilled how to produce powder; a song was composed to teach them how to extract it from their cellars; iron works and munitions workshops were built throughout Paris. Poor men were thus transformed into skilled workers, as all of Paris was put to work. “Don’t let the people be handed over to disorder, organize them, employ them,” urged Carnot.

‘A genius as daring as deep’

But even this does not adequately explain his unprecedented success: His approach to science corresponded to his method to mobilize the people: change, shifts, and a new geometrical ordering as a principle. This means the *levée en masse*, or mass mobilization: In February 1793 there were 204,000 men at the front; in May, 397,000; in December, 554,000; and in September 1794, 732,000. In addition to the *levée en masse*, Carnot would combine one professional battalion with two made up of volunteers.

There was also a *percée*, a breakthrough, arrived at by combining the massed attack of bayonet charges with concentration of fire power and extreme mobility of the artillery.

For that, they needed a light cannon, known as the “*cannon de Gribeauval*,” drawn swiftly by horses without becoming bogged down in the mud.

How was it possible? Thanks to projective geometry, Car-



One of the many committees that the Revolution churned out—this one is the Committee of Year Two. Within the Committee of Public Safety, Carnot and his allies had to outflank Roman triumvirate of Danton, Robespierre, and Couthon, in order to save the nation.

not generalized a method of teaching that had been a military secret up to the middle of the eighteenth century: the projection onto a two-dimensional space of a three-dimensional space, of a volume onto a flat plane. And how is this related to the solution of the problem of producing light cannon? Because projective geometry allows more precise calculations, while the advances in ironworking allowed them to produce lighter parts. Moreover, those parts could be assembled in different locations, creating a higher form of cooperative labor.

Here is what LaRouche calls the Machine-Tool Principle, applied to war. A paradox in science is solved by a discovery of principle, and from that discovery of principle, through experimental testing, a set of new, connected technologies is generated—machines to produce machines.

What was the secret? Well, it was precisely what Carnot had told Robespierre. In his *Eloge de Vauban*: He raises the need for both a higher form of geometry to make discoveries beyond the physical boundaries of the known (i.e., metaphysical), and for a geometry to carry out measurement:

“There is an exact, simple, luminous science, profound and sublime; it advances slowly, methodically, cautiously; it ensures the farmer’s harvest; guides the navigator through the ocean’s obstacles; weighs the heavenly bodies; calculates their distances; breaks down light, knows its speed: It is the

art of Euclid. But there is another, even more subtle geometry, whose principles lie, so to speak, within the sentiment. Daughter of imagination and not of hard study, for whom a refined judgment, a profound, deep look, a fortunate tact, act as numbers, rules, and compass; its operations are metaphysical; its results are obtained through rapid calculation that no outward signs can represent: it guides the ingenious artist who is often ignorant of the art of Euclid; it is the only light which remains to us when ordinary methods become too slow, the objects too many, and relations too complicated; it perceives intuitively; it demands a genius as daring as deep; more sharp than methodical, more vast than thought-through. Without this geometry, the other is but a useless instrument; it creates, while the other polishes; it is the mother of invention and the other is the mother of precision.”

From that higher standpoint, projective geometry, the projection of a three-dimensional space into a two-dimensional space, is a special case of natural geometry. Carnot’s approach is to free science from the burden of aprioristic, deductive forms of geometry. It establishes “change” as the subject of study, excluding all notions of extension, those naive notions of abstract space, time, and matter so popular with our reductionists.

This leads us directly into Riemann’s habilitation dissertation of 1854—but for this I leave you to LaRouche’s writ-

ings, including the recent “How France’s Greatest Military Hero Became a Prussian Lieutenant-General” [EIR, Oct. 2, 1998]. Attention is shifted away from the object as such, toward changes in position and dimensions.

In economics, this means that the primary expression of value is not the abstract accumulation of money or the concrete accumulation of objects (tons, bushels, or other units), but the change in the economic process. For the men and women participating in that process, it means that in place of repetitive labor at the cheapest price, the priority is given to increasing the productive powers of labor through generating scientific progress. This is—and I am sorry to sum it up so imperfectly—the beautiful coherence of Carnot’s thinking with LaRouche’s.

In his *Eloge de Vauban*, we again see the quality of Carnot’s leadership of the French armies:

“It is a natural geometry, a type of instinct very different from accepted geometry. Science does not provide genius, but natural geometry is genius itself applied to measuring magnitudes. The accepted geometry because of its very exactness, is forced to proceed with extreme slowness and is limited to very simple cases; the other proceeds promptly and is applicable to everything; it sees at a glance what disturbs the combinations, without seriously influencing the results, and it skillfully frees itself from an overly rigorous exactness to the advantage of speed: Through it mathematicians foresee the results of an hypothesis, even before analyzing them through exact calculation; it is also the geometry required by generals to instantly grasp the arrangement, the ordering, and the line of march of the troops.”

Again, remember Carnot’s answer to Robespierre.

Education at the Ecole Polytechnique

This was the very basis for the teaching at the Ecole Polytechnique. Classes on mathematics did not start with algebra or analysis, but with the study of the sketches and paintings of Leonardo—and through Francoeur, Cherubini, Vuillaume, and others—with the principles of Classical music composition. “Education of the heart,” said Carnot, “should precede that of reason and teach us to love and know the laws of creation and our fellow men.”

Remember, too: There is a coherence between their method of thinking and the social relations among thinkers—the principle of LaRouche is applied here, just as it was at the Polytechnique: “We are all friends.” Carnot called this the principle of mutual education. At the Polytechnique, a master class would be given by Monge, Legendre, or others, on a principle associated with a crucial experiment to be rediscovered or relived by the students. The students were divided into brigades of 20, with the more advanced students leading the brigade. The leader’s task was to convey his knowledge, his method, to the others—mutual education—and they would all return to present their findings to the professor. No one was left in ignorance.

What future for France, today?

I should go now into what LaRouche sees as the challenge for us Europeans—and in particular for us French—at a time when western Europe is collapsing, with France leading the pack. For better or worse, the French have a peculiar tendency to be in the vanguard. “Shame on France,” says LaRouche, “not to honor its true great men and the noble efforts associated with them.” Indeed, Carnot was rejected and had to go into exile in Magdeburg, in Germany. De Gaulle was ousted, in a referendum by a coalition of imbeciles. The great Jean Jaurès, the only person who, together with Rosa Luxemburg, fought to stop Europe’s descent into the butchery of World War I, was murdered. Giants run up against little people, and are only accepted, when the situation is perceived as being of extreme danger to all.

I want to conclude by saying a few words about that.

The great thinker is never offended when he is betrayed by the elites or by the people, nor does such betrayal put his life and his work into question.

In Carnot’s last poem, a few weeks before he died, after he had had to sell his beloved family estate of Presles, Carnot wrote:

“I give Thee thanks, Author of Nature
“For the serene days, given to me.”

Obviously this type of serenity does not come through leisure or possessions; its highest form is won through motion, the result of a life lived in accordance with the true humanity of man.

For the leader, for we who are committed to take the challenge of leadership, the challenge is of a different nature than most think: It is how to perfect people, how to protect the people not only from the oligarchy, but from themselves. Their minds cannot be spoon-fed with given knowledge, but their hearts can be inspired, so that they can trust their minds. This is the task that Carnot started, in the middle of the turbulence of his times: inspiring. This is what Schiller tells us to do.

The challenge requires two things.

First, to take one’s mind seriously, and to educate ourselves and our friends—a handful of people with passion for truth and justice and prepared to act. This means having *caractère*, as Carnot did. *Caractère* to face the challenge of the unknown, and to make the drive to know, to be at the frontiers of knowledge, the highest form of shared pleasure.

As as an organization, we are trying to accomplish this. Maybe with a shortcoming: The habit of loving mankind has not yet fully killed in us the habit of the courtier, or in today’s terms, the bureaucrat. To have an idea of what I mean by that, I strongly advise you to read a very bad book: *Il libro del cortigiano*, by Baltasar Castiglione. It is the book of recipes for the world of Venetian court life. It was published in Italy in 1528, after being approved by the Venetian censors. It was translated into French in 1538, and spread into England after 1561. This manual for the courtiers of the *ancien régime* was a bestseller in sixteenth- and seventeenth-century Europe. But

we can make use of this book to confront ourselves, and see what we have to eradicate in ourselves and in our culture. Castiglione defines man by his behavior and manners, his capacity to seduce women, and curry the favor of the prince. As the favorite book of kings and aristocrats, it presented the ideal of the man of leisure: gracefulness, charm, good taste, the “speech of the body.” All is tamed: body, language, and emotions; here we see the flaws of refined French culture, as well as of European culture in general.

In France, you can identify three forces, fiercely opposed to each other, but sharing the same courtier or bureaucratic worldview:

- the legitimists, landowner courtiers, with their Orléans financier-merchant appendages;
- the bonapartists or would-be Caesars, the financial and military courtiers;
- and the Jacobin existentialists and leftists, courtiers of the guillotine. Robespierre, the paranoid killer, the nobleman, with his perfumed wig and good manners. Maximilien de Robespierre, who never exhibited any emotion, the emotionless killer, the perfect courtier of death.

What is left of it today, is the bureaucracy of the caste. This culture of moral defeatism and impotence is a culture of death, of pessimism. “The world is evil, you have to succeed by any means, to save your skin in a hostile environment, where crushing the other guy is the court rule.”

To that, Carnot answers that the world we can build is good—and that “mutual education” should spread into every pore of culture: schools, theaters, concert halls, and, today, even to our TV sets. The culture of life, of hope—the true culture of the French nation-state and of the Renaissance—has to find fierce fighters among us. Carnot, LaRouche, Franklin—the modern man whom Carnot “most admired”—are exactly the opposite of the whining sycophant. They are men of principle, true republicans, never at rest, seeing no fear in the eyes of the others because they have taken full responsibility for them.

The second task is even more important than the first: It requires changing the relations of the elites to the people, by having the courage to enter into the mind of others and give them the means to change their way of thinking, in the way that Carnot was inspired by Leibniz. This demands compassion, passion for another, an opening to the infinite within the finite: Carnot speaks of the “*infini sensible*” and the “*infini absolu*”: the infinite of the infinite, the Absolute infinite, and the knowable infinite, as opposed to the Aristotelian notion of an indetermined, indefinite infinite—outside the realm of our knowledge. The moment of discovery, for Carnot, is a moment of beauty, a joy forever—a moment when all men can be brothers. The sharing of those moments is the very foundation for education.

Only one thing need be added: This type of creative relation between two minds requires a purification of all delusions on the common history of the world and respective nations:

There is no history but the history of ideas. We have to be honest with people on that. For example, any European who refuses to admit that World War I was an awful butchery organized under British imperial influence, is deceiving people, and cannot claim to be defending the cause of truth.

The unacknowledged legislators are the poets and the children; it is from them that we have to learn.

Let me tell an anecdote from Carnot’s childhood. When he was 10, his mother took him to see a play about a besieged city: A general appeared on stage, whose artillery was exposed to the enemy. Young Carnot leaped out of his seat and shouted out: “Watch it! You are going to let your men be killed and your cannons destroyed. Move to the left. Hide behind that rock. Open a breach on the right and bring your infantry through there.”

Young Carnot cared for others and had a sense of mission. Let us, today in France, today in Europe, be loyal to that legacy. Let us, just as he did as a child in that theater, break with the rules of the game when the lives of human beings are at stake.

Carnot’s grave in Magdeburg had only one word written on it: “Carnot.” I am committed that that name be rekindled as a beacon of hope for all of Europe, once again rescuing our continent from its present self-degradation, just as Carnot brought victory out of the depths of defeat.

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Senate impeachment trial: a 'bipartisan' coup d'état

by Edward Spannaus

President Clinton is facing a treasonous, bi-partisan effort to blackmail him to “cut a deal” and accept censure by the Senate, or face possible conviction in a rigged Senate trial—and then, further, to face indictment by Kenneth Starr as soon as he leaves office. Despite the lulling reports in the news media, there is no reason at this point to believe that the Senate proceeding will be any less of a Kangaroo Court than the just-completed farce in the House of Representatives.

The pressure for a “censure” deal in the Senate, which is intended to force the weakened President into a power-sharing “co-Presidency” arrangement with Vice President Al Gore, is coming from traitorous Senate Democrats as well as Confederate-loving Republicans. Shamefully, no more than one or two Democratic Senators have publicly opposed a deal involving censure.

During the House impeachment hearings, many Democratic members of Congress publicly labelled the proceedings as a “coup d'état.” (A number of Republicans countered that it was not a “coup,” because another nominal Democrat, Al Gore, would replace Clinton if the President were removed from office!) However, in the Senate, no one has stepped forward to tell the truth about what the impeachment actually represents, and the Democratic Party apparatus is more concerned about raising money for the next round of elections, than defending the President from this treasonous and unconstitutional effort to drive him from office.

At this point, the only alternative the White House has is to go for a full-scale trial, in which Starr and the “Get Clinton” apparatus behind him are effectively put in the dock, tried, and convicted of conducting an illegal and unconstitutional attempt to overthrow the U.S. government.

The ‘censure’ trap

What is shaping up, in the period leading into the opening of the 106th Congress on Jan. 6, is the following, as *EIR* has put the picture together.

The President is being offered a “global settlement”—worked out between the Senate Republicans and independent counsel Starr, with the complicity of Senate Democrats—which would involve a quick “trial” lasting no more than two weeks, and perhaps only one week. Senate Majority Leader Trent Lott would then proceed to a vote, either a vote on the Articles of Impeachment, or a “straw vote” as to whether to proceed further. Following this, a censure motion would be presented and voted upon, which the President would have to accept.

Amidst this maneuvering, *both* the Senate Democratic and Republican caucuses are urging the President to postpone the State of the Union address, scheduled for Jan. 19, until after Jan. 22.

What the news media are not reporting, is the secret clause of the deal. If the President doesn't agree to a censure with an admission of wrong-doing, he is being told that both he and First Lady Hillary Clinton will be indicted by Starr after Clinton leaves office. And, he is further being threatened that, if he goes for a protracted trial, he is likely to also be convicted and removed from office by an “unpredictable” Senate—which could prove true, if the White House sticks to the rigged rules of the game.

Of course, what the President is *not* being told, is that if he were to capitulate to the blackmail, admit to the charges and accept censure, there would be no relief from the demand that he be removed from office. “The President admitted he committed perjury!” the Republicans would scream. “How

can we have a confessed felon and perjurer in the White House?”

Not to mention the new charges that would likely be thrown at him. For, as we showed in *EIR*'s last issue, the drive to impeach President Clinton and expel him from office has nothing to do with Monica Lewinsky or any of the specific offenses of which he has been accused. The Anglo-American financial oligarchs have been committed to bringing Clinton down since the day he took office—and Kenneth Starr and his friends in the “Get Clinton” salon have sought one pretext after another to carry this out. And it is guaranteed that the demands for the President to resign, or to yield power to Vice President Gore in a “co-Presidency” arrangement, will only intensify, should the White House make any concession to the coup d'état cabalists.

Reading from Starr's script

Although the White House and many Congressional Democrats were in a fighting mood at the time of the Dec. 19 impeachment vote in the House, much of that combativeness appeared to have evaporated over Christmas week. And, during the weekend after Christmas, the news media and the Sunday talk shows kept up a steady drum-beat for the President to forego a long trial and cut a deal. The Dec. 28 *Washington Post* sent the message loud and clear in its lead headline proclaiming: “Senators Envision Swift Clinton Trial: Need to Call Witnesses Is Discounted.” The *Post* article cited statements by Senators Orrin Hatch, Tom Daschle, and others, saying that there is no need for a long trial, or to call any witnesses.

The insane argument being put forward was that the President should simply accept the “evidence” submitted by Kenneth Starr—even though that “evidence” would be subject to challenge in any court in the land. Much of it was gathered illegally and in derogation of the constitutional rights of the parties involved—for example, the illegal Linda Tripp tapes, or the entrapment and bullying of Monica Lewinsky by Starr's thugs. And then there is the illegal collusion between Starr's office and Paula Jones's lawyers, designed to set up a perjury trap for the President in the Paula Jones case deposition.

In any normal criminal proceeding in a relatively honest court, a defendant can move to suppress illegally gathered evidence, and he can seek complete dismissal of the charges because of prosecutorial abuse and misconduct, or on grounds of selective and vindictive prosecution. There have been many cases (including the first, failed prosecution of Lyndon H. LaRouche, Jr. and his associates in Boston 1987-88), in which the prosecutors have been put on the witness stand and grilled over misconduct and prosecutorial abuses. Why should the President of the United States have fewer rights than any other person accused of a criminal offense?

Furthermore, most of Starr's “evidence” that the Senate wants to use, consists of grand jury testimony that was never subject to challenge or cross-examination. This is never ad-

missible as primary evidence in a criminal trial—yet the President and the White House are being told that they should simply “stipulate” to the accuracy of Starr's transcripts.

As Tom Daschle, the Senate Democratic leader, said on NBC television on Dec. 27: “We already know the facts. They've probably been reported and analyzed and debated, considered as much as perhaps anything in history.” Likewise, another Democratic Senator, John Breaux of Louisiana, argued against the need for a long trial, during a CBS appearance on Dec. 27, asserting that “the American people and the Congress already know what happened, when it happened, how it happened.”

The “facts,” of course, are Kenneth Starr's facts. It is as if a criminal trial would be limited to the prosecutor's opening and closing statements, without any burden of proof or rules as to admissibility of evidence.

Sen. Orrin Hatch, the chairman of the Senate Judiciary Committee, is claiming that there is no need for a long trial, or to call a lot of witnesses, with the not-so-subtle warning: “I'll tell you, things do change. Sometimes things go from bad to worse, and if they do, nobody knows how this is going to come out at this point.”

Secret FBI files

Indicative of the corrupt nature of the proceedings is the matter of the so-called “secret evidence” which is in the possession of the House Judiciary Committee. On Dec. 19, the day of the impeachment vote in the House, it was reported that Republican members of the Judiciary Committee had urged their GOP colleagues to inspect sealed documents—apparently consisting largely of unverified FBI reports—which were not part of the Starr documents made public. Some of the documents reportedly related to a witness in the Paula Jones case who claimed she had been sexually assaulted by Clinton in the late 1970s. A number of Republican Congressmen said that a look at the FBI reports convinced them to vote for impeachment.

On Dec. 23, House majority whip Tom DeLay said publicly that there are “reams of evidence” which have not been made public and which are available only to Congress. DeLay said that before Senators try to cut a deal with the White House, they should spend plenty of time in the Judiciary Committee's evidence room. “If this were to happen,” DeLay said, “you may realize that 67 votes may materialize out of thin air.”

After the meeting of the House “managers” (the team which will prosecute the case in the Senate trial) on Dec. 29, some of the managers and their spokesman also left open the possibility that the “secret evidence” could be introduced into the Senate proceedings. This is only further proof of the rigged and corrupt nature of the Senate proceedings—and why the only course at this point is an all-out offense, by the White House, and the American people, to tell the truth and to put an end to this travesty.

The threat of nuclear war

Anyone who believes that the U.S. and British bombing attacks against Iraq last month had little strategic repercussion, had better wake up. As the result of President Clinton allowing himself to be bamboozled, by Vice President Al Gore and Prime Minister Tony Blair, into that disastrous and senseless action, the planet is suddenly faced, once again, with a growing danger of nuclear confrontation.

The immediate trigger for such a horrific event is the still unsettled situation in the Middle East, but the added strategic dimension, fostered by the bombing of Iraq, is the danger that Russia, still one of the world's largest nuclear weapons arsenals, could move into a confrontational mode with the West.

Reports from visitors to Moscow, and from *EIR*'s own correspondents in various parts of Russia, indicate that the anti-American and anti-Western resentment is bubbling out of control. It is no secret that many in Russia hold the United States directly accountable for the International Monetary Fund (IMF) policies that have driven the Russian economy into the ground over the past eight years, since the fall of the Soviet Union. Regardless of whether this view is fully justified or not, it is becoming an increasingly important "fact on the ground."

During the week of Dec. 21, the Russian Defense Ministry made a great public fanfare out of its deployment of a new generation of intercontinental ballistic missiles, replacing part of their aging arsenal. The aggressive tone of Russia's display of its nuclear prowess would not have occurred prior to the Iraq fiasco. Given the collapse of the Russian economy, which has decimated the Russian Army, Moscow increasingly will see its strategic nuclear arsenal as its defense-of-last-resort — unless there is a radical change in the global political landscape.

The growing perception in Moscow, in Beijing, and in most capitals of the Arab world, is that the Thatcher-Bush era push for a world government centered in the United Nations Security Council's permanent five members, has been superseded by a new, aggressive Anglo-American unilateralism, unleashed in Operation

Desert Fox. President Clinton must take dramatic steps to *undo* the massive damage already done.

In the Middle East, the cockpit for any nuclear confrontation, the British and their Likud Party assets in Israel are running amok. Note that it was Benjamin Netanyahu who endorsed the fall of his own government and the calling of new elections. Those elections are now set for May 17 — two weeks *after* the deadline for completing the Oslo final status negotiations, and after the date that Palestinian Authority President Yasser Arafat had set for declaring an independent Palestinian state, should the negotiations fail. The ingredients are present for a new outbreak of violent confrontation between Palestinians and Israelis in the beginning of May. Both Netanyahu and his chief thug, Ariel Sharon, are more than capable of provoking such bloodshed, and exploit it for their electoral advantage.

Under any circumstances, it is likely that the first round of Israeli elections will not be decisive, and a runoff will occur on June 1. This means a six-month period, from now to the beginning of June, in which there are no checks on the Netanyahu-Sharon berserkers. They have already stated that Israel will use nuclear weapons against Iraq, should there be any hint of Iraqi biological or chemical weapons attacks against Israel. Britain, too, announced that it was prepared to use nuclear weapons against Iraq, in the event of an attack on Israel.

This group of British-Israelite fanatics has got to be caged. Lyndon LaRouche has called upon President Clinton to announce that all aid to Israel be cut off, until Netanyahu complies fully with the Wye Plantation Accords, which he personally signed just a few months ago. This kind of no-holds-barred action would not only go a long way toward curbing the British and Israeli crazies; it would also signal Moscow, Beijing, and other world capitals that President Clinton — not Al Gore — is back in the driver's seat in Washington, and the policy direction best expressed in the past 14 months' efforts at forging a U.S.-Chinese strategic partnership for the 21st century have not been squandered.

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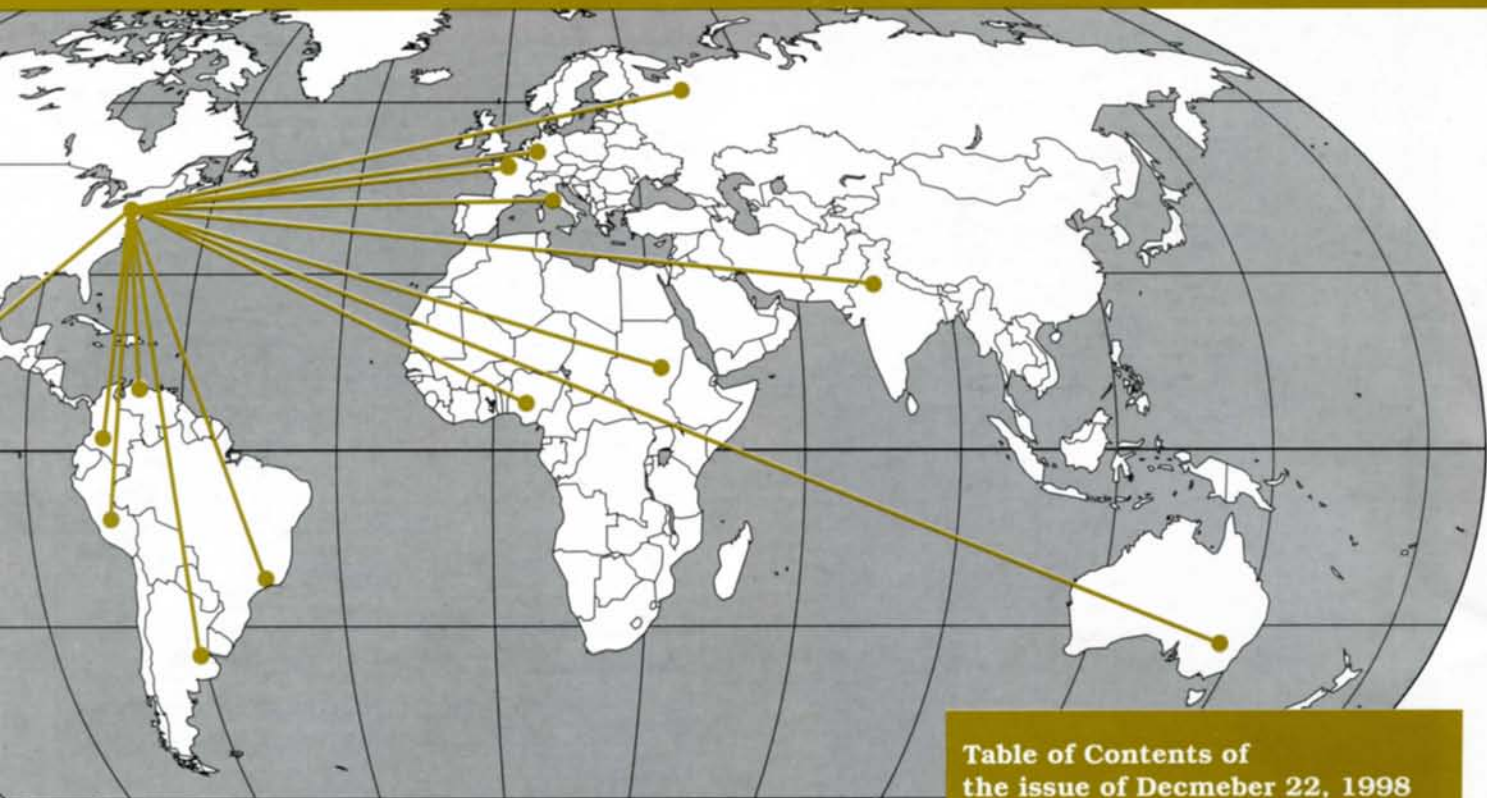
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