

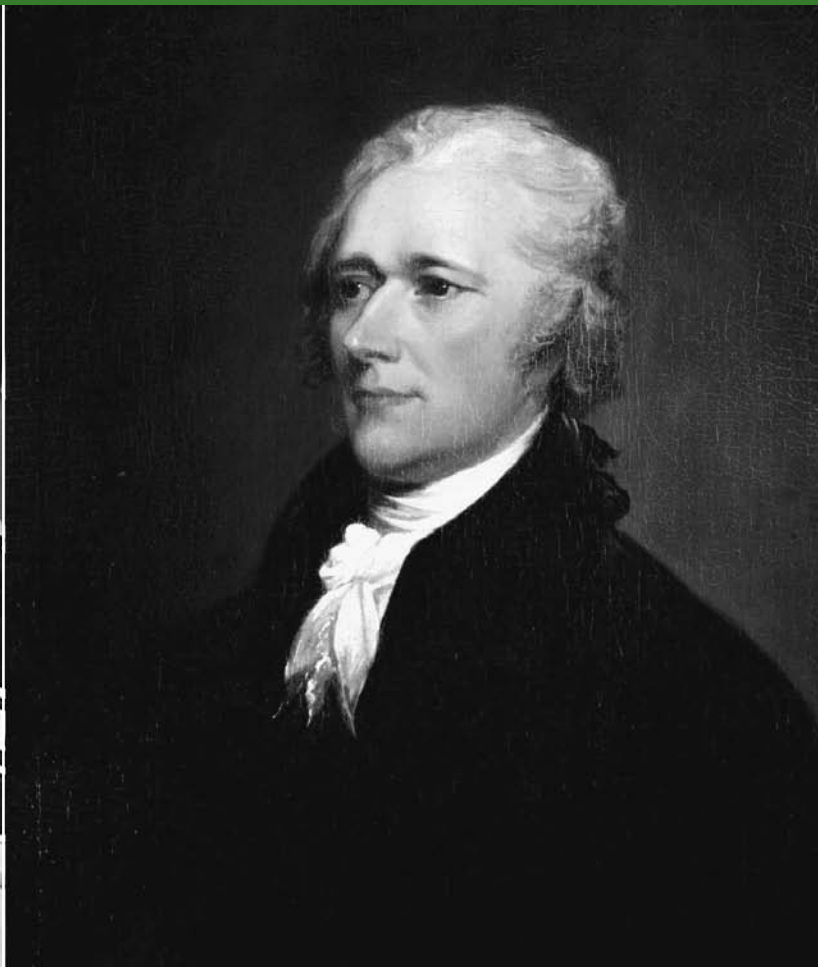
EIR

Executive Intelligence Review

August 15, 2008 Vol. 35 No. 32 www.larouchepub.com \$10.00

British, EU Target Russia With War in the Caucasus
To Triple Food Production, Develop High-Speed Rail
We Need a Doctor, Not That Undertaker

LaRouche Examines 'Why Paulson Blundered'



ΔYNAMIS

THE JOURNAL OF THE LAROUCHE-RIEMANN METHOD OF PHYSICAL ECONOMICS

APRIL 2008 ISSUE

On the Noetic Principle:

VERNADSKY & DIRICHLET'S PRINCIPLE

by Lyndon H. LaRouche, Jr.

THE MAGNIFICENCE BEHIND THE SPHERE

An Initial Treatment of the Pentagramma Mirificum

by Ben Deniston

SPHAERICS vs. "THE BUBBLE"

by Meghan Rouillard

SPHERICAL TRIGONOMETRY

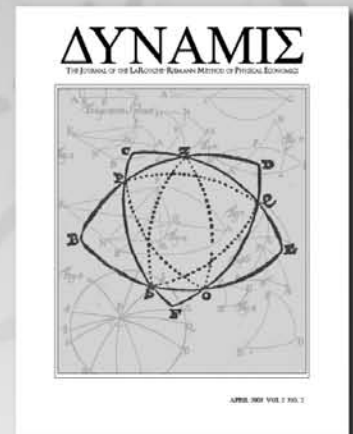
*A selection from the *Anfangsgründe**

by Abraham Gotthelf Kästner

Contributions to

THE THEORY OF ALGEBRAIC EQUATIONS

by Carl Friedrich Gauss



THE LAROUCHE YOUTH MOVEMENT:
REBUILDING SCIENCE, WITHOUT THE HIGH PRIESTS.

DOWNLOAD IN PDF FORMAT at **WWW.WLYM.COM**

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: *Lyndon H. LaRouche, Jr., Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, William Wertz*

Editor: *Nancy Spannaus*

Managing Editor: *Susan Welsh*

Assistant Managing Editor: *Bonnie James*

Science Editor: *Marjorie Mazel Hecht*

Technology Editor: *Marsha Freeman*

Book Editor: *Katherine Notley*

Photo Editor: *Stuart Lewis*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS

Counterintelligence: *Jeffrey Steinberg, Michele Steinberg*

Economics: *Marcia Merry Baker, Paul Gallagher*

History: *Anton Chaitkin*

Ibero-America: *Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

Rachel Douglas

United States: *Debra Freeman*

INTERNATIONAL BUREAUS

Bogotá: *Javier Almaro*

Berlin: *Rainer Apel*

Copenhagen: *Tom Gillesberg*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Robert Barwick*

Mexico City: *Rubén Cota Meza*

New Delhi: *Ramtanu Maitra*

Paris: *Christine Bierre*

United Nations, N.Y.C.: *Leni Rubinstein*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

ON THE WEB

e-mail: eirms@larouchepub.com

www.larouchepub.com

www.larouchepub.com/eiw

Webmaster: *John Sigerson*

Assistant Webmaster: *George Hollis*

EIR (ISSN 0273-6314) is published weekly (50 issues), by EIR News Service, Inc., 729 15th St. N.W., Washington, D.C. 20005. (703) 777-9451

European Headquarters: E.I.R. GmbH, Postfach 1611, D-65006 Wiesbaden, Germany; Bahnstrasse 9a, D-65205, Wiesbaden, Germany Tel: 49-611-73650

Homepage: <http://www.eirna.com>

e-mail: eirna@eirna.com

Director: Georg Neudekker

Montreal, Canada: 514-855-1699

Denmark: EIR - Danmark, Sankt Knuds Vej 11, basement left, DK-1903 Frederiksberg, Denmark. Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail: eirdk@hotmail.com.

Mexico: EIR, Manual Ma. Contreras #100, Despacho 8, Col. San Rafael, CP 06470, Mexico, DF. Tel.: 2453-2852, 2453-2853.

Copyright: ©2008 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited.

Canada Post Publication Sales Agreement #40683579

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

EIR

From the Assistant Managing Editor

“Nixon Pulls the Plug!” was the front-page headline on the LaRouche movement’s newspaper announcing the Aug. 15, 1971 decoupling of the U.S. dollar from the gold reserve standard. As Lyndon LaRouche had uniquely forecast, the Wall Street-run Nixon Administration would, by the logic of its monetarist ideology, be forced to end the post-war Bretton Woods system, established by President Franklin Roosevelt, which had sustained the economic power of the United States for three decades. Immediately following these events, LaRouche warned that the London and Wall Street financiers would move to impose fascist austerity and war, to prop up their dying system.

As this issue of EIR, dated Aug. 15, goes to press, we see LaRouche’s terrible warnings borne out, as we face today, an even greater danger of war and fascism. LaRouche has taken up his pen once again, in “Why Paulson Blundered,” to call upon those sane, if incompetent forces, within leading institutions, to join in creating a New Bretton Woods, *without further delay.*

Do you think we exaggerate? Read Helga Zepp-LaRouche’s strategic report on what is behind the outbreak of conflict in the Caucasus, as British assets attempt to provoke an all-out war with Russia; read what our German correspondent Elke Fimmen writes about the British Empire’s renewed efforts to trigger a new war in the Balkans, aimed also at the much bigger target of Russia; China and India too are in the British crosshairs, as Ramtanu Maitra reveals in his exposé of the British/Saudi-run terrorist operations in Pakistan and Afghanistan.

Why now? LaRouche has called for a partnership among the United States, Russia, China, and India, to create a new *humane* international financial system, based on the principles of FDR’s Bretton Woods. Moves in that direction have already been taken by the latter three powers, and there are those in the U.S. as well, who have been paying close attention to LaRouche’s words. But, the British will have none of it—if they are allowed to prevail.

What becomes possible if we determine to bury the corpse of the already dead British system is presented by Dennis Small et al. in our special package on Ibero-America: “How To Triple Food Production by Developing High-Speed Rail.”

The choice is yours.



Cover This Week

Treasury Secretary Henry Paulson needs to learn some lessons from his predecessor Alexander Hamilton.



4 Why Paulson Blundered

By Lyndon H. LaRouche, Jr. Henry Paulson is not an economist, but just a gambler, so he just doesn't understand that his beliefs are unlawful under the specifications of the original intention of the U.S. Federal Constitution. He and his colleagues are not actually competent specialists in the field of national economy as such, and without the required competence, the United States will become a mere British colony, of the type which is known to all competent economists as a "free trade "system."

LaRouche calls for a two-tier credit system, similar to that enacted by President Franklin D. Roosevelt, under similar conditions of danger to the nation.

5 Editorial Statement: We Need a Doctor, Not That Undertaker

By Lyndon H. LaRouche, Jr.

13 LaRouche: The Fed Must Raise Interest Rates Now!

A national emergency statement dated Aug. 6.

Strategic Studies

14 In the Face of Global Collapse: British, EU Target Russia with Shooting War in the Caucasus

Helga Zepp-LaRouche writes that City of London and allied forces are fueling the blowup of regional conflicts. The Georgia-Ossetia crisis is only the latest conflict which follows from the recognition last February of the independence of Kosovo by the European Union. The Western nations can either treat each country as an antagonist, "or, they can heed the proposal which LaRouche has been making for some time, that a new international financial and economic order, in the tradition of Roosevelt and his New Deal, and Bretton Woods, be put onto the agenda."

18 The Shadows of 1914: Holbrooke, Karadzic, and British Geopolitics

22 Chronology—1989-2008: British Moves Against U.S.-Russia Cooperation

International

26 Ibero-America: How To Triple Food Production by Developing High-Speed Rail

The real story behind the freeing of 15 hostages in Colombia is that 1) this success was buttressed by cooperation from U.S. and French institutional forces, and 2) the launching of cooperative ventures by Venezuela and Colombia to build railroad corridors between the two countries in order to promote their joint economic development, with the intention of extending that development across all of South America.

32 Venezuela Completes Yacambú-Quíbor Water Transfer Tunnel

33 Reaping the Food Potential of the Colombia-Venezuela Plains

35 Bring the Trains Back to Colombia!

37 Adopt Lilienthal's Infrastructure Plan!

38 British Empire's 'Young Turks' Attack Turkey

40 London's 'Young Turks': Jabotinsky and Parvus

42 Dangerous Saudi Input into Afghan Bloodshed

45 International Intelligence

National

46 Billionaire's Movie 'IOUSA': You Must Die So I Can Collect

Peter G. Peterson, one of the vultures who played a role, during the Nixon Administration, in wrecking the Bretton Woods system, is now proposing killer cutbacks in health care and pensions for the lower ranks of society, to bail out himself and like-minded financiers who are now threatened by the collapse which they themselves brought about.

48 Schwarzenegger's Budget Plan: 'Starve the Beast' Kills Californians

51 National News

EIR Seminar

52 Zepp-LaRouche: Last Chance for a New Bretton Woods

In her presentation to an *EIR* seminar in Wiesbaden, Germany, Helga Zepp-LaRouche declared that after the collapse of the housing and mortgage bubble, speculators moved into food, biofuel, and oil speculation, creating another bubble, which will also collapse. She said that only Lyndon LaRouche's three-point emergency solution to replace the bankrupt system can succeed. She reiterated her call to double world production to deal with the crisis created by the food speculators.

62 LaRouche: The U.S.A. Must Take the Lead

Lyndon LaRouche, in a telephone address to the Wiesbaden seminar, underlined that the United States is looking at a situation like the Autumn of 1923 in Germany, when hyperinflation broke out. We are "at a point of a general breakdown crisis," he said. In the question period, he said that no part of the world can survive without "a new international monetary-financial system."

Editorial

72 George Soros and London's World War III

Why Paulson Blundered

by Lyndon H. LaRouche, Jr.

August 8, 2008

Let us be very fair about U.S. Treasury Secretary Paulson. His chief fault is that he was virtually a certifiable “Baby Boomer,” who came into government circles during the administration of Richard Nixon, but soon left, in a gesture of prudence, to assume a safer career-opportunity in the so-called “financial community.” That is to emphasize, that he, like most Wall Street professionals of his age and younger, has had virtually no experience with a real economy. He is, essentially, like the rest of the Wall Street crowd, a gambler, not an economist.

In fact, the beliefs of the entire Wall Street and London financial community with whose defective, British ideology he and many others, especially the Baby-Boomers, are infected, are both insane, and also, implicitly unlawful under the specifications of the original intention of the U.S. Federal Constitution. Thus, notables such as Paulson and Bernanke “just don’t get it;” they are, as Alice said, “just a pack of cards,” or, if you prefer to say it, “just monopoly-money bureaucrats”

To grasp the tragic significance of Secretary Paulson’s problems, glance back to this past June, when Senator Barack Obama had just returned to the U.S.A. from a junket through some places in Southwest Asia and Europe. Recall the assembling of twenty-one presumed economics experts who met with Senator

Obama, shortly after the Senator’s retreat from Europe, to discuss economic policy here. When the Senator left the room after a short meeting with those assembled, they, Democrats and Republicans alike, looked at one another with a shared feeling of dismay. Was this the man projected to become the next President of the United States? What a horrid thought! A shudder must have passed among those still assembled in that room.

However, only a handful among the twenty-one were actually competent in the subject of national economy; but they were sane, intelligent, and horrified. So, was the Dana Milbank who spelled out some of his concerns on page three of the *Washington Post* of July 30th.

However, a slight correction in that account is needed. While those who witnessed the exchange with Senator Obama were sane, most were not actually competent specialists in the field of national economy as such. In the entire U.S. today, there are, otherwise, about a half-dozen competent economists (as distinct from leading bankers generally), at most, but even fewer than that if you do not include me in that number.

There are, fortunately, also some competent bankers, including some in the Federal Reserve System. Therefore, to assemble such an oversized group of twenty-one as that rallied to meet with Obama for an hour or so, is a waste of time, all in itself. Four or five persons, less than the five fingers on my hand, might

Editorial Statement: We Need a Doctor, Not That Undertaker

August 7, 2008

Under no circumstances could I support the candidacy of Barack Obama for nomination or election to be the President of the United States. The issue is not only the massively undemocratic display of sheer thuggery and of vast financial support for a kind of corruption which threatens the constitutional sovereignty of the U.S.A. The effect of his nomination would also be a threat to the continued existence of our constitutional republic, and also to the hope of defense of civilization world-wide.

Our republic has made bad choices of President in the past, but none of these was as grave a threat to civilization as the prospect of Obama's election

would mean under the circumstances of an onrushing general economic-breakdown crisis of the planet as a whole. Given the present circumstances in the world at large, Obama's nomination would be a tragedy for the Democratic Party and our republic; worse, his election would be a virtual act of national suicide.

Let's stop trying to choose from among poisons. Let us find a nominee, a President, and a Presidential leadership team which will overturn the disaster which the George W. Bush, Jr., Administration has created. Let us save this republic, upon whose potential role at this time the world depends, for a U.S. partner for nations which share our proper concerns for this planet as a whole from around the world.

Let us free our republic from the grip of a 2% lunacy which has already bankrupted our banking system, and return to the recovery policies associated with the memory of President Franklin D. Roosevelt. Push that 4% policy of mine as if your life depended on it; it probably does.

—Lyndon H. LaRouche, Jr.

have gathered from nation-wide locations, for an actually useful, day-long, or weekend meeting on the subject of educating an intellectually unqualified candidate on the subject of initiating desperately needed U.S. reforms of economic policy. As Obama has shown, more and more obviously, throughout the campaign so far, he is a man of impulses, but not one prepared to deliberate serious ideas.

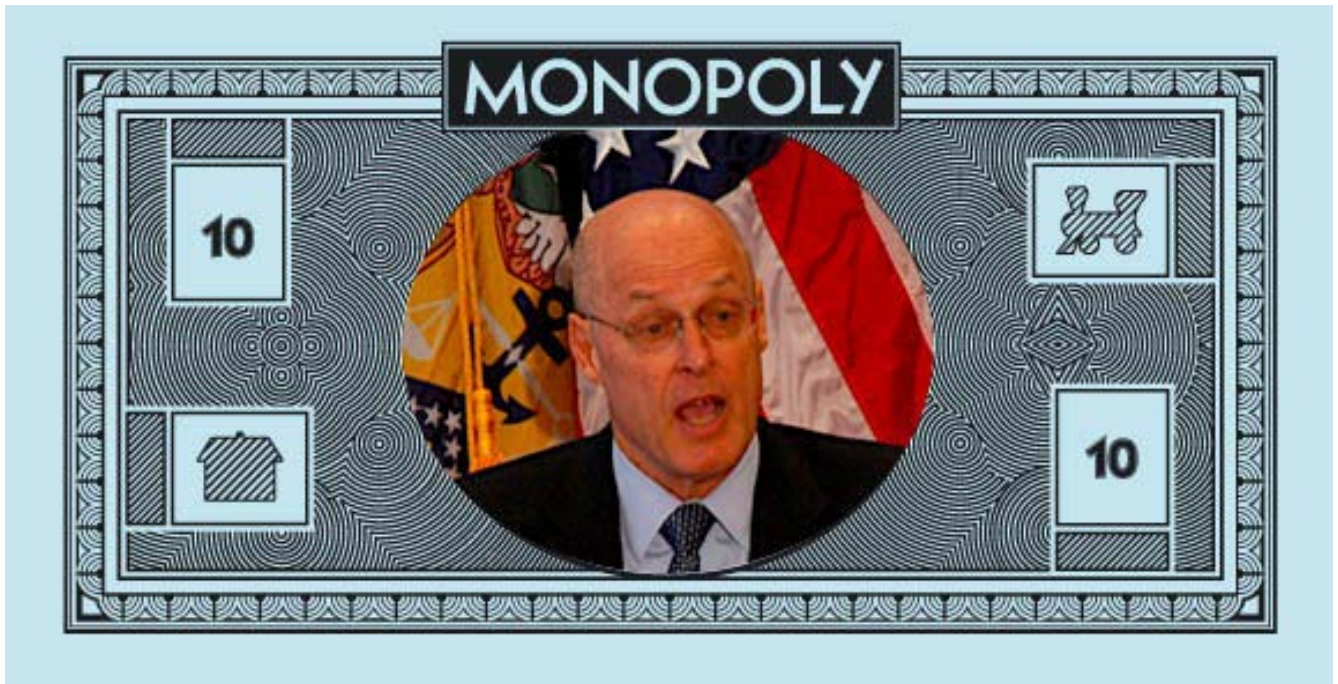
Yet, even under the best choice of setting, for them to attempt to illuminate Senator Obama would have been an experience like lecturing a wooden dummy. Obama just doesn't get it, and probably never will. There were already too many dummies in the field of making of economic policy, even before Obama turned up. Consider, for example, many among the members of the Congress and also today's so-called financial specialists.

I do not wish to immerse us in further speculation on the subject of Senator Obama's mental health here. I merely emphasize that as being the key to understanding the most essential features of the utter emotional and intellectual incompetence of "Buppie-and-Boomer" choice, Senator Obama, to serve as a Presi-

dential candidate of the Democratic Party, let alone actually become the public menace he would be as President of these United States. In economics, Obama is a catastrophe, who performs as a living caricature of the common worst delusions of his core, "Buppie-and-Boomer" constituency. Unfortunately, the incompetence in economics, often tending toward the rabid, is one which he shares with most among that constituency.

In this respect, Secretary Paulson's problem with economics, and Senator Obama's are clearly not the same; Paulson's opinions have been misguided, but are intelligible. Obama's view of the subject is largely spun-out-of-orbit, emotional, and also delusional.

As to Paulson himself, his problem is the ignorance typical of a skilled Wall Street gambler, who is not interested in the principles of that American System of national economy. He typifies leading financial specialists from among a generation which generally lacks all knowledge of those principles of that formerly successful American System of political-economy which has been essentially shut down since the wrecking of all semblance of sanity about economy during the



EIRNS/Will Mederski (photo), Stuart Lewis (montage)

Treasury Secretary Paulson, a “monopoly-money bureaucrat.”

1971-1981 interval under Presidents Nixon, Ford, and Carter, not to speak of the ruinous three terms of two Bushes. Paulson is therefore to be judged fairly as a typical victim of the popularity of the monetarist delusions adopted as habits among most of the economists in the fields of banking and finance today. This state of affairs is especially notable among the Wall Street variety: their ignorance of experience under what was once sound national banking principles, is awesome, menacing, and even gruesome.

To understand, and correct the effects of Secretary Paulson’s confusion, the following leading facts of post-1945 U.S. economic history must be taken into account.

Under these conditions, at a time when I am one of a mere handful of competent U.S. specialists in matters of national economy, it is important to make the relevance of the expertise of myself and my handful of actual peers clear to the relevant officials and ordinary citizens of the U.S. today.

When We Went Wrong

Despite President Harry Truman’s extensive sabotage of the successful system created by President Franklin Roosevelt, and despite what proved to be the disastrous Arthur Burns, the essentials of the Ameri-

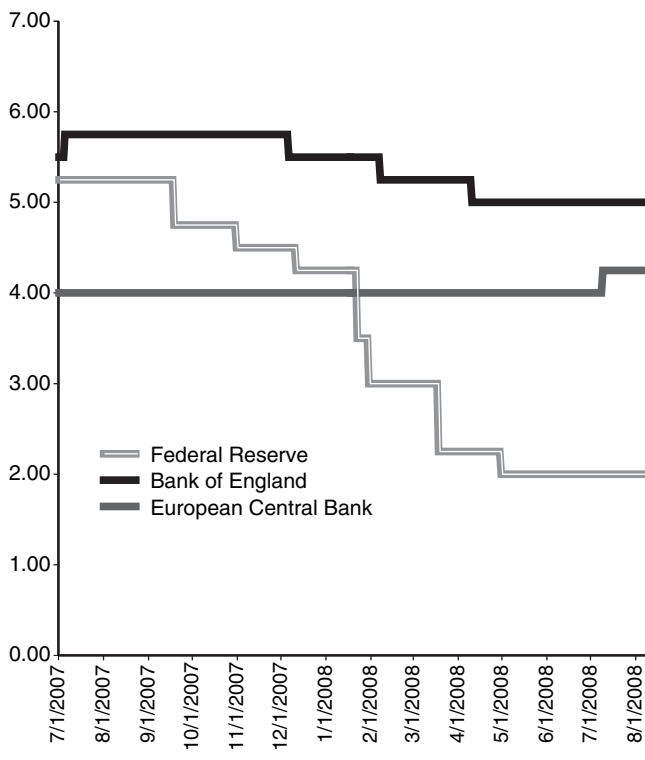
can “fair trade” policies under Presidents Dwight Eisenhower and John F. Kennedy, carried our republic’s economy safely (despite Burns’ terrible, and habituated blunders) until the time of the assassination of President Kennedy. Had President Lyndon Johnson not sensed the barrels of three rifles aimed at the back of his neck, he would probably not have permitted the fraud of the 1964 “Gulf of Tonkin” resolution, and the economy would have remained more or less sound.

My own first forecast as an economist had been made, back then, during the second half of the 1950s, in Summer 1956, when I diagnosed the current practices, including reckless credit and dealership accounting policies, of the automobile and other hard goods industries, as threatening the breakout of the worst post-war recession to date, to break out about February 1957, a recession which arrived on schedule.

This outbreak of the 1957 recession, on schedule, led to my later, long-term forecast, composed during 1958-60, in which I warned that, under a continuation of the trend established under Arthur Burns’ influence during the 1950s, we must expect the risk of a pattern to emerge during the late 1960s, in which waves of recession would lead toward the threat of a severe crisis by about the beginning of the 1970s. (Very few

FIGURE 1

Fed Sets Up Dollar for Collapse



Sources: Fed Funds Target Rate: Federal Reserve; ECB Repo Rate: European Central Bank; BoE Bank Rate: Bank of England.

so-called economists actually deal with long-term physical-capital factors. Most tend, instead, toward the equivalent of the gypsy art of tea-leaf reading.)

I have nothing in common with typical academic bunglers or Wall Street crystal-ball gazers; I did not claim that this, or that was inevitable, but what would become almost certain, on account of medium- to long-term physical-capital factors, *unless* the pattern set by Burns et al. was reversed during no later than the course of the mid-1960s.

As in every Classical tragedy, there is almost always an hypothetical alternative to doom; the danger comes not from some individual figure, but from the fact that the culture of that society or nation does not permit it to make the available decisions by which the relevant catastrophe might have been avoided. Only the exceptional leader, who not only goes against, but kicks the pricks of current conventions, has ever rescued a culture as a whole from what had become its built-in plunge toward self-inflicted doom, as has been, in fact,

the case of the U.S.A. since the day of President Kennedy’s assassination.

Not only did I maintain that long-range forecast over the 1959-1971 interval, and beyond. I emphasized the nearness of the crisis in papers circulated at several points during the 1965-1971 interval. I was the only economist on visible public record who maintained that warning of what the Nixon Administration actually did in 1971; all others had insisted that the “built-in stabilizers” would assuredly prevent such an event. I also presented the alternative. They did not choose the available alternative, and thus, through repeated such follies on my opponents’ parts, we are in the mess we are in, globally, today.

Hence, I was the only economist who had actually forecast the likelihood of what President Nixon did, under the guidance of the wretched Burns and George Shultz, in 1971-72. For this reason, I did the relevant thing that any intelligent patriot would have done: I accused the community of academic economists, publicly and repeatedly, of being “quackademics,” and I was entirely correct in everything I said on that account, as subsequent developments have shown indelibly. They did not like my wisdom, but my celebrated debate with those economists’ selected champion, leading Keynesian economist Abba Lerner, at Queens College, in late 1971, settled the issue as to matter of fact. Our nation is still suffering from the effects of the stubborn folly of economists who, mostly, have done nothing to correct their tragically foolish, habituated ways since, even until today.

The 1971 breakup of the Bretton Woods fixed-exchange-rate system has produced an unbroken secular downward trend in the physical economy of North America and western and central Europe. President Nixon’s foolish decision of 1971 was, next, complicated by the British-Saudi oil-price swindle of 1973, the swindle which created the Anglo-Dutch “spot market” which has been a major factor in BAE’s role in the wrecking and ruin of the trans-Atlantic economy—and the U.S. dollar—since that time to the present day.

The trend in that direction was already in motion before 1971. President Kennedy’s battle with Wall Street and his own Secretary of Defense, over keeping the U.S.A. and our industrialized national economy out of foolish wars, is of crucial significance. There was nothing inevitable in the folly of going into that war. But, once the President Kennedy who had heeded

the counsel of Generals of the Armies MacArthur and Eisenhower, was murdered, accountant Robert McNamara's dubious rantings took over.

It was the changes in economic policy-direction imposed after President Kennedy had been murdered, which made possible the ruin of the U.S. economy which followed. The ruinous effects of the fraudulent launching of prolonged (1964-1975) warfare in Indo-China, were but one significantly contributing factor in triggering the collapse which erupted under Presidents Nixon, Ford, and Carter. The budgetary process of 1967-1968 signaled the beginning of a net downward turn in investment in the nation's basic economic infrastructure and scientific development. The British policy under Prime Minister Harold Wilson, was a crucially significant international factor in worsening the economic situation in the U.S.A., as we may see echoed in the event of March 1, 1968.

There were chiefly two factors which ruined us over the course of 1964-68; the Indo-China war and the proto-fascist character of that existentialist mob of youthful, anarchist, neo-Malthusian rabble run wild-in-the-streets in the U.S.A. and Europe during Summer-Autumn 1968 and beyond.

The worst of several such blows was the eruption of the anarcho-syndicalist (e.g., synarchist) fraction of the 68er upsurge in both the Americas and Europe. The hatred against farmers, "blue-collar" families, and science-and-technology, which that synarchist (i.e., proto-fascist, neo-Malthusian) element among the rioting 68ers produced, had the immediate effect of shattering the U.S. Democratic Party's ranks of support to such a degree that the already deeply discredited Richard Nixon could become President. Then, in that way, the disaster which has gripped our nation continuously since 1968, struck.

It was at about that time that Paulson came, then little observed, onto what would become his place on the political stage.

What's Wrong With Paulson?

The crucial point to be emphasized here, is that that bit of post-World War II U.S. history, is the key to the lack of competence of such as Secretary Paulson, the lack of the competence among the presently reigning Baby-Boomer generation's so-called elite, the failure to recognize the urgency of installing a two-tier credit policy during the remaining very short and dwindling time available to save the U.S. economy from a pres-

ently onrushing, global, hyper-inflationary general breakdown-crisis. If the name of Secretary Paulson is to come to occupy a reputable page in the history of our United States, he, like the Federal Reserve chieftains, must listen carefully to the few remaining individuals who, as remnants of the past times when the U.S. was still the world's greatest, most successful agro-industrial nation, are still competent to advise government on the urgent wisdom of a traditionally American (i.e., Hamiltonian), two-credit, protectionist form of credit-system.

I emphasize again, that I suspect that there are, if I am included, presently approximately a half-dozen national-economists active in the U.S.A., which have the competence to design the needed emergency policies to rescue our U.S.A. from sliding, very soon, into the abyss of a general breakdown-crisis. So, for this case, our problem is a professional one: we have many opinionated medicine-men, and all too many lawyers, but only a tiny handful of qualified surgeons. To which set of hands would you consign the fate of your family and its community? An orbiting foreign body like swindler George Soros, perhaps, or those among our native "economic hit-men," such as the George Shultz and Felix Rohatyn, who played a key role in installing and maintaining the Nazi-modeled Pinochet in Chile and the Hitler-like, early 1970s wave of mass-murder in the Southern Cone?

Such are the dangers of consigning the power to make law in our republic to people who have no comprehension of the elementary, Hamiltonian principles of our constitutional republican system of economy; but, who seek to re-colonize us by putting us back into the status of a virtual, mere British colony, of the type which is known to all competent economists as a "free trade" system. There lies the essence of the incompetence shown by the misguided Secretary Paulson and so many of his peers.

Our American System

The included, crucial distinctions of the American constitutional system of political-economy from virtually all European models, especially from inherently flawed, European parliamentary systems of government, is that European systems, especially the Anglo-Dutch Liberal models, relegate control over the uttering of money to central banking functions; whereas, the U.S. Federal Constitution prescribes a monopoly of creation of lawful currency by the Federal govern-

ment, a monopoly exerted by the Federal Executive with the relevant consent of the U.S. Congress.

It is ignorance of that matter of ABCs of our constitutional system which played a leading part in the foolishness of Ben Bernanke and others in their potentially fatal error of opposing my insistence on immediate action to protect the U.S.A. by adopting a two-tier credit system.

What the Federal system under Former Chairman Greenspan and Bernanke has done, is the viciously anti-constitutional practice of running the U.S. economy as an imitation of the Bank of England, in particular and the Anglo-Dutch Liberal system of international usury in general.

The constitutional form of the American System, as the opponent of the Anglo-Dutch Liberal monetarist systems of Europe, had its root in developments sprung from that A.D. 1439 great ecumenical Council of Florence which distinguishes the establishment of modern European civilization as distinct from earlier, imperial forms of rule.

The first practiced realization of the principles of economy introduced by Cardinal Nicholas of Cusa and others was established by the great reforms of France's Louis XI and the comparable reforms in England under Louis XI's admirer Henry VII. It was the impact of these reforms by Louis and Henry which informed the pre-1688/89 economic and related policies of the Massachusetts Bay Colony of the Winthrops and Mathers.

It was those same policies of the North American colonists which came to the fore in the American patriotic resistance to the February 1763 establishment of the British empire as a private enterprise of the British East India Company. The elements of the earlier developments of sound principles of economy in the American English colonies had brought about what became the crystallization of an American System of political-economy which was the antithesis of the imperial tyranny established as European Anglo-Dutch Liberalism. The summation of this specifically American System of political-economy was crafted by the U.S.A.'s first Secretary of the Treasury Alexander



What Paulson doesn't understand: the physical-economic principles established by the universal genius Leibniz (left), and followed by America's first Secretary of the Treasury, Alexander Hamilton (right).

Hamilton. Hamilton largely followed the guidelines of physical-economic principle which had been established by the great universal genius Gottfried Leibniz.

The silly, utterly simplistic explanation usually offered on the subject of the differences between the American and British Liberal systems, focusses on the diversionary issue of the British monarchy. Any competent insight into the actual differences recognizes that it was not the British population which invented British imperialism, but, rather an Anglo-Dutch Liberal financier interest, composed of the followers of the Venetian Paolo Sarpi, which had taken over and occupied the English and British monarchies in the imperial interest of what emerged in the February 1763 Peace of Paris, as the private British East India Company. Under that Anglo-Dutch Liberal financier imperialism, large parts of the population of the British Isles tended to be degraded to the status of what Jonathan Swift caricatured as the Yahoos of *Gulliver's Travels*.

What had occurred in Europe to bring about what is known to the well-informed as the British world empire



EIRNS

The LaRouche Youth Movement in the Philippines warns passers-by of the onset of Weimar-style hyperinflation.

of today is, from the standpoint of the competent historian, the shift, begun by Paolo Sarpi, of the center of power of medieval Venetian financier-oligarchical practices from a traditional, medieval headquarters at the head of the Adriatic, to the maritime coasts and islands of trans-Atlantic northern Europe. The two monarchies, of Britain and the Netherlands, are essentially the present chief parking-places of the chosen political capitals embodied in the Anglo-Dutch Liberal financier-oligarchical powers.

Thus, the interest of British imperialism, since its establishment by the February 1763 Peace of Paris, is not a nation-state interest, but the slime-mold-like form of financier-oligarchical imperial interest established as a syndicate by the reforms of the chief founder of modern Liberalism, Paolo Sarpi.

Hence, the intrinsic absurdity of the tendency of the ignorant and miseducated to regard the political-economic dogma of the British Haileybury School (and also of Karl Marx) as an expression of national econ-

omy. The American System is an outgrowth of those emigrants who settled North America in the intention of bring the best of European culture to a safer place of habitation on the other side of the Atlantic Ocean. Thus, the roots of the American System of political-economy has been chiefly an English-language expression of the best of the culture of modern Europe, a truly humane culture to which we would hope the residents of the British Isles, including the present descendants of our own English, Scottish, Welsh, and Irish ancestors, would be at last freed of the shackles of the Liberal mind.

Essentially, our republic's constitutional economic policies coincide with those of the Gottfried Leibniz who exposed the evil inherent in the doctrines of the British (and brutish) slave-trade organizer John Locke. The design of our constitutional policy was therefore chiefly conditioned by our founders' recognition that it was the Liberal system of financier tyranny from which we must defend our republic. Thus, our Constitution took away the authority of the Anglo-Dutch financier tyranny to exert control over our currency and our sovereign affairs in general.

Thus we react with an arousal of patriotic alarm at signs of the British empire's financial control over the present process of national elections in the U.S.A. It is on this specific point that we are justly inclined to cage up the Wall Street gang which has been, in effect, the principle source of recent anti-constitutional treason in our economic and other affairs.

It was this defense of our republic, a defense which is the duty of every one of our citizens who would wish to be considered a patriot, to respond to the present world crisis of all humanity by becoming ourselves once more, as we did under President Abraham Lincoln, without whom the slaves would probably never have been freed, and as Franklin Roosevelt freed the Americans of his time from the bondage of London's Wall Street—for which neither London nor its lackeys have ever forgiven Franklin Roosevelt, to the present day.

The Needed System

The incompetents, including Secretary Paulson, who are complicit in blocking the urgently needed establishment of a two-tier credit system, have thus demonstrated that they, so far, have not the slightest comprehension of the mandatory action implicitly demanded as our constitutional reaction to the present wave of hyperinflation which has taken over the U.S. economy, as also the world system. The world as a whole, including nations such as China and Russia, as also all of the nations of western and central Europe is now in the grip of a global wave of accelerating hyperinflation whose only likeness in modern history since the 1648 Peace of Westphalia, is the London-imposed Weimar Germany hyperinflation of 1923, as that hyperinflation which has been replicated on a global scale.

Then, in 1923, Germany had no chance. The Versailles powers had imposed a debt which Germany could never have paid, and thus obliged Weimar Germany to do to itself what the U.S.A. is now doing to itself, doing this out of sheer silliness, under the wave of insanity which has continued to grip the leadership of both the essentially “do-nothing” U.S. Congress and the stubborn silliness of the Executive, since I warned of the immediate breakout of such a hyperinflationary wave in my July 25, 2007 international webcast.

Unlike Weimar Germany of 1923, we of the United States have the constitutional, political power, in our government, to break the back of this inflationary crisis now. Although the three measures which I specified in the Summer of 2007 have been blocked by very silly people in the high places within the Congress and the Administration, those policies are key to any successful halting of the present plunge of the U.S. economy into an early arrival at the virtual gates of Hell, possibly even earlier than the November general election.

FIRST: We must recognize the reality of a national emergency in the form of an accelerating, hyperinflationary, general breakdown-crisis of the U.S. banking and monetary system. This trend must be halted by emergency action in bankruptcy reorganization: All present plans for financial bail-out of Fannie Mae and Freddie Mac must be cancelled under threat of impeachment or similar action against any U.S. officials caught in complicity with

such an attempted, inherently fraudulent bail-out scheme for absolutely wrecking the U.S.A. financially in favor of London and Wall Street predators.

Federal reorganization of the financial system in bankruptcy must occur immediately. We, as government, must be committed to pay what must be paid to maintain the general welfare of the population and of functions of Federal, state, and local government, and to freeze what can not be paid currently without damaging the payments which are of fundamental strategic and human interest.

Many people have engaged in what are in fact, tolerated swindles, as typified by the disgusting matter of “golden parachutes,” while essential human interests of people who have earned their actual right to income are looted to pay for “golden parachutes” and comparable swindles. Those who managed the economy are those who are chiefly responsible for the failure which their reign induced; they should not claim too loudly what they did not actually earn by human standards for the proper meaning of “earning.” The word of the day is “big-time financial swindlers”

SECOND: We must restore real (i.e., physical) growth in essential goods and services as measured per capita and per square kilometer.

THIRD: We must use emphasis on science-driven, high-energy-flux density progress in basic economic infrastructure, such as power, mass transportation, water management, and land and forest reclamation, as stimulants to recreating the physical-economic productive capabilities of our labor-force, which our republic has largely lost under the implicitly pro-Malthusian dogmas imposed since 1977.

FOURTH: We must establish a new virtual “Bretton Woods” system by an immediate agreement presented by the government of the U.S.A. to leading nations Russia, China, and India, establishing a new fixed-exchange-rate system designed for the participation and benefit of currently sovereign nations and those which are still to be freed from poorly concealed expressions of British imperialist subjugation by established Anglo-Dutch Liberal-created international institutions.

This action by those four powers must be intended to open the doors of nations generally to participate as fully sovereigns in the new system.

Since, as the case of China illustrates the point, the greatest amount of outstanding international debt and related accumulations, is currently denominated, still, in U.S. dollars, the possibility of avoiding a general breakdown-crisis of the planet as a whole, depends upon fixing the dollar at a recently fixed current valuation, perhaps a value sometime prior to August 1, 2007. Without such a measure, the situation of the world at large would tend to be hopeless, and a new, planet-wide new dark age would be virtually inevitable.

Such an agreement among that “big four” would automatically open the gates for the immediate full participation of other sovereign nations as true sovereigns. Without this initiating role by the U.S.A., there is no approach by any combination of other nations which could bring the presently soaring world crisis under voluntary control.

The intention of such a precisely defined form of New Bretton Woods system is the only existing option for avoiding the plunge of the planet as a whole into a prolonged, very deep new dark age.

In Summary

The entire monetary-financial system of the Federal Reserve System is now hopelessly bankrupt in its present form and in terms of its presently pretended assets. This situation has been created by methods, as, notably, under the term of Chairman Alan Greenspan, which have been fraudulent in the respect of promoting leveraged fictitious assets based in purely hyper-inflationary forms of private financial speculation, into the fraudulently elevated status of claimed capital assets, as by so-called “hedge funds.”

The entire Federal Reserve System, as a chartered entity, must be now placed into receivership in bankruptcy by the Federal Government. In this connection, the Preamble of the U.S. Federal Constitution is the most relevant authority in U.S. Constitutional law. This is not a matter of lawyers, but of the constitutional intention to which all other law of the republic must be subordinate.

The failure to act according to this reading of the authority of the U.S. Constitution would plunge the nation into a form of chaos in which the nation itself would cease to exist. Therefore, the issue is not formal, but existential, in the same sense as a lawful declaration of war against a deadly enemy.

We have the precedent of President Franklin D. Roosevelt as the most proximate instance of the actions mandated by a similar state of threat to the continued existence of the republic. We put the national system into receivership in bankruptcy under the Federal government, resolved to bring about, first and foremost, the continued existence and recovery of the U.S.A., whatever is required to bring this about, and to bring the necessary process of reorganization to an honorable and durable form of solution in its end-result.

The three steps of emergency action which I have presented to representatives in the U.S. Congress, and other relevant places, must be taken now:

A four percent interest-rate, with specified types of exceptions must be put in force now as protection of the existence and functioning of the presently immediately endangered, chartered, Federal and state regular banking institutions of the United States. The primary depositors and the existence of the banks must be protected, and other claims considered in due course as means exist for this purpose.

The Federal rate is intended to maintain levels of assets in the banks, while Federal credit is uttered, against those assets remaining in banks, for issue of credit in matters of the general welfare and investments in capital improvements in basic economic infrastructure and promotion of manufacturing and agriculture.

The credit of the United States and other nations must be defended through the mechanisms of a new international, fixed-exchange-rate credit system launched by a U.S. initiative for such cooperation among a group of nations brought together as a new form of “Bretton Woods System” created to stabilize the legitimately essential obligations of the system, while providing mechanisms of long-term credit for developmental projects in physical-capital improvements in the common interests of mankind.

To that end, we must recognize the fact of the follies of the IMF system and its participating nations since the folly of August 15, 1971.

President Franklin Roosevelt was right, and, probably, the continued existence of your nation and its people depend upon recognizing that fact, now as when only Franklin Roosevelt’s role provided the margin by which the world was saved from Hitler’s tyranny, ultimately, if not in time for many.

LaRouche: The Fed Must Raise Interest Rates Now!

Lyndon LaRouche responded to an interviewer's question Aug. 6, on Federal Reserve chairman Ben Bernanke's refusal to raise interest rates. The video of this interview can be viewed at www.larouchepac.com.

Announcer: The Fed decided today *not* raise the interest rate to 4%, and left it unchanged at 2%. What are the implications for that for the world?

LaRouche: Bernanke should, if he's a man, recall the assembly of the Fed governors, and put through an immediate 4% interest rate, as the official rate of the system. *This must be done now.* It's not a question of debating it down the line: We're now at the edge of the precipice. We're at the point at which the whole U.S. dollar system could disintegrate, *unless he corrects his mistake action.*

We need a 4% rate, in order to protect the U.S. dollar against collapse: That means we're protecting the banking system against a continued, catastrophic outflow from the dollar, of reserves. *We need to protect the U.S. Federal banking system, of regular Federal and state banks, chartered banks.* We must do that. If we don't do that, this country is going to plunge into chaos beyond anybody's belief.

Now, some Federal Reserve governors have stood up for that openly, against Bernanke. Some have not. *They must do it.* Because if you don't have a 4% protective interest rate, through the Federal banking system, *you can not defend the U.S. dollar!* And if we lose the U.S. dollar, everything else is pretty much a waste of time.

Now, this requires a two-tier credit system, which means the 4% rate is official throughout the Federal Reserve System, except for the case, in which the Treasury Department of the United States, acting on the basis of authorization by the Federal legislature, creates credit, with the intention of promoting investments which are needed to maintain the economy, especially for maintaining levels of employment, that sort of



White House photo/Paul Morse

President Bush announces his nomination of Ben Bernanke (right), to replace Alan Greenspan (left) as chairman of the Fed, Oct. 24, 2005. Out of the frying pan and into the fire.

thing, and for some infrastructure, at least, immediately.

On that basis, we can then conserve the resources within the same part of the Federal Reserve System, in which case, the relative value of the U.S. dollar would shoot up by a significant amount over a fairly short period of time. This does not mean that this is going to solve the problem. It means, this gives us *time* to work through solutions. And people who know how incompetent our Congress is right now, know that it takes a certain amount of time, to get those dumbheads to learn to how to move in defense of the nation itself.

But this must be done now!

Those who do not do it, may be responsible for a crash of the dollar, and even a disintegration of the United States. There is no issue more important, at this moment, than installing a Federal Reserve 4% system, as part of a two-tier system, for the Federal commercial level; and the international level is 4%, with the exception of cases where the Federal Treasury has created an authorized issue of credit, which can be monetized, which can be between 1-2%—but only in that case.

On that basis, with a two-tier credit system, we defend the dollar; we also are able to defend those parts of the economy, which need and deserve support.

IN THE FACE OF GLOBAL COLLAPSE

British, EU Target Russia With Shooting War in the Caucasus

by Helga Zepp-LaRouche

This article was translated from German.

With the underpinnings of the present world financial system growing shakier by the day, the outbreak of warfare in the Caucasus shows how quickly the current world situation can be thrown out of joint. It also gives us a foretaste of how quickly it could expand into a new general war. Even if no one can precisely predict how much time we have left to address the underlying cause of the growing threat of war—namely, the systemic crisis of the world financial system—the military operations in the Caucasus nevertheless make clear that our brief window of opportunity could close quite suddenly.

“Caucasus War Catches Europe Flat-Footed,” was Spiegel-Online’s headline to its article on Aug. 8 about the escalation of the conflict between Georgia and South Ossetia—a conflict which has taken on the character of a typical proxy war between the United States and Russia. The article’s author, Hans-Jürgen Schlamp, reports from Brussels on the alleged “helplessness” of the European Commission and of the French government, which currently holds the EU Presidency, all of which can do nothing except express their “deep concern.”

Nothing could be further from the truth. Back in February, when the European Union—Great Britain, France, and other nations, supported Kosovo’s unilat-

eral declaration of independence, it was already perfectly clear that this destabilization would not only affect the Balkan states, but was also giving the green light to every conceivable separatist movement and minority throughout the world. Just as in the Balkan wars leading up to World War I, and also in the 1991-95 Balkan War, this ethnically complicated region is serving as a chessboard for British geopolitical destabilizations, with the ultimate aim of drawing the great world powers into the conflict, and/or preventing any peaceful economic cooperation on the Eurasian continent. And it is certainly no accident that, since Dec. 12, 2007, the chief of the EU’s planning team for Kosovo has been none other than the British diplomat Roy Reeve, a Russia expert, whose previous postings took him to Northern Ireland, Ukraine, Armenia, and Georgia—i.e., precisely those countries which have problems with nationalities and ethnic minorities.

Already on July 15, Ronald D. Asmus of the German Marshall Fund (GMF) wrote that a war between Georgia and Russia was in the offing, and that this could easily ruin relations between Russia and the West. And that was obviously the intention all along. Asmus also chaired a meeting of the GMF earlier this year in Brussels, where five former military general staff members presented an outrageous report proposing that NATO be transformed into a globally operating intervention



USAF/A1C Dallas D. Edwards

Georgia has turned out to be a willing instrument of the Anglo-American strategy for encirclement of Russia. On Aug. 8, war broke out between Russian and Georgian forces. Shown: U.S. Marines prepare Georgian Army trainees at the Krtsanisi Training Camp, 2003.

force which, under certain circumstances, would be permitted to launch a first strike with nuclear weapons.

With its so-called “Rose Revolution,” and its desire to join NATO, Georgia has turned out to be a willing instrument of the Anglo-American strategy for encirclement of Russia. But what induced Georgia to reoccupy South Ossetia at this particular moment, 16 years after the latter declared its independence? The war in the Caucasus is part of a global destabilization effort, coinciding with the arrest of former Bosnian Serb leader Radovan Karadzic, as well as with the destabilizations of Turkey, Pakistan, Sudan, and Zim-

babwe, by means of terrorist attacks or sanctions—and we are only mentioning the most prominent of many other similar crisis spots.

Financial Crisis Fuels War Threat

As I already pointed out above, the overall context of these events is the escalating collapse of the global financial system, which has been pulling ever larger chunks of the real economy down into the abyss with it. The Federal Reserve is now committed to using its rediscount facility for making practically unlimited liquidity available to the two de facto insolvent mortgage giants Freddie Mac and Fannie Mae—which together, guarantee \$5.3 trillion in U.S. mortgages! Not only does this have enormous hyperinflationary ramifications, but it only plugs one solitary hole in the leaking boat. In the United States, speculators are debating whether it’s 3,000 or 5,000 banks which are bankrupt; eight banks have already officially shut their doors so far this year. Meanwhile, the U.S. economy—or what’s left of it, after years of “outsourcing”—is sinking ever more deeply into depression: the auto sector, the airline industry, the construction sector. More and more states and municipalities are being forced to make draconian cutbacks, such as in California, where 22,000 state employees have been laid off, and another 200,000



Bosnische Hilfgüter Zenica

Just as in the Balkan wars leading up to World War I and the Balkan War of 1991-95, this ethnically complex region is today serving British geopolitical aims. Here, Bosnian refugees receive food aid during the war (1995).

are threatened with having pay reduced to the minimum wage.

Meanwhile, some analysts have joined Lyndon LaRouche in the view that the rate of collapse in Europe is going to be even faster. Spain's collapsing real estate sector is bringing a massive banking crisis in its wake, and similar scenarios are playing out in Great Britain, where the Royal Bank of Scotland has had to write off \$12 billion in the aftermath of the government takeover of Northern Rock. The situation in Denmark is equally dismal. The official inflation rate in the EU is hovering above 4%, whereas the real rate of inflation for less well-off wage earners is far greater, because they have to spend the bulk of their income on food, energy, gasoline, housing, etc. And when none other than former Federal Reserve chairman Alan Greenspan, "Mr. Bubble" himself, starts talking about the crisis of the century—a crisis for which he is personally responsible—then it's clear that he wants to prepare the world for the great crash immediately ahead.

It wouldn't be the first time in history that the international financial oligarchy has attempted to keep a worldwide financial and economic crisis under control by fanning the flames of war. And anyone who prepares for war, must first create an enemy image, so that the population can be brought into line.

Vile Attacks on China

That is precisely the intention behind the repulsive China-baiting being emitted by the media and by politicians on the occasion of the Olympic Games. Regardless of whether it's coming from witting agents of the British Empire faction, or from mindless dumbos on the morning news shows: The irresponsible gossip that has been spread during the run-up to the Olympic Games, has been simply monstrous. Without any regard for the truth, and without a shred of knowledge of China's history and culture, the wildest assertions have been floated—assertions which could well succeed in poisoning relations with China, and in helping



Nazi Propaganda Minister Joseph Goebbels: He would have envied the "Big Lie" propaganda that is being hurled at China today by hypocrites in the West.

prepare for coming conflicts with China (and with Russia).

Not only were the opening ceremonies of the Olympic Games in Beijing wonderfully beautiful and poetically conceived, but they were also a magnificently staged demonstration of the 5,000-year history of this great nation, one which, for a long time, was the world's leader, and which is now preparing to resume that role sometime in the future. Even though China certainly has its fair share of problems—for example, the poverty of the great majority of its rural population, and also a certain degree of Western materialism which has infected part of its population—what counts is the vector of development, and in China that vector is going upwards—in contrast to what's happening with the arrogant sophists of the West's empire faction.

The Chinese government has blocked Internet access to anti-Chinese propaganda emanating from international and British organizations in connection with Tibet and the Uighurs—and it has every right to do so. After all, do the British and American governments allow the Taliban's tracts or al-Qaeda's instructions to be circulated around the country? What do destabilization efforts by an enemy power, have to do with democracy and human rights?

The fact that in Europe, a politician who voted for the ratification of the Lisbon Treaty, or a representative of the media which, even after the Irish "No" in their referendum, did not run a single pertinent article on an EU treaty which would abolish parliamentary democracy in Europe once and for all, and would establish an oligarchical dictatorship, would now dare to decry a lack of democracy and human rights in China—that is truly the height of Goebbels propaganda! It would have made Goebbels pale with envy. Europe is dominated by a truly terrifying democracy deficit, resulting in an increasingly deep-seated and extremely dangerous cultural pessimism, as expressed in the famous retort, "There's nothing we can do about it, anyway." And so, those politicians and journalists who raise a fuss about

democracy in China, ought to go out and listen to what the population thinks about the political class and the media—in Germany, for example.

If we are to make use of the fast-closing window of opportunity, which will hopefully remain open long enough for us to prevent the great catastrophe, then we will have to embark on a radically different path. One very promising impulse in that direction, is an article that Russian Foreign Minister Sergei Lavrov wrote for the current issue of the journal *Russia in Global Politics*, under the title “Russia and the World in the 21st Century,” which directly reflects the positions of President Dmitri Medvedev and Prime Minister Vladimir Putin.

Lavrov affirms the obvious fact that the epoch of the past 400-500 years, during which European civilization has dominated the world, is now closing, and that a new vision is therefore required. He rejects not only the idea that the world will gradually adopt Western values, and the theory of “the end of history”—the idea of a global Anglo-American empire—but he also rejects the idea of a “post-American” world without the United States.

The Russian Foreign Minister emphasizes that he absolutely disagrees with the idea that current developments must end in chaos and anarchy. Rather, he believes that a new international political, financial, and economic architecture can be created, one in which Russia must play a major role as an equal partner.

The Anglo-Saxon (i.e., free-trade) model is tottering, Lavrov writes, just as it was in the 1920s, and therefore today, just as then, the model of Franklin Roosevelt’s New Deal is called for. China, India, Russia, and Brazil must be integrated into this new reform of our international institutions. On this basis, plans can be made for a common future for the entire Euro-Atlantic region and for the world as a whole, a future in which security and prosperity become truly inseparable, he states.

Two Options

The Western nations today have essentially two options: Either they follow the British line, treating Russia, China, and India as antagonists—which means, for example, using Georgia for anti-Russian operations, fos-



Library of Congress

President Franklin D. Roosevelt signs the Social Security Act of 1935, the hallmark legislation of the New Deal. Russian Foreign Minister Sergei Lavrov invoked FDR’s example, in writing of the kind of economic policies required today.

tering separatist tendencies inside China, setting financial locusts against India, and other such things. In which case, the great catastrophe is sure to come.

Or, they can heed the proposal which LaRouche has been making for some time, that a new international financial and economic order, in the tradition of Roosevelt and his New Deal, and Bretton Woods, be put onto the agenda. In such an arrangement, the United States, Russia, China, and India must collaborate as a core grouping, around which other sovereign nations can congregate. And that is essentially what Foreign Minister Lavrov says in his article.

For Europe’s nations, this means that they must extricate themselves from the European Union strait-jacket which, for Germany, since Maastricht at the latest, has become a new Versailles Treaty. Europe’s nations can, and certainly should cooperate as a Europe of sovereign republics—which will be vastly more in keeping with the spirit of humanist Europe, than is possible today with an EU bureaucracy which is farther away from Europe’s humanist tradition, than Earth is from a galaxy a couple million light-years distant.

Let us hope that the coincidence of what Greenspan himself has described as the financial system’s crisis of the century, with the realization of how quickly war can break out, will be sufficient to shock responsible people back to reason.

The Shadows of 1914: Holbrooke, Karadzic, and British Geopolitics

by Elke Fimmen

On July 30, a high-ranking official of the Russian Foreign Ministry, at a background briefing to journalists, spoke in nearly apocalyptic terms about the state of U.S.-Russian relations and about the very survival of the United States in the current global crisis. He raised the prospect of a complete breakdown of those relations, and attacked the United States for selfishness at a moment of existential crisis for humanity, while warning that the U.S. itself is on the brink of collapse. According to *Izvestia* of July 31, he said that “America’s military is being built up at our expense, including the war in Iraq.” On the economy: “Nobody yet believes that the U.S. will default on its state debt, but when that happens, there will begin a flight out of bonds issued with U.S. government guarantees.” The diplomat also said that if the U.S.A. keeps pushing to be a sole superpower, “the time will come, when we cease to conduct a dialogue on essential questions of interest to the United States.”

Lyndon LaRouche commented on this very unusual address, by identifying the trigger for it in the continuing role of former U.S. Assistant Secretary of State Richard Holbrooke in Balkan policy, as revived around the recent arrest of former Bosnian Serb leader Radovan Karadzic. In an Aug. 2 statement, LaRouche said: “The rage against the U.S.A. expressed at a meeting in Moscow represents an obvious shift from what had been Russia’s policy towards relations with the U.S.A, a rage prompted by the familiar Balkans issue posed to a large constituency in Russia by revival of the issue of the continuing role played by Richard Holbrooke, in the case of Radovan Karadzic.

“Shades of August 1914. Although Czar Nicholas II

was clearly aware of the intention of his uncle, Britain’s Edward VII, to trap Russia in an alliance against Germany, through Russian passions lured into a new Balkan war, the Czar sent Russia to its virtual doom, and that of his family, through allowing himself to be trapped by this British plot.

“Related passions over this same Balkan matter have been recently heated from London, and the passions this evokes among significant circles inside Russia, are still a strategic factor in the present global situation. Former Secretary of State Madeleine Albright’s avowed attachment to the (H.G.) Wells Association in the U.S.A., has been a key factor of her and Holbrooke’s role in this region, while she was Secretary, and now.”

Karadzic was arrested on July 21, and was shortly thereafter sent to the International Court on Former Yugoslavia (ICTY) in The Hague. In his first appearance in court, he accused Holbrooke, former U.S. chief negotiator in the Dayton peace negotiations of 1995, for

having broken a deal, according to which he, Karadzic, supposedly had been granted immunity. He said that he feared for his life, since the “long arm” of Holbrooke could reach to The Hague. Holbrooke had previously commented on the Karadzic arrest, that he regrets that there is no death penalty among the possible verdicts of the ICTY.

With Serbia having announced that it will place the issue of the status of Kosovo on the agenda of the UN General Assembly in September, a matter which deeply touches upon the principled question of national sovereignty, and with Russia and China strictly opposing Kosovo’s unilateral declaration of indepen-



Radovan Karadzic in the disguise (as a “New Age” healer) in which he was captured on July 18, 2008. All the relevant intelligence services knew where he was all along.



National Archives

An American soldier surveys the ruins of a church in France in 1918. World War I was sparked by a British-provoked incident in the Balkans; will a third world war start the same way?

dence from Serbia on Feb. 17, 2008, a minefield for further British manipulations of historic emotions is already prepared. It is thus to be feared, that the urgent debate on a new world economic and financial order is being pushed aside, and that geopolitical confrontation might evolve among the four key nations that have to collaborate towards a solution (the U.S., Russia, China, and India).

British Manipulations

Madeleine Albright, Secretary of State in the Clinton Administration, from 1997 to 2001, along with Vice President Al Gore, under the direction of British Prime Minister Tony Blair, were responsible for the completely unnecessary NATO war against Yugoslavia in 1999, and the political path which led this Spring to the unilateral declaration of independence by Kosovo. Holbrooke was Assistant Secretary of State for Canadian and European Affairs (1994-96) and was Clinton's chief negotiator during the 1995 Dayton talks, which finally ended the atrocious Balkan War (1991-95), with Bosnia-Herzegovina being the main battlefield. During Clinton's second term, Holbrooke was called in again as UN Ambassador (1999-2001), with the Kosovo War being used by the British and

their stooges Gore and Albright, to destroy U.S.-Russian relations.

Holbrooke points out his close relations with career diplomat Frank Wisner, the U.S. chief negotiator in the Kosovo status talks, which led to the recent British-backed provocation of Kosovan unilateral independence. In late February of this year, Holbrooke blamed Russia for backing "extremist elements" in Serbia that were inciting violence in Belgrade after the Kosovo declaration of independence, a claim which even the present U.S. State Department rejected, and which was sharply rebutted by the Foreign Ministry in Moscow. Holbrooke, throughout the last years, was known for his extremely provocative statements about Serbian leader Slobodan Milosevic, who later died under strange circumstances in The Hague, and now his statements about Karadzic.

Former Bosnian Ambassador to the United States Mohammed Sacirbey, as well as several other sources, have confirmed the existence of the alleged immunity deal for Karadzic, as part of the complicated Dayton negotiations. Whether this is true or not, Sacirbey and others have been attacking the United States and other Western nations, for not having delivered Karadzic, former Bosnian Serb Army Chief of Staff Ratko

Mladic, and others, to the ICTY earlier.

But the ICTY is a supranational policy instrument, which, since 1995, particularly under Carla del Ponte, was used time and again to apply political pressure on Serbia, Croatia, Bosnia-Herzegovina, and for global geopolitical games. The role of the “big players” between 1991 and 1995, for example, Lord David Owen, Cyrus Vance, or François Mitterrand, was never meant to be the subject of these “trials.” Moreover, the ICTY is supported by megaspeculator George Soros and his “Open Societies,” which have positioned themselves in all of the Balkan countries.

A case in point is Soros’s leading Dutch collaborator, Mabel of Orange-Nassau, who conveniently had started an affair with then-Bosnian UN Ambassador Sacirbey during the Bosnian War, and whose dubious role around the events of the Srebrenica massacre (July 1995) has been frequently a subject of discussion in the Dutch press.

Holbrooke himself is an adamant supporter of these supranational “One World” criminal courts. On July 24, he wrote in the *Washington Post*, that Karadzic’s capture was “another reminder of the value of war crimes tribunals,” and warned Sudanese President Omar al-Bashir, who is being threatened with prosecution by the International Criminal Court, to “pay close attention” now.

Why Now?

Many observers have been puzzled about the “sudden” arrest of Karadzic. All the relevant intelligence services, and certainly the British, with their historical penetration of Yugoslav politics, knew his whereabouts all along. Yes, there was the minor factor that Serbia was pressured “to deliver,” as a price for entering the European Union. But LaRouche has identified the strategic setting of this event. In this context, there is one element in the Karadzic arrest, which is especially worth noting. When Karadzic accused Holbrooke and Albright of “broken promises,” he did so by specifically pointing out their institutional role within the Clinton Administration. This is indicative of a British hand behind the curtain, concerning the timing of this arrest, given the singular role that Hillary Clinton has to play now in the United States in this moment of great crisis, and the need for the next President of the United States to create an alliance among the Great Four nations, especially with Russia, as identified by LaRouche.

A brief historic review of the first phase of the

Balkan War, which formally ended in Dayton, is therefore necessary to set the record straight and to avoid the trap of “historic emotions,” which LaRouche referred to in his statement.

When President Bill Clinton came into office in 1993, he was faced with the horrors of a Balkan war that had started during the administration of George H.W. Bush, whose Secretary of Defense was Dick Cheney. This was right after the first Gulf War against Saddam Hussein had ended. Politically, in Europe, after the fall of communism in 1989, events were shaped by the mad determination of the “Entente Cordiale” between French President François Mitterrand and British Prime Minister Maggie Thatcher, to stop the peaceful development of sovereign nations in Europe and the economic development of Eurasia, in which a reunified Germany would have played a key role. The Balkan War which started in 1991, was thus the most welcome opportunity to attack Germany as the “Fourth Reich,” for its support of the declaration of independence of the former Yugoslav republics of Croatia and Bosnia-Herzegovina.

This rhetoric was repeated eagerly by the Greater Serbian leadership under Milosevic. Psychiatrist Radovan Karadzic, self-proclaimed leader of the “Bosnian Serb Republic,” was educated by the methods of psychological warfare pioneered by London’s Tavistock Institute,¹ had good relations with another psychiatrist, British Liberal Bosnia negotiator Lord Owen, who played a key role in prolonging the hideous war, and in the efforts to chop up Bosnia-Herzegovina along ethnic lines.

It was only when French President Jacques Chirac entered office in 1995, that the Clinton Administration had any chance of finding cooperation with continental Europe, to put an end to this horror show, which was dragging the region and Europe ever deeper into the abyss. This finally led to the complicated peace negotiations in Dayton, which certainly were flawed in many respects, but did end the war. The biggest mistake of Dayton and its aftermath was the lack of a great infrastructural development plan for the new nations of the region as a whole, a plan which could have offered a joint reconstruction perspective, after the horrible suffering and bloodshed on all sides.

From the beginning, the International Monetary

1. See Joseph Brewda, “Nazi Psychiatrists Behind Serbia’s Reign of Terror,” *EIR*, Feb. 12, 1993.

Fund and World Bank insisted on the priority of Bosnia's payment of its share of the debt of former Yugoslavia, and on strict adherence to privatization of state-sector enterprises, accompanied by an administrative straitjacket of ethnic districts, and the division between a Croat-Bosniak entity and the Republika Srpska. This all was to be overseen by European Union administrators, British Crown agents, and thousands of blood-sucking NGOs, which did their best to feed themselves and prevent any economic development.²

This was no surprise, really, since this had been the British geopolitical intention from the beginning, in setting off and prolonging this Balkan war. It was opposed by the concept of the Schiller Institute and its chairwoman, Helga Zepp-LaRouche, who repeatedly pointed out the crucial role of this part of southeastern Europe in the development of the "Eurasian Land-Bridge," starting in 1989. Back then, she had started campaigning for the concept of the "Paris-Berlin-Vienna Productive Triangle," as the locomotive to help the nations of both Western and Eastern Europe, and to revamp the shattered infrastructure of the former Com-econ countries; her organizing was opposed to the IMF shock therapy which instead was imposed by the likes of Al Gore, George Soros, and their imperial British "One World" backers.

Bill Clinton had tried to move along the path of economic development, by sending Secretary of Trade and Commerce Ron Brown to the region. However, Brown died in a mysterious plane crash, in April 1996, near Dubrovnik, Croatia, on his way to Bosnia-Herzegovina. Instead, it was left to the Schiller Institute to put forward the concept of economic development for the region, by organizing a visit of a large delegation of U.S. state legislators and former U.S. Senator Jim Mann to Sarajevo in April 1996, to be followed by many other such interventions in Bosnia-Herzegovina, Croatia, and Serbia.

Phase 2: Kosovo and Geopolitics

At an *EIR* conference in Bonn, in April 1999,³ which Lyndon and Helga LaRouche chaired, and which was attended by Russian and Chinese influentials, the issue again was the urgently needed collaboration for a grand

development strategy organized through the LaRouches' "New Bretton Woods" (see below). Sharply attacking Blair's, Gore's, and Albright's confrontationist policy against Russia and China, LaRouche published an article on "Peace in the Balkans and the World Economy," dedicated to the memory of Ron Brown, shortly thereafter.⁴ Helga Zepp-LaRouche and the former (1996) chief of staff of Bosnian President Alija Izetbegovic, Faris Nanic, on April 28, 1999, issued a dramatic appeal against the NATO war, which had worsened the global strategic crisis and created a catastrophic situation both for the Kosovo Albanians and the Serbian population, by destroying key infrastructure. This call, "Peace Through Development for the Balkans,"⁵ laid out detailed infrastructure programs for the region in the context of a Marshall Plan-type mobilization for Eurasian development as a whole. It was circulated internationally and received support from Russian, U.S., and many other prominent international signers.

Instead, British influence increased over the U.S. administration and London's stooges in Europe, such as German Foreign Minister Joschka Fisher (Greens), who, in 2007, initiated, with George Soros, the EU's military empire public relations project, the European Council of Foreign Affairs (ECFR), on whose board we find intelligence mole Mabel of Orange-Nassau.

The NATO war against Kosovo had the declared aim of being the "opening salvo" to end the Westphalian system of sovereign nation-states, as Tony Blair was proud to announce in his speech in Chicago in 1999, during the military campaign against Serbia and Montenegro, to open the way for "humanitarian" intervention worldwide.⁶

There is no question, that individual crimes have to be punished. But real justice for the victims of needless bloodshed and an escape route for today's civilization, can only be achieved on a higher level. This world cannot afford to again become a victim of the methods of British Tavistock psychiatrists and their masters, who know how to engineer a "controlled field" for their social and political "turbulence." Therefore, listen to LaRouche this time!

2. Elke Fimmen, "The Case of Bosnia-Herzegovina: How Reconstruction Does Not Work," June 1999, published in *EIR*, Aug. 13, 1999.

3. "EIR Bonn Forum: A Dialogue on Solving the World Crisis," *EIR*, May 7, 1999.

4. Lyndon H. LaRouche, Jr., "Balkan Peace and World Economy: The Case for a 'New Marshall Plan,'" May 1999, published in *EIR*, June 18, 1999.

5. Published in *EIR*, June 11, 1999.

6. Elke Fimmen, "The Kosovo Crisis: British Move To End Sovereign Nation-State," *EIR*, March 14, 2008.

British Moves Against U.S.-Russia Cooperation

Pre-Clinton

Oct. 12, 1988: Lyndon LaRouche gave a press conference at West Berlin's Kempinski Bristol Hotel, on "U.S. Policy Toward the Reunification of Germany." He forecast the collapse of the Comecon economies, and elaborated a "Food for Peace" policy for transforming East-West relations, centered on cooperation in rebuilding the economy of Poland.

Nov. 9, 1989: Berlin Wall began to come down.

December 1989: LaRouche commissioned a group of specialists from the Schiller Institute to work out an economic program for Europe, known as the "Productive Triangle."

January 1990: "The Productive Triangle, Paris-Berlin-Vienna: Locomotive for the World Economy" was published, in German. This geographical area was envisioned to serve as a locomotive to restart the collapsing world economy, with spiral arms extending the economic development into Warsaw and Moscow. It aimed at stimulating the economy of eastern and western Europe by means of large projects for the modernization of infrastructure in transportation, energy, water, and communications. It was soon translated into many other languages, including Russian.

Along with spreading the publication, the Schiller Institute, and its founder, Helga Zepp-LaRouche, held hundreds of meetings throughout Eastern and Western Europe to discuss the Productive Triangle proposal.

Late January 1990: British Prime Minister Margaret Thatcher escalated a campaign against a reunified Germany, which had begun even before the fall of the Wall, calling Germany a "Fourth Reich." The explicit British charge against Germany was that it would become an economic superpower in aiding in the development of Eastern Europe.

June-August 1990: Under British-U.S. manipulation, Saddam Hussein invaded Kuwait, and Thatcher "stiffened [George H.W.] Bush's spine" to threaten war, which was launched in January 1991. British agent Sen. Al Gore cast a decisive vote to approve the

President Bush 41's war.

June 1991: With encouragement from the Bush Administration and its British buddies, Serbian President Slobodan Milosevic launched attacks on Slovenia and Croatia, which set off the first phase of a new Balkans war.

August 1991: Disintegration of the Soviet government and Communist Party, in an aborted coup.

Dec. 8, 1991: Official disbanding of the U.S.S.R. by its member states.

1992: The Balkans war expanded into Bosnia, with constant propaganda attacks by Serbia and Britain against Germany—which had recognized Croatia, Slovenia, and Bosnia-Herzegovina—for being a "Fourth Reich." The prospects for a peaceful and prosperous Eurasia were being drowned in blood.

Clinton's Presidency

January 1993: As Bill Clinton was inaugurated, he sought to stop the bloody war in Bosnia-Herzegovina, but faced open European opposition, mostly from Great Britain and France, even to the dropping of food packages.

April 23-29, 1994: LaRouche, just released from prison that January, visited Moscow, on the invitation of several Russian scientific organizations. His discussions on science and economy were supplemented by his promotion of his economic development plan, now expanded from the Productive Triangle to the Eurasian Land-Bridge.

June 5-9, 1995: LaRouche in Russia, spoke at the State Duma on "The World Financial System and Problems of Economic Growth"; spoke at the Institute of Economics of the Russian Academy of Sciences, the Methodological University, and Moscow State University.

Nov. 21, 1995: Dayton Accords to end the war in Bosnia. The agreements, negotiated by Richard Holbrooke (H.G. Wells adherent Madeleine Albright being Ambassador to the United Nations), included insistence that devastated Bosnia pay its foreign debts, and implement International Monetary Fund austerity conditionalities. The problem of Kosovo was reserved for "further discussions."

April 3, 1996: Clinton Administration Commerce Secretary Ron Brown was killed in a plane crash in Croatia, on a mission to work out Clinton's policy of economic assistance for the Balkans. With Brown's demise, efforts at economic development of that region



EIRNS/Stuart Lewis

Partners in crime: Russian Prime Minister Viktor Chernomyrdin and U.S. Vice President Al Gore in 1994. By 1999 they were working together to sabotage the possibility of cooperation between President Clinton and Russian Prime Minister Yevgeni Primakov. The success of their mission led to the NATO bombing of Serbia, the ouster of Primakov, and a further descent into hell for the Balkans.

essentially ended.

April 24, 1996: LaRouche returned to Moscow, to address an event sponsored by the Institute for Social and Political Studies of the Russian Academy of Sciences, the Free Economic Society of Russia, and the Schiller Institute for Science and Culture.

1997: The global financial crisis erupted, spearheaded by George Soros's speculative assault on Asian currencies.

Jan. 4, 1997: LaRouche addressed a forum of the FDR-PAC in Washington, D.C., devoted to rebuilding of Bosnia-Herzegovina. He emphasized the need for a New Bretton Woods financial system, and the project for a Eurasian land-bridge, to stimulate the world economy. Bosnia, with the aid of the Central European machine-tool capability, could become part of a Balkan bridge to the Eurasian Land-Bridge.

January 1997: Madeleine Albright confirmed as U.S. Secretary of State. She played a crucial role in setting off the NATO war against Yugoslavia (she served until the end of the Clinton Administration).

February 1997: Helga Zepp-LaRouche and Ukrainian member of parliament Natalya Vitrenko issued an "Urgent Appeal to President Clinton to Convoke a

New Bretton Woods Conference."

December 1997: At the Peace Implementation Council meeting on Bosnia, in Bonn, pursuant to the Dayton Accords, Western diplomats insisted that Kosovo be discussed. The Serbian delegation left in protest.

Jan. 30, 1998: Treasury Secretary Robert Rubin told a hearing of the House Banking Committee that the world needs a new financial architecture, especially to restore financial stability in Asia.

1998: Monica Lewinsky scandal against President Clinton intensified throughout the year.

August-September 1998: Vice President Al Gore and Sen. Joe Lieberman (D-Conn.) pressed Clinton to resign over the Lewinsky scandal, in a blatant move to make Gore President.

Aug. 17, 1998: Russian GKO (state bonds) crisis; Russian government declared a moratorium on some of its debt payments, and announced that its bond settlements would have to be renegotiated.

Gore maintained his separate relations with former prime minister Viktor Chernomyrdin, a business crony, in hopes of placing Chernomyrdin back in power in Moscow.

Sept. 14, 1998: Speaking to the Council on Foreign Relations in New York, President Bill Clinton called for a new international financial architecture. "Today, I have asked Treasury Secretary [Robert] Rubin and Federal Reserve Board Chairman [Alan] Greenspan to convene a major meeting of their counterparts within the next 30 days to recommend ways to adapt the international financial architecture to the 21st century," the President said.

"...The World War II generation did it for us 50 years ago. Now it is time for us to rise to our responsibility as America has been called upon to do so often, so many times in the past. We can, if we do that, redeem the promise of the global economy and strengthen our own nation for a new century."

Sept. 23, 1998: The New York Federal Reserve pulled together an emergency meeting to save LTCM, a hedge fund whose imminent collapse threatened the world financial system, as IMF managing director Michel Camdessus admitted almost a year later.

Dec. 19, 1998: After an escalation of the Lewinsky scandal, President Clinton was impeached in the House of Representatives. He was acquitted in the Senate on Feb. 12, 1999.

Dec. 21, 1998: Russian Prime Minister Yevgeni Primakov, during a trip to India, advanced the concept of a strategic triangle among Moscow, Beijing, and New Delhi.

Feb. 12, 1999: *EIR* featured “Plundering Russia: Time To Open the Gore Impeachment File,” a report on Gore’s collusion with former Russian prime minister Chernomyrdin, against both current Russia Prime Minister Primakov and U.S. President Clinton. The story involved looting of Russia through a San Francisco-based firm called Golden ADA.

Early March 1999: Chernomyrdin and “oligarch” Boris Berezovsky arrived in Washington. Chernomyrdin met with Al Gore and others, complaining about current Prime Minister Yevgeni Primakov.

March 19, 1999: President Clinton, in a press conference on the eve of a visit by Prime Minister Primakov, stressed his commitment to good relations with Russia. Referring to Russia’s financial difficulties, he said, “I think it is important, if we are going to help Russia—and we should; we should do everything we can—that we do things that are actually likely to make a difference....”

March 23, 1999: Prime Minister Primakov, en route to the United States, received a telephone call from Vice President Gore, reportedly behind the back of the President, informing him that the situation in Kosovo had taken a turn for the worse, and that NATO bombing of Serbia was imminent. Primakov ordered his plane to return to Moscow. He later reported his reply to Gore: “I told him, think again, Mr. Vice President, you are not analyzing all the consequences.”

March 24, 1999: NATO bombing campaign against Yugoslavia began. It lasted until June 10, when KFOR, a NATO force, took over. Russian peacekeepers were also deployed, leading to tensions on the ground. Eventually, Russian forces operated as a unit of KFOR, but not under the NATO command. Kosovo was administered by the United Nations under Resolution 1244 until its unilateral declaration of independence on Feb. 17, 2008.

March 26, 1999: The *New York Times* reported on a fight within the Clinton Cabinet over the Primakov visit. “The Primakov trip was important because initially the White House had thought it would delay mil-

itary action against ... Milosevic, until after the Russian leader’s trip,” Jane Perlez wrote. “But ... Gore, who was to be Mr. Primakov’s host, argued forcefully that the credibility of NATO was more important than ministering to the sensitivities of the Russians.”

April 21, 1999: *EIR* seminar in Bonn, “The Way Out of the Crisis: Europe, the World Financial Crisis, and the ‘New Cold War,’” was addressed by Lyndon and Helga LaRouche, discussing with leading representatives from Russia, China, India, and Western Europe, on how to avert world war and to establish cooperation among a “survivors’ club of nations,” along the concept of the Eurasian Land-Bridge.

April 28, 1999: Helga Zepp-LaRouche and Faris Nanic, the former chief of cabinet of Bosnian President Alija Izetbegovic, issued a call against the war for “Peace Through Development for the Balkans.” Political, religious, labor, and other leaders the world over sign the resolution.

April 1999: NATO 50th Anniversary meeting in Washington. Although President Clinton rejected British Prime Minister Tony Blair’s public demands for a ground invasion of Yugoslavia, NATO shifted to a new war doctrine, allowing its powers to intervene militarily outside its Western European area, and potentially anywhere in the world. NATO’s bombing campaigns, first in Iraq and then in Yugoslavia, were moving toward Russia. British spokesmen called for NATO to expand rapidly to include nearly all of the countries once part of the Warsaw Pact, and even of the Soviet Union.

May 12, 1999: Russian President Boris Yeltsin fired Prime Minister Primakov. *EIR* (May 21) called the move “A Step Toward World War III.”

June 18, 1999: LaRouche issued a policy document in *EIR*, “Balkan Peace and World Economy: The Case for a ‘New Marshall Plan.’”

Aug. 11, 1999: LaRouche issued a statement, “Is World War III Coming?” “For maniacs such as Blair, Brzezinski, and Albright, the orchestration of the recent war against Yugoslavia was only the prelude to a nuclear confrontation with Russia,” he wrote.

March 26, 2000: Vladimir Putin was elected President of Russia.

The Post-Clinton Era

June 2001: LaRouche visited Russia, addressing a committee of the State Duma on “Measures to Ensure the Development of the Russian Economy Under Con-

ditions of a Destabilization of the World Financial System”; and speaking before scientists at the Lebedev Institute of Physics of the Russian Academy of Sciences. This was only one of numerous additional visits by LaRouche to Russia over coming years, when he met with leading academicians and others, and promoted collaboration with the United States, Western Europe, China, and India for economic development.

March 11, 2006: Serbian leader Milosevic died in his prison cell, under suspicious circumstances, during his international trial as a war criminal. Russia expressed dissatisfaction with the way Milosevic had been treated, and that he had not been allowed to visit doctors in Russia.

March 24, 2006: *EIR* cover story by LaRouche, “Milosevic Murder To Trigger East-West Conflict.” Not only does the Milosevic murder threaten to trigger a new Balkan crisis, he wrote, but it comes at a moment when Russia is playing a pivotal role in seeking a solution to the “Iran affair,” i.e. Iran’s nuclear energy program.

April 24, 2007: Conference in Moscow on “Mega-projects of Russia’s East: A Transcontinental Eurasia-America Transport Link via the Bering Strait,” marked an extraordinary vision coming from agencies associated with the Putin government, for collaboration with the United States. A paper by LaRouche, “The World’s Political Map Changes: Mendeleyev Would Have Agreed,” was read to the gathering.

During the same period, leading Russian officials and press began open discussion of the positive legacy of U.S. President Franklin D. Roosevelt.

May 15, 2007: LaRouche visited Moscow for a celebration of the 80th birthday of Prof. Stanislav Menshikov, the prominent Russian economist, promoting the Land-Bridge idea.

May 16, 2007: LaRouche in Moscow, in an interview with economist Mikhail Khazin, noted the recent mentions of FDR, in speeches by Russian President Putin and in the Russian press. “You need a response from the United States for what President Putin, and other people in Russia today, have said about the Roosevelt tradition,” he said. LaRouche called for “a dialogue between Russia and the United States, involving other countries, like China, India, and so on, who understand that we believe the same thing about the present world crisis, and can understand what we must do for the next 50 years.”

LaRouche explicitly identified the British as the

chief opponents of such collaboration. His remarks received strong support, and prominent coverage, among some Russian media.

June 10, 2007: Putin at the St. Petersburg Forum called for a “new architecture of international economic relations.” He said that globalization had caused serious problems, particularly in Russia and Asia, and was forcing the issue of “adapting the international financial architecture to the 21st Century.”

July 1-2, 2007: Presidents Bush and Putin met in Kennebunkport, Maine, as guests of ex-President George H.W. Bush, at the family Summer estate. Putin proposed sharing the Russian Gabala radar base in Azerbaijan, as a way to avoid a showdown over U.S. anti-missile installations planned for Poland and the Czech Republic.

July 25-Aug. 9, 2007: In the wake of LaRouche’s July 25 webcast, during which he declared the financial system finished, the global banking crisis broke out, threatening worldwide disintegration, and calling the question of putting together LaRouche’s proposed Four Power agreement for a new financial system.

Feb. 18, 2008: Kosovo declared its independence from Serbia.

May 14, 2008: At a foreign ministers meeting in Yekaterinburg, Russia, China, and India formed a Eurasian alliance, whose stated objectives included repudiation of the independence of Kosovo.

July 18, 2008: Former Bosnian Serb leader Radovan Karadzic was arrested on war crimes charges, with the intent of being sent to The Hague, as Milosevic had been.

July 30, 2008: A Russian Foreign Ministry official gave a background briefing to reporters in Moscow, raising the prospect of a complete breakdown of U.S.-Russian relations.

HOTLINE

LaRouche and EIR Staff
Recorded Briefings
—24 Hours Daily
916-233-0630, Box 595

IBERO-AMERICA

How To Triple Food Production By Developing High-Speed Rail

by Dennis Small

Usually, the mass media lie outright. Occasionally, they will report *part* of the truth, but out of context, so that no competent understanding of the dynamic involved will be accessible to the concerned observer.

That is what the international media did with the stunningly successful July 2 operation executed by the Colombian military and government, which freed 15 high-profile hostages who, for years, had been held in jungle concentration camps by the narco-terrorist Colombian Revolutionary Armed Forces (FARC). The media presented the raid as a kind of Latino soap opera, focussing on the case of the suffering family of the courageous Ingrid Betancourt, a former Colombian Presidential candidate who endured grueling captivity for six years.

But there are two additional features of the story of the freeing of the FARC's hostages, which are essential to understanding its strategic significance, and which take us to the heart of our topic in this report: How to triple food production in Ibero-America.

First, the July 2 success of the Colombian military and government was buttressed by cooperation from U.S. and French institutional forces, in which all the parties involved were shaped by three decades of activity and policy discussion—much of it working directly with Lyndon LaRouche and his associates in the region—on how to successfully combat international narco-terrorism.

Second, on July 5, scarcely three days after the FARC raid, Colombian President Alvaro Uribe rode

the wave of optimism sweeping his country, and all of South America, to announce that he was taking up the offer made months earlier by Venezuelan President Hugo Chávez, to jointly build railroad corridors between the two countries in order to promote their joint economic development. Those rail lines, Uribe added, should be extended south to Ecuador, Brazil, and across all of South America.

Uribe's initiative, in turn, led to a reactivation of the half-dormant Presidents' Club—the informal association of the region's heads of state—to again take up the issues of infrastructure development, and how to jointly create alternatives to the economic devastation that the current world system is wreaking on each of their countries. On July 11, Uribe and Chávez met in Venezuela and pressed forward on the railroad project.

On July 18, Chávez joined Brazilian President Lula da Silva in a visit to Bolivia, where they offered a \$600 million credit to finance the construction of a major bi-oceanic highway through Bolivia, which would eventually link up Brazil's Atlantic coast with Chile's and Peru's Pacific ports. The next day, Lula flew to Colombia, where he signed significant cooperation deals with President Uribe, and the two were then joined by Peruvian President Alan García on July 20. And the diplomacy of development has continued into August.

This feature of our story also goes back decades—and in fact *centuries*. For more than 25 years, La-



Transrapid

A modern railway network, including Maglev trains, in Ibero-America will allow the Colombian-Venezuelan plains (a view of which is shown here) to begin to triple agricultural output in the region. These plains are equivalent in size to the combined area of the U.S. Great Plains states of Nebraska, Kansas, and Iowa!

Rouche and his associates have presented detailed proposals for great infrastructure development projects for Ibero-America, which have been intensely studied and debated throughout the region. These included books, such as *Industrial Argentina* (1983) and *Ibero-American Integration: 100 Million New Jobs by the Year 2000!* (1986); countless studies and monographs; and a programmatic compendium presented by the LaRouche in 2004 Presidential campaign under the title *The Sovereign States of the Americas: Great Infrastructure Projects* (see *EIR*, Sept. 26, 2003).

LaRouche's approach to the development of the Americas, North and South, has always stood on the shoulders of the Good Neighbor policies of Franklin Delano Roosevelt, and of his policy predecessors, in turn, Abraham Lincoln and John Quincy Adams. In all of these cases, infrastructure development—and the building of railroads, in particular—played a very special role.

And so, when Colombian President Uribe followed the successful July 2 operation against the FARC, with a July 5 announcement of a plan to build continental rail lines, Lyndon LaRouche exclaimed on July 8: “Now we can replace narco-terrorists with farmers!”

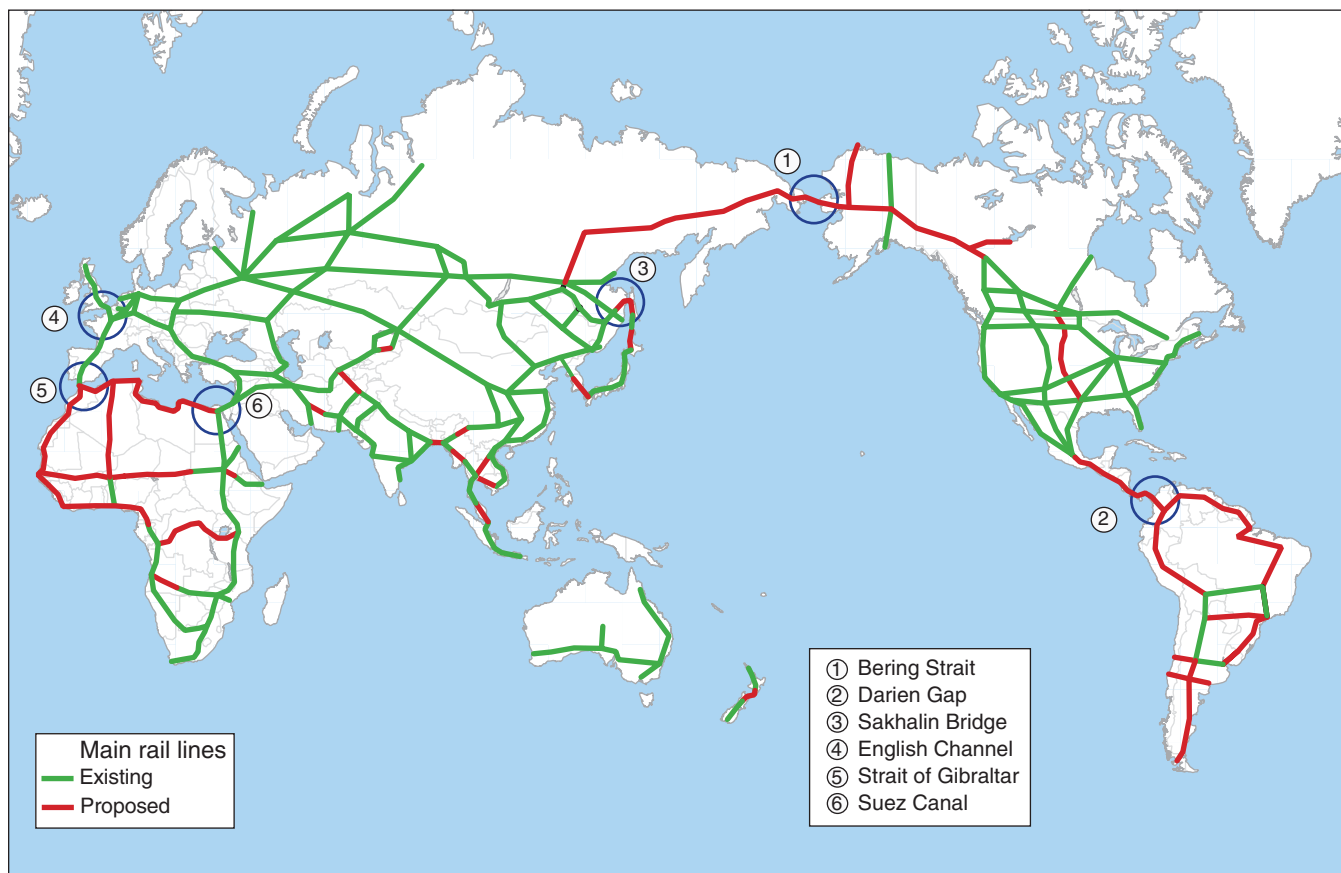
Maglev Railroads

Here's how.

As the world financial system disintegrates in a hyperinflationary blowout, the planet today is teetering on the brink of widespread starvation. As Schiller Institute chairwoman Helga Zepp-LaRouche has insisted, the world can and must double food production in the short term, with national self-sufficiency in production in every sovereign nation-state.

In the case of Ibero-America, basic grain production can be nearly *tripled* in a decade, if vast new areas of rich agricultural land in South America's interior are opened up to development by the construction of a

FIGURE 1
World Land-Bridge



continental network of high-speed rail lines. This network would be an integral part of the 65,000-kilometer World Land-Bridge (Figure 1), whose Eurasian components are well on their way to completion.

Arguably, the two most critical bottlenecks of the World Land-Bridge are the Bering Strait, which links Eurasia with North America, and the Darien Gap, between Central and South America. The Russian government is actively promoting the construction of a Bering Strait tunnel, and has even sponsored international conferences including U.S. representatives, which demonstrate the technical and economic feasibility of the project. This project has long been promoted by Lyndon LaRouche.

The Darien Gap project—which would link up rail routes stretching through North and Central America, with South American corridors extending down to Argentina’s Tierra del Fuego—is almost as critical. Doing this involves crossing a 60-mile stretch of dense jungle

along the border between Panama and Colombia, which has never even had a highway built through it, let alone a railroad—despite the fact that detailed plans for the construction of a Pan American Railway, including the Darien Gap, were drawn up as far back as the administration of U.S. President William McKinley (1897-1901).

The Darien Gap has been newly studied by the highly qualified American rail engineer Hal Cooper. In a paper prepared for delivery in October at an international conference in Turkey (an advance copy of which was made available to *EIR*), Cooper presents two distinct, viable routes for the project.

“The Darien Gap railway connector would be approximately 85 to 95 miles (136 to 152 km) long and could go by either a central lowland route, parallel to the uncompleted Pan American Highway, or by an elevated hill and mountain route to the east of the Pan American highway,” Cooper proposes. The former

route would run “through thick tropical rain forests in parallel to the Chucunaque and Tuira Rivers where heavy rainfall, thick jungles, insects and snakes, plus frequent flooding, would be major problems over much of the year. . . . The alternative eastern mountain route would go over the Serranía del Darién Mountains to the Atlantic drainage side over relatively gentle grades through rolling hills with maximum elevations of 1,500 to 2,000 feet (455 to 610 meters) through heavy tropical forests.”

“A significant challenge would be involved no matter what routes were chosen,” Cooper notes. “The western lowlands route would be shorter in length, but would go through flood prone areas with heavy rainfall, and would have to be built through a national park. The eastern highland route would be longer, but would be able to avoid much of the flood prone areas and would probably not need any tunnels, and would not have to be built on an elevated course way.”

In **Figure 2**, we present *EIR*’s proposed routes for the South American portion of the World Land-Bridge, including both the small number of existing rail lines, as well as new lines to be built. These will be high-speed, standard-gauge rail lines, that will be double-tracked for most of the route. They will have to be entirely electrified, and/or magnetic levitation lines, which will, in turn, require a major increase in the availability of power—which can only come from the large-scale development of nuclear energy.

Once the rail line has crossed the Darien Gap into Colombia, it will branch into three, major North-South continental corridors. The *Western Corridor* will run south from Bogotá through Ecuador, Peru, Bolivia, Paraguay, and into Argentina. This route will run along the eastern foothills of the Andes Mountains, laying the basis for opening up the entire undeveloped interior of the continent, which runs from the Andes to the Atlantic coast.

A second major route, the *Central Corridor* will run southeast from Bogotá, to Leticia, and from there will cut across the Amazon jungle to Pôrto Velho, Cuiabá, and São Paulo in Brazil.

A third, *Eastern Corridor* will hug the Atlantic coast and run from Colombia to Venezuela, Guyana, Surinam, French Guiana, Brazil, Uruguay, and Ecuador.

Various East-West corridors will also be built from the Western Corridor to cross the Andes and reach the Pacific coast. One of the more promising is Saramirisa

in Peru, where the Andes reach their lowest elevation, 2,500 meters (8,200 feet) above sea level. Other cross-Andes spurs will link Argentina and Bolivia up with a Coastal Corridor running the length of Chile. These are essential to transform an integrated South America into a two-ocean economic power—much in the same way that Abraham Lincoln’s transcontinental rail project achieved that objective for the United States in the second half of the 19th Century.

Food from the Plains and the Cerrado

It was Lincoln’s railroads that also allowed for the transformation of the U.S. Great Plains states west of the Mississippi River, into the agricultural powerhouse that they became. That same principal applies, 150 years later, to the heartland of South America.

There are two, principal areas of underutilized cultivatable land in South America where a vast increase in food production can be readily achieved: the Colombian-Venezuelan Plains, and Brazil’s Cerrado (see Figure 2). The Amazon jungle lies between them.

The Colombian-Venezuelan plains are a continuous stretch of some 50 million hectares (212,000 square miles) in the Orinoco River basin. There is significant annual rainfall—in fact, too much in certain seasons—and there are major rivers which cross the region, including the Meta and the Guaviare. The land, once treated with lime (between 3 and 5 tons per hectare) to address the problem of acidity, is well-suited for extensive agriculture. Today, it is vastly underpopulated, underdeveloped, and largely controlled by London-promoted drug-trafficking armies. For example, the Colombian portion of the region (about 60% of the total for the two countries), constitutes 27% of Colombia’s national territory, but has only 3% of its total population—some 1.5 million inhabitants. There are few roads in the region, and no railroads.

In size, the Colombian-Venezuelan Plains are equivalent to the combined area of the U.S. Great Plains states of Nebraska, Kansas, and Iowa. (This critical region is further discussed in Maximiliano Londoño’s article below.)

Next, turn to the huge Cerrado region of Brazil, which is nearly four times larger than the Colombian portion. Its 205 million hectares (792,000 square miles) are equivalent to the three mentioned U.S. states, *plus* North Dakota, South Dakota, Missouri, Oklahoma, and Texas. Parts of the Cerrado are a bit more devel-

TABLE 1

Ibero-America's Great Agricultural Projects: Grain Production

| | Total Land Area (Million Hectares) | Area Cultivated (Million Hectares) | Production (Million Tons) |
|---------------------------|---|---|---------------------------------|
| Ibero-America today | 2,058 | 51 | |
| —Production | | | 160 |
| —Imports | | | 40 |
| —Consumption | | | 200 |
| —Consumption, no hunger | | | 260 |
| —Consumption, 2018 | | | 350 |
| Colombia-Venezuela Plains | 50 | 15 | 60 |
| Cerrado | 205 | 50 | 210 |
| Mexico, NAWAPA-Plus | 196 | 5 | 20 |
| Sub-Total, 3 Projects | | 70 | 290 |
| Total, Today + 3 Projects | | | 450 |
| —New Total as % of Today | | | 281% |

Source: FAO, *EIR*.

oped than the Colombian-Venezuelan Plains, but this is largely by the international grain cartels, which exploit huge tracts of soy beans, and process them almost entirely for export.

The Cerrado is a vast tropical savannah, a well-watered grassland, which constitutes 24% of Brazil's total land area of 846 million hectares—which, in turn, is 9% larger than the continental United States. Three main river systems drain the region: the Araguaia-Tocantins (into the Amazon basin); the Paraná (southward to the Río de la Plata basin); and the San Francisco (to the Atlantic Ocean). Like the Colombia-Venezuela Plains, with the right fertilizer and lime applications to the soils, the region's agro-climatic potential is vast. The temperature regime for much of the Cerrado will permit two, and sometimes three crops a year.

As we indicate in **Table 1**, some 50 million hectares out of the Cerrado's total of 205 million can be put under crop cultivation. This will produce about 210 million tons of grain per year. Similarly, in the Colombian-Venezuelan Plains, grain can be grown on some 15 million of its 50 million hectares, producing about 60 million tons.

If we add in the significant increase of irrigated land—and thereby food output—that can be achieved in Mexico with the implementation of the combined

NAWAPA, PLHINO, and PLHIGON water projects (see “U.S. and Mexico: Cooperate On Great Water Projects,” *EIR*, Dec. 7, 2007), a total of 290 million tons of additional grain can be produced in Ibero-America. This will make for a *near tripling* of the current, inadequate output of 160 million tons of grain per year. Even if we factor in: a) replacing current imports (40 million tons) with regional production; b) bringing food consumption levels up to the point where hunger is eliminated for the 40-50% of the population today suffering from hunger (another 60 million tons); and c) providing for a 3% yearly population growth over the decade that it will take to bring these major projects on line (90 million additional tons); the total required grain production of 350 million tons by 2018 will be more than matched by the 450 million tons that will be produced. Regional food self-sufficiency is unquestionably an achievable goal.

But:

To achieve this, it is absolutely necessary to build high-speed rail corridors to bring capital inputs into the agricultural regions, to transport the product to market, and to provide the overall infrastructural backbone for the industrial development of the interior of the continent.

South America must do today, what the United States did in the 19th Century under Lincoln. And it will be able to do so in cooperation with a United States which has returned to the policy orientation of Franklin Delano Roosevelt, as the policies of Lyndon LaRouche represent today.

The outlook required is that of the Peruvian patriot Manuel Pardo, who as President from 1872-1876, in alliance with Abraham Lincoln's networks in the United States, launched a major national railway project which included crossing the Andes. Their enemies sarcastically dubbed it “the Train to the Moon.” But Pardo already knew, in 1860, the enormous role to be played by railroad infrastructure:

“Join the three central lines by means of the fourth, and decide if, in ten years, a revolution will not have occurred in Peru, a revolution at once both physical and moral, because the locomotive—which, like magic, changes the face of the country through which it passes—also civilizes. And that is perhaps its main advantage: populations are put into contact. It does more than civilize; it educates. All the primary schools of Peru could not teach in a century, what the locomotive could teach them in ten years.”

Venezuela Completes Yacambú-Quíbor Water Transfer Tunnel

by David Ramonet

The water-transfer tunnel of the Yacambú-Quíbor Hydraulic System in the state of Lara, Venezuela, was finally opened on July 27, making it possible to traverse the entire 24.5 kilometer length of this tunnel, which crosses under the Andean mountain range at a depth of 1,200 meters. Through this 4.4-meter-wide tunnel, 287 million cubic meters of water per year will be transferred from the Yacambú river, which is part of the Orinoco basin in the southern plains region of the country, to the Quíbor Valley, a semi-arid agricultural area near the city of Barquisimeto.

The agricultural and urban requirements of this area not only exceed current availability of fresh water, but the aquifers in the region are also being depleted.

The characteristics of the Yacambú project make it a sort of “mini-PLHINO,” a more modest version of that Northwest Hydraulic Plan in Mexico which envisions the transfer of 7 billion cubic meters of water a year, for the irrigation of nearly 1 million hectares of land. The PLHINO project entails four tunnels, each between 21 and 33 kilometers in length, and about 7 meters in diameter, which would connect a continuous network of rivers and canals 460 kilometers long. Although the Yacambú project will transfer only 4% of the amount of water that the PLHINO will move, both projects are based on the same engineering and physical economic principles. And the Yacambú project demonstrates, above all, that it can be done!

The project was begun in 1974, but it took 34 years to be completed, not for technical reasons, but because of the political and financial obstacles thrown up against it. Over the course of those 34 years, the project was stopped and started up again eight times, under the pressure of

national and international campaigns—in particular, by the World Bank—which argued that the project was “not feasible.” Financing was cut off, and the project became mired in administrative corruption, but finally the light appeared at the end of the tunnel, albeit at a higher cost than originally budgeted, because of all the obstacles.

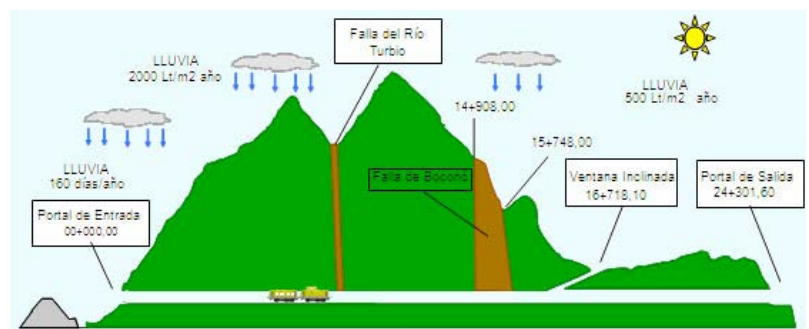
The tunnel was constructed on the basis of the original design, but instead of costing \$173 million as expected 34 years ago, it ended up costing more than \$800 million in current dollars. Advanced engineering tools—such as tunnel-boring machines, earth-moving equipment, and explosives—were used, under the supervision of international consultants and dozens of investigations and studies which, time and time again, confirmed the project’s feasibility.

Two thirds of the volume of water which will be transferred through the tunnel will go for agriculture, and one third to meet the consumption needs of the city of Barquisimeto, the nation’s principal agricultural gathering and distribution center, located in the center of Venezuela.

This will allow the amount of land under irrigation in the Quíbor Valley to increase from 3,500 to 26,120 hectares; that is, an increase of 557%. This will mean, in the short term, an increase in diverse agricultural production of some 580,000 tons a year, as compared to the 55,658 tons which are currently produced—an increase of 942%.

In Barquisimeto, a city of a million inhabitants, the supply of potable water will increase by 66%, going from 4,547 liters/second to 7,547 liters/second. This will allow an expansion of the city’s industrial and agroindustrial capacity, as well as city services, in general.

Venezuela’s Yacambú-Quíbor Water Tunnel Project



Source: Yacambú-Quíbor Water Tunnel.

A schematic of the tunnel project in mid-July, just before it was finished. The entrance is at left.

Reaping the Food Potential of The Colombia-Venezuela Plains

by Maximiliano Londoño Penilla, President, Lyndon LaRouche Association, Colombia

To effectively combat narco-terrorism, produce sufficient food for our needs, generate exportable surplus, and to physically integrate the various geographic regions of our countries by rail and water corridors, is once again the common agenda of what we might informally identify as the Presidents Club of the nations of Ibero-America. It is this process which U.S. economist Lyndon LaRouche, a longtime promoter of great infrastructure projects, has described as the new and necessary phase of “replacing narco-terrorists with farmers,” to put an end to the modern forms of opium warfare used by the British empire to lay waste our nations, inundating the United States and Europe with cocaine and opium derivatives.

In combination, the Colombian and Venezuelan plains represent some 50 million hectares, of which 15 million could be cultivated with relative ease. Presidents Hugo Chávez of Venezuela and Alvaro Uribe of Colombia recently agreed that through navigation of the Orinoco Basin rivers—in particular the Orinoco and the Meta rivers—and with railway corridors, it will be possible to transport grain grown on the Colombian and Venezuelan plains, in the amount of at least 60 million tons a year. Thus, the goal urged by Schiller Institute chairwoman Helga Zepp-LaRouche, to double worldwide food production and eliminate hunger from the face of the Earth, could be achieved in this region.

Putting such an “Operation Manna” into effect would be a mortal blow to the drug trade that flourishes, in the absence of the legitimate state government, in vast areas of Colombia’s Orinoquia and Amazonia regions. Currently, the rivers are practically the only available means of transport in the region, and the costs of rural river transport are stratospheric, because gasoline—which is also used as a solvent in the production of cocaine—has been hoarded by the narcos who, with their super-modern, very expensive 40-horsepower outboard motor boats, have come to domi-

nate and control these isolated regions of Colombia’s national territory.

The successes of Colombia’s military and police, led by President Uribe, have generated a wave of optimism, which has contributed to bringing back to the discussion table the question of the physical integration of Ibero-America’s nations, from Mexico to Patagonia. President Uribe accepted Venezuelan President Chávez’s proposal to integrate their two nations through a Colombian-Venezuelan rail line. This would consist of two main trunk lines, one would come down from Panama and run along the Caribbean coastline from Cartagena in Colombia to the city of Maracaibo in Venezuela. Another would originate in Venezuela, passing through the border city of Arauca, and crossing the Colombian provinces of Arauca, Casanare (Yopal), Meta (Villavicencio), Guaviare, Caquetá (Florencia), and Putumayo, and from there into Ecuador (**Figure 1**).

Brazilian President Luiz Inácio Lula announced that his country would invest in the rehabilitation and expansion of the Carare railroad. Lula said that he wanted to make Brazil’s dream of a route to the Pacific Ocean into reality, by connecting to the river transport system of the Amazon and Putumayo rivers, through a corridor that would reach the Pacific via the Colombian port of Tumaco.

Tunnels Speed the Way

Apart from the highway that joins Puerto Asís, Mocoa, Pasto, and Tumaco, the most efficient transport design would be a railroad corridor going from Puerto Asís on the Putumayo River, to the port of Tumaco, via a tunnel constructed at the level of the Eastern Central mountain range. The tunnel would follow the ravine opened by the Patía River across the Western mountain range, and arrive directly at Tumaco. In this way, the route would not have to ascend the mountains to reach Pasto, and then descend again to the port.

FIGURE 1
Colombia: Great Rail Projects



The proposed rail projects, in the blueprint stage for decades, will unite the Colombian nation, and prepare the way for necessary infrastructure development.

In addition, if another tunnel could be built that would go from southern Huila province, crossing the eastern range, and reaching Florencia in Caquetá province, it could connect the central railway coming down from the port at Santa Marta, with the Colombian-Venezuelan railroad that would travel along the eastern foothills of the Andes.

A third tunnel, the Ibagué-Armenia Tunnel, would facilitate crossing the central mountain range, significantly reducing the travel time between the major cities of Bogotá and Cali. Although these two cities are only

500 kilometers apart, it currently takes a bus between 10 and 12 hours to make that journey by highway, because one must first descend from Bogotá (located atop the eastern mountain range at 2,600 meters above sea level), down to Ibagué, and from there ascend the central range, and then descend again to the Cauca River valley where Cali is located.

The stretch between Ibagué and Armenia (barely 100 kilometers) takes three hours to drive, because the bus has to climb up and then down the central range.

This trip will become easier when construction is finished on the Line Tunnel—whose test, or pilot tunnel was recently inaugurated by President Uribe. The 8.6-kilometer Line Tunnel is located just under the summit of the central range, and will shorten the Ibagué-Armenia stretch by half an hour.

The highest part of the central range is known as La Línea, or Line—thus the tunnel's name. In this section, the grade of the highway is so steep that many vehicles overheat and get stuck on the side of the highway, because of the excessive strain on their engines. For decades, there has been a project to cross the central mountain range at base-level between Ibagué and Armenia; this would be the ideal Line Tunnel.

There are those who argue that such tunnels are too ambitious, that they are too long, that they are neither technically nor financially feasible. This is anti-scientific pessimism. Although it is true that

the three proposed tunnels are relatively long, one must remember that other countries, like Switzerland, have developed great technical capabilities in this work, and could be consulted for their expertise.

Currently, the Swiss are building a rail tunnel through St. Gothard Pass, which will be 57 kilometers long, longer than Japan's Seikan rail tunnel, which is now the longest in the world at 53.9 kilometers. The Loetschberg Base Tunnel, at 34.6 kilometers, is currently the longest in Switzerland and the third longest in the world. The second longest tunnel in the world is

currently the Chunnel (50.3 km) which unites France and England under the English Channel.

Intermodal Transport

President Uribe has insisted that the large amount of food that could be produced in the Colombia-Venezuela Plains could be transported by means of rail corridors and the water corridors of the Orinoco and Meta rivers. This would mean taking advantage of the vast agricultural potential of the Orinoco Basin region, which today is wasted because enormous expanses of land are used for extensive cattle-raising. Instead, meat production should take the form of intensive ranching within fenced areas.

In addition to navigation of the Meta and Orinoco rivers, the rail corridor should extend from the foothills of the Andes, through Villavicencio, and connecting San José del Guaviare, Puerto Inírida, Puerto Carreño and Yopal, as well as the corresponding cities and ports on the Venezuelan side. Thus, there would be an efficient intermodal transportation network for goods and passengers, year round, combining rail, water, and highway links.

President Uribe has correctly insisted that these development and transport corridors, as well as the region's energy integration (electricity networks, gas and oil pipelines, and so on) should extend both northwest to Central America and Mexico, as well as to the south, as far as Argentina.

**THE
EURASIAN
LAND-BRIDGE
'The New Silk Road'—
locomotive for worldwide
economic development**

(1997) 260 pages \$100
(EIR 96-007)

Available from

EIR News Service

P.O. Box 17390 Washington, D.C. 20041-0390

Phone: 1-800-278-3135

or www.larouchepub.com

Bring the Trains Back to Colombia!

by Miriam Redondo Tequia,
Lyndon LaRouche Association, Colombia

The history of the railroads in Colombia begins with the Panama line (at the time, part of Colombia), which joined the Atlantic and Pacific oceans in a project of worldwide importance. Built between 1852 and 1855, it was 80 kilometers long. It became a prosperous business, whose profits were used to finance the construction of other railroad lines.

The Panama Railway also inspired a major drive for the construction of railroads, starting in 1890, when Colombia joined the project of the Pan-American Railway, which was later promoted by U.S. President William McKinley. This railroad was to have run the entirety of North and South America. Because of its central geographic location, several branches were to have originated in Colombia: the western one, to run parallel to the Pacific Coast; the central line, to connect Panama, Peru, Bolivia, and Brazil on one end of the branch line, and Argentina on the other; and the eastern one, to join Colombia, Venezuela, Guyana, Surinam, and French Guiana, and then run down the entire Atlantic Coast, including Brazil and Argentina.

Colombia's railroads had their heyday from 1915 to 1950, when a large percentage of both cargo and passengers was moving by rail. Cargo transported by rail went from 773,366 tons to 3,289,797 tons, and the number of passengers increased from 3,518,687 to 13,361,753. At the same time, the total number of functional rail kilometers grew from 1,350 to 3,139, peaking at 3,462 kilometers in 1960.

Since that time, rail has "gone downhill": For example, in 1975, there were 4,217,466 passengers and 2,438,520 tons of cargo transported, a decline of 68% and 30%, respectively, from the levels of 1949. During that same period, the Colombian population tripled, from 8.7 million to 25 million inhabitants. Today the situation is even worse. Colombia has a mere 2,000 kilometers of active rail line, and nearly 45 million inhabitants.

Railroads Key to Economic Development

The railroads played an important role in the colonization of new lands in Colombia, and their development of agriculture and cattle-raising. The impact of the railroads began to be felt when the Antioquian northeast slowly began to come under cultivation. The same then occurred with the states of Santander, Caldas, and Valle, and also when the Atlantic rail line opened up vast zones of the middle Magdalena region, as well as the forests of Canare and of Opón. The increase in banana cultivation in the area south of the Ciénaga resulted in large part from the existence of the Santa Marta railroad.

At the same time, the industrialization of sugar cane cultivation in Valle del Cauca, with the establishment of the first sugar mills, was made feasible because rail provided transportation for the required heavy machinery from Buenaventura port on the Pacific. The huge increase in transport into the interior of the country was also key to the emergence of industries in the cities of Medellín and Bogotá.

Similarly, the mining industry made important advances thanks to the railroad.

For technological progress in general, we owe to the railroad the development of new skills and occupations: Technicians were trained on the railroads at every level, and civil engineers developed their creativity in the construction of bridges and tunnels. It was also in the railroad workshops established in Puerto Berrío, Dagua, and Bogotá, that the country's first mechanical, metallurgical, and electrical engineers began their training. They mastered steam technology, and the workshop engineers learned to produce any part needed to keep the locomotives up and running.

Colombia used dynamite to open up the mountains of the Andes with the 3.7-kilometer Queibra tunnel, in the central mountain range. U.S. engineer F.L. Weakland participated as an advisor in that project, and the tunnel was inaugurated on Jan. 31, 1930.

World Bank Treachery

In 1949, John J. McCloy, then president of the World Bank, sent a study commission to Colombia, headed by U.S. economist Lauchlin Currie, whose mission was to come up with a so-called development program to raise the living standards of the Colombian people. The result was just the opposite—as was,

in fact, the hidden intention of the mission. In the mission's final document, "Basis for a Development Program for Colombia," the country is advised to gradually suppress the railroads, to abandon efforts to promote the Greater Colombia Merchant Marine, and to discontinue the National Steel Company of Paz del Río (now known as Acerís Paz del Río).

The Currie report also rejected the Great Western railroad trunk line, as well as the Great Northeastern trunk line and the Armenia-Ibagué branch, with the argument that there was insufficient flow of cargo and passengers to justify their construction. The latter branch line was to have involved the construction of 14 tunnels, to permit railroads to cross the central mountain range from Armenia to Ibagué, which had been legislated as far back as 1922.

Thus, the Currie mission also destroyed the main engineering challenge that Colombians had been preparing to take on, namely, the possibility of breaking through the mountain ranges that run the length of the country. The project, whose central objective was to join Bogotá with the Pacific port of Buenaventura, had already been under way, with feasibility studies all approved, when the Currie mission came to the country and buried it.

One important consequence of Colombia's failure to complete its railway plans is that a large portion of the national territory was left isolated, which paved the way for the creation of focal points of drug trafficking and terrorism, because of the lack of state presence in every part of the nation.

Despite the passage of years, the initial plans for rail projects can still be carried out. A clear example of this potential was President Alvaro Uribe's enthusiastic inauguration Aug. 4 of the 8.6-kilometer pilot Line Tunnel, which opens the way for the parallel construction of the full Line Tunnel itself. This will be only the second tunnel crossing the Colombian Andes; the first is the 3.7-kilometer Queibra Tunnel, which opened in 1930.

For a Global Renaissance
SCHILLERINSTITUTE.ORG

Adopt Lilienthal's Infrastructure Plan!

by Maximiliano Londoño Penilla,
President, Lyndon LaRouche
Association of Colombia

The time has come to finally adopt the recommendations which “Mr. TVA,” David Lilienthal, made back in 1954 to the then-President of the Republic of Colombia, Gen. Gustavo Rojas Pinilla: Get a great plan of infrastructure projects under way.

Lilienthal had served as director of the Tennessee Valley Authority, the greatest hydraulic and related public works project carried out by Franklin Delano Roosevelt's government, which did away with the floods that, year after year, had devastated the seven states through which the Tennessee River flows. FDR built more than 45,000 infrastructure projects: dams, levees, tunnels, highways, railroads, aqueducts, hospitals, hydroelectric plants, irrigation districts, and so on. Among these, were 43 important hydroelectric projects and dams, as well as more than 450 small and medium-sized dams. In this way, FDR not only defeated the Great Depression of the 1930s, but also put an end to many “natural disasters,” like the floods that had been a curse to the crops and inhabitants along the river banks.

Invited to Colombia by Gen. Rojas Pinilla, Lilienthal proposed the use of the coffee bonanza (from the high coffee prices of the time), along with the creation of a public finance corporation able to issue bonds, to help finance the construction of great infrastructure projects. Lilienthal described these as “a kind of Second Liberation,” after the first accomplished by Simón Bolívar.

In a memorandum for General Rojas, Lilienthal proposed, among other things, that the Cauca and Sinú river valleys be made the axis of a pilot project for all Ibero-America, where the achievements of the TVA could be replicated.

Lilienthal observed: “General Bolívar won a victory over colonial oppression and thereby opened the door to political independence and freedom. The time may well be close at hand, indeed it may be here, for

another epochal series of events in Colombian life—and through her, for all of South America, a kind of Second Liberation.”

“The weapons of this Liberator,” Lilienthal explained, “will not be swords and cannon, nor will the price of this victory be exacted in the blood of Colombians, spilled for one's homeland on the field of battle. The arms of Liberation this time will be new highways and railroads, electrification, dams for irrigation and flood control and power, new schools and universities and hospitals, new and improved methods of raising coffee, sugar, cattle, rice. It may be said that the fruits of victory over ignorance and disease, over floodwaters, and soil erosion, and poor crops, can be as glorious as those won in the battles fought by Bolívar and his fellow patriots. The Colombians who lead their countrymen toward this 20th-Century Liberation will surely be as highly honored and as long-remembered as those who, following Bolívar more than 100 years ago, offered their lives to win their country's independence.”

Lilienthal established the mission as the transformation of Colombia into an agricultural and industrial power, endowed with the most modern infrastructure, and he explained with absolute clarity that, in this way, the unification of all Colombians would finally be achieved.

Let us heed him:

“Such a great forward surge in the physical development of a nation's resources as once can realistically envisage for Colombia in the next quarter century carries with it more than **physical** benefits alone. The very foundation of such a program can, in and of itself, serve as a center about which the whole people can unite and stand together, despite their economic or political differences. With so much constructive and creative work to be done, and so much improvement for everyone at stake, such a program may help to bring the entire nation together on the essentials of certain concrete tasks that need doing.”

If President Alvaro Uribe and/or those who seek to succeed him in the Presidency would adopt the infrastructure program which Lilienthal proposed to Colombia, then the basis for a lasting peace can be laid upon the foundation of stable and well-paid jobs for all Colombians of working age. This is the war which has to be won, the war against hunger and unemployment. And in the process, we would defeat the floods and their horrible consequences.

British Empire's 'Young Turks' Are Gunning for Turkey

by Dean Andromidas

Turkey avoided a major political destabilization when its Constitutional Court ruled on July 30 against an indictment alleging that the ruling Justice and Development Party (AKP) had violated the secularity of the Turkish Constitution. If the court had convicted the AKP, the party would have been closed down, and Turkish Prime Minister Recep Tayyip Erdogan, along with more than 50 AKP deputies, would have been suspended from holding office for five years. A conviction in the case would have thrown the country into chaos; thus, the vast majority of Turkey's people, as well as many world leaders, applauded the court's decision.

The U.S. State Department welcomed the development, but there was consternation among the Washington outposts of the British Empire, located in the American Enterprise Institute (AEI), the Center for Security Policy, and the Hudson Institute. Zeyno Baran, one of the high priestesses at the Hudson Institute, penned her lament in the *Wall Street Journal* Aug. 2, under the title "Turkey's Islamists Inspire a New Climate of Fear," expressing disappointment at the failure of the court to ban the AKP.

Baran's attack on the AKP joins those of notorious Islamophobe Michael Rubin of AEI, and others of the neoconservative apparatus who have put Prime Minister Erdogan on their list of "evil ones"—a list that includes Russian Prime Minister Vladimir Putin, Iranian President Mahmoud Ahmedinajad, and Syrian President Bashar Assad. These attacks go beyond mere Islamophobia. There is growing evidence of direct links between the neocon apparatus and Turkey's Ergenekon crime gang, which was recently indicted for planning a coup against the Turkish government.

Ergenekon and Cheney?

Ergenekon has been referred to as Turkey's equivalent of Italy's notorious Gladio "stay-behind" net-

work—a part of NATO, and linked to international terrorism. Turkish authorities arrested nearly 100 suspects in the case, and handed down a 2,500-page indictment July 14, which accused Ergenekon of plotting a strategy of tension that was to culminate in a military coup against the Erdogan government.

EIR has pointed to the historic and genetic links of Ergenekon to the British-created Committee for Union and Progress, also known as the Young Turks. This network was created by the European imperialist powers, led by Great Britain, to destroy the Ottoman Empire prior to World War I, and then to implement the notorious Sykes-Picot Treaty that carved up the Ottoman Empire between Britain and France. (See "British Unleash Ergenekon To Destroy Turkey and Its Peace Role," *EIR*, Aug. 1, 2008.) Today, the British have outsourced their destabilization schemes to one of their best-placed British agents in the U.S., Vice President Dick Cheney.

EIR researchers have found no less than four direct references to Cheney in the Ergenekon indictment. The most relevant is a report alleging that three of Cheney's top advisors met with the Washington representative of the Turkish ultra-nationalist daily *Cumhuriyet*, whose publisher, Ilhan Selcuk, has been indicted in the Ergenekon case, and whose chief editor, Ibrahim Yildiz, was interrogated by Turkish authorities who are probing his links to Ergenekon. The *Cumhuriyet* Foundation, which owns the daily, has, on its board of directors, Gen. Sener Eruygur (ret.), who is currently under arrest. He is suspected of being one of the top leaders of Ergenekon.

On page 95 of the indictment papers, there is a report about a wiretapped discussion, in which Yildiz tells Selcuk of a meeting that took place on Feb. 20, 2008. Yildiz is quoted as saying: "Now, brother, I've talked to Elcin (Poyrazlar). Elcin's meeting was with

three people, ... that is two of Cheney's advisers, number one, and number two advisers, and someone from the political affairs commission. ... The content of the meeting, was a little bit of a mutual exchange of views, and thereafter that they should continue the contact in the future. But they were most curious about if there were an opposition to the AKP or not, the non-radical Islam issue, and the El Kaida [al-Qaeda] issue. They said we should keep talking to each other, but not publicize these meetings. ..."

Although Cheney is not an official suspect, the Turkish police appear to have the healthy suspicion that those Turks who met with Cheney's aides might harbor treasonous intentions. A few weeks after this alleged meeting, the Turkish prosecutor brought his case to close down the AKP before the Constitutional Court. This was followed, on March 24, by Cheney's own official visit to Turkey. It was widely reported that Cheney was pressuring the Turkish government to send additional troops to Afghanistan, a request that the government refused. Many commentators suggested that Cheney's tour was aimed at drumming up support for an attack on Iran, which the Erdogan government and the Turkish military also refused.

The 'Prince of Darkness' and Ergenekon

The most substantial link between the neocons and Ergenekon is that the groups share the same ideology and its mother, British Intelligence. The neocons who hold the Turkish file include Cheney's top allies, among them former Assistant Secretary of Defense Richard Perle, Frank Gaffney of the Center for Security Policy, AEI's Rubin, and Meyrav Wurmser of the Hudson Institute. These neocons are loyal followers of the Zionist revisionist and fascist Vladimir Jabotinsky, who, in 1908 was editor of the *Young Turk*, the newspaper of the Committee for Union and Progress. Jabotinsky is also the ideological godfather of the right-wing Likud Party in Israel, now led by Benjamin Netanyahu, whose father was a personal associate of Jabotinsky (see box).

In particular, any links between Ergenekon and the notorious "Prince of Darkness," Richard Perle, should be officially investigated. Perle is the leader of the neocon "Young Turks" in Washington and a top Likudnik.

Perle's relationship with Turkey began shortly after the Turkish military coup of 1980, when he

became Assistant Secretary of Defense in the Reagan Administration. He quickly took over the Turkey file, founding the "Turkish American Defense Council" to coordinate U.S. Turkish defense policy. His deputy was Frank Gaffney. After he left government in 1989, Perle cashed in on the contacts he made in Turkey by helping Doug Feith—another neocon who would become notorious as Under Secretary of Defense in the George W. Bush Administration—form International Advisors, Inc., where they both gained hundreds of thousands of dollars in fees for lobbying for Turkish interests and American arms manufacturers.

Perle has not been implementing U.S. policy, but the policy of Bernard Lewis, the British agent and Orientalist expert at Princeton University. Lewis's policy is a throwback to that of the Young Turks. In 1960, the same year as the first military coup in Turkey, Lewis wrote "The Emergence of Modern Turkey," for Her Majesty's Royal Institute for International Affairs. The study trashed the modernizing nation-building legacy of Turkey's Mustafa Kemal Ataturk and called for the revival of an Ottoman Empire, the same empire that the Young Turks took over in 1908, as agents of the British imperialists. This new empire was to be used as a British geopolitical battering ram against the Soviet Union.

These schemes saw their implementation by the end of the 1970s, with the launching of the infamous Bernard Lewis Plan, implemented as the "Arc of Crisis" by Zbigniew Brzezinski, National Security Advisor to President Jimmy Carter. The plan by British geopolitician Bernard Lewis aimed at destabilizing the Soviet Union by provoking Muslim Brotherhood fundamentalist insurrections along the entire southern lateral of the Soviet Union. The bitter fruits of this policy are the Iranian Revolution, the Iran-Iraq War, the Russian invasion of Afghanistan, and the Turkish coup of 1980.¹

In 1996, Perle led a team of neocons that drafted the anti-peace policy, "A Clean Break: A New Strategy for Securing the Realm," for then-incoming Israeli Prime Minister Benjamin Netanyahu. Written as a geopolitical plan to ditch ongoing peace efforts and secure Israeli dominance in the region, within a few

1. For more on Lewis, see "Profile: Bernard Lewis, British Svengali Behind Clash of Civilizations," *EIR*, Nov. 30, 2001.

London's 'Young Turks': Jabotinsky and Parvus

In supporting London's "Young Turk" plot against Turkey today, our modern Jabotinskyites are acting totally lawfully. For Vladimir Jabotinsky's career included joining with his fellow British agent, Alexander Helphand (aka Parvus), in the Young Turk movement at the beginning of the 20th Century.

Jabotinsky (1880-1940) and Parvus (1867-1924) came from Odessa families based in the grain trade. While Helphand/Parvus began his political career in the Okhrana-spawned Russian socialist scene, where he played the role of a radical provocateur, he escaped the subsequent police crackdown and ended up in Turkey in 1908. At this point Parvus's ties to the leading European "Venetian Party" factions would be publicly shown.

Parvus went to work as a journalist for the Committee for Union and Progress, otherwise known as the Young Turks, who had carried out a military coup, overthrowing the Sultan and seizing power over the Ottoman Empire. By their own accounts,

the Young Turks based their revolution on a version of Pan-Turkism that had been devised by an advisor to the Sultan in the 1860s who was, in fact, an agent of Britain's Lord Palmerston.

Parvus's Young Turk interlude earned him a large fortune. He had partnered with Young Turk financier and Macedonia Risorta Lodge founder Emmanuel Carasso, and had been given the contract to supply grain to the Turks during the Balkan wars of 1912-13. According to some accounts, Parvus also got into the tightly controlled arms business, probably under the patronage of Sir Basil Zaharoff of the Vickers Arms cartel, a prominent Anglo-Venetian enterprise.

The Young Turks, in power, made no secret of their London ties. In 1909 the Ottoman Navy was put under the command of a British admiral; the British Royal Family's own banker, Ernst Cassel, established and managed the National Bank of Turkey; and British officials advised the Ministry of Finance, the Interior Ministry, and the Ministry of Justice.

After the Young Turks were defeated by Turkish nationalist leader Kemal Ataturk, seasoned British agents Jabotinsky and Parvus were available to deploy elsewhere: Both became outright fascists.

years, it became the blueprint for Vice President Dick Cheney and his cabal of neocon advisors in the George W. Bush Administration.

The 1996 document called for Israel to cultivate closer ties with Turkey as part of a new strategic axis in the region. Soon after the report was released, there occurred what the Turkish media have referred to as the "post-modern" coup of 1997, when the military forced then-Prime Minister Necmettin Erbakan and his Islamic-oriented Welfare Party out of power.

The "Prince of Darkness" is still at it, more than ten years later. On July 27, the *Wall Street Journal* reported that Perle was cashing in on a war that he helped start, when it revealed that he is seeking oil concessions in northern Iraq, near the Kurdish city of Arbil. His partners are the same as those he has been working with on the Turkish file for more than two decades. His key partner is the Turkish company AK

Group International, which is headed by Aydan Kodaloglu. Kodaloglu was a leading light in the Turkish American Council, which was established with Perle's help as the new U.S.-Turkish lobby group. She is part of Perle's Young Turk apparatus and a leading advocate of Turkish-Israeli relations. She also has written for the Jerusalem Center for Public Affairs, which is headed by Dore Gold, the advisor to Bibi Netanyahu.

The AK Group International's representative in the United States is Phyllis Kaminsky, who serves with Gaffney's Center for Security Policy, and is associated with the right-wing Jewish Institute for National Security Affairs. The AK Group's representative in Israel is Avi Kalstein, a member of the extreme right wing of the Likud, who in 1999 was the press spokesman for Defense Minister Moshe Arens. The latter virtually created Netanyahu in the 1980s, when he took him out

of the Philadelphia furniture store where he worked as a salesman, and made him Israel's press spokesman at the United Nations.

Another key element in Perle's apparatus is the neocon Hudson Institute. The above-mentioned article by the Institute's Zeyno Baran, laments the Turkish court's final decision not to ban the AKP, expresses disappointment at the fact that the U.S. government and the European Union hailed the decision of the Constitutional Court, and then describes the Ergenekon investigation as nothing more than AKP state-sponsored harassment of the opposition.

Baran also expresses outrage at the citation of Cheney in the indictment, and defends the "leading opposition paper *Cumhuriyet*" and its editors. Her defense of *Cumhuriyet* is significant, because it is a leading mouthpiece of what the Turkish media have dubbed the "neo-nationalist" movement. Although it was founded in 1923 as the press organ of Ataturk's Republican movement, the paper has dropped its Kemalist ideology and embraced that of Tallet Pashe, one of the principal Young Turks who overthrew Suldan Abdul Hamid II in 1908.

Baran, a Turkish American, is the wife of Matthew J. Bryza, who has been Deputy Assistant Secretary of State for European and Eurasian Affairs since June 2005. A career diplomat, Bryza has been busy in a region stretching from Turkey and the Caucasus into Central Asia, including the hot spots of South Ossetia and Abkhazia. He has also been involved in the gas pipeline geopolitics that have destabilized the area since the collapse of the Soviet Union. Bryza is a frequent speaker at the Hudson Institute.

Also of note, is the fact that Gen. Suka Tanyeri, director of the General Staff's Strategic Research and Study Center in Turkey, has been forced into retirement at this year's annual promotions conference. The Turkish press has reported that one reason for his retirement might be his attendance at the closed-door session at the Hudson Institute in June 2007, where wild scenarios were put forward on how Turkey could be destabilized. This event caused an uproar in Turkey, because it took place during the election campaign that year.

One of the scenarios discussed at the Hudson Institute meeting was that two terrorist bomb attacks would occur, one of them in Istanbul, which would kill 50 people. The bombings were to be attributed to the ter-

rorist Kurdish Workers Party (PKK), which would then become the trigger for a Turkish invasion of Iraq. Note that last month, two bombs did go off, in the middle of the Ergenekon indictment controversy and the deliberation by the Constitutional Court on whether to declare the AKP illegal. One bombing occurred in Istanbul, followed the next day by a bombing in Kirkuk, in northern Iraq, where there is an ethnic Turkman population. The bombings fueled speculation that they were connected with the aim of creating a Turkish-Kurdish conflict in Iraq, at a time when Turkey and Iraq have improved both economic and political relations.

Don't Forget the Queen

It should not be forgotten that Ergenekon and the neocons are not working for Turkish, Israeli, or even American interests, but for the London-centered Anglo-Dutch financial oligarchy. A direct British hand in Turkish affairs was reflected in the state visit by Queen Elizabeth to Turkey last May. There were many nice statements of mutual support, with Britain promising to promote Turkey's entry into the European Union.

In her speech during the state banquet, the Queen referred to her last official visit, 37 years before, in 1971. Of course, she did not mention that that was the year of Turkey's second military coup. The Queen could have also mentioned her first visit to Turkey, in early 1961, a few months after the military coup of 1960. The Queen was, in fact, the first head of state visit to Turkey after the coup, signalling full approval of the military junta that took power at that time.

The leader of that coup was not Gen. Cemal Güsel, who would later become President, but Col. Alparslan Turkes, who in 1944, was suspended from the military for his Young Turk-inspired rabid Pan-Turkism. Turkes would eventually be forced into retirement and later form the notorious Grey Wolves. Many sources claim that Turkes was the founder of the Turkish Gladio network.

No one should be fooled by these British overtures. It is clear that Turkey's policy of putting itself forward as a peace mediator throughout the region—especially between Israel and Syria, between Iran and the Western powers on the nuclear issue, and in Iraq—is in sharp conflict with British policy.

Dangerous Saudi Input Into Afghan Bloodshed

by Ramtanu Maitra

One of the least discussed aspects in the ongoing bloodshed in Afghanistan is the Saudi support for the foreign terrorists who are part of al-Qaeda and the newly-formed Tehrik-e-Taliban Pakistan (TTP), or the Pakistani Taliban, who are now waging war against both the foreign troops in Afghanistan and Pakistan.

When U.S. troops invaded Afghanistan to eliminate both al-Qaeda and the Afghan Taliban, they walked into a situation which was much more complex than what the Bush Administration had conveyed to the American people. It is not clear whether Washington was fully aware of the realities on the ground, but by moving into Afghanistan, U.S. troops had clearly run into a hornet's nest.

To begin with, Pakistani Inter-Services Intelligence (ISI), which was serving both Saudi and the British interests, was unwilling, and has become increasingly so, to give up the Afghan Taliban. ISI "needs" Afghanistan as its "strategic depth" against its "mortal enemy," India, and the Afghan Taliban were willing to agree to the ISI's arrangement. In other words, the ISI believed that the elimination of the Afghan Taliban would undermine "Pakistan's interest," to the benefit of India.

The British interest, expressed through MI6 operations, was to maintain various terrorist groups that found shelter in the Afghan Taliban-dominated, and Pakistani ISI-protected Afghanistan. These included Uzbek separatists, Chechen terrorists, and Uighur terrorists, among others. Britain harbors these terrorists for a number of destructive reasons, such as breaking up the southern flank of Russia, securing a foothold in the oil-and-gas-rich Central Asia, and breaking up the increasingly powerful nation of China. In addition, the growing cooperation among Russia, China, and India, to maintain a stable and peaceful Eurasia, is anathema to the colonial forces within Britain; these separatist and terrorist forces were built up and maintained as a bulwark against such a development.

The Saudi Charade

The third force, the Saudis, has an altogether different agenda. The Saudi objective is to organize the Sunni sects of Islam under Wahabi doctrine and to use them not only to dominate the Islamic world, but also to set up a Wahabi-dominated caliphate. While the ISI has little interest in either the British or Saudi plans, the British like the Saudi plan because it would split the Islamic world.

Years before Washington considered al-Qaeda a threat, and before the Afghan Taliban emerged on the scene, Saudi money was coming in to set up cells inside Pakistan—the gateway to Central Asia and beyond, including China—to preach the Wahabi form of Islam in the countries where Muslims were considered "oppressed," such as in Central Asia and China. Saudi money has also flowed into various Pakistani Sunni jihadi cells to "rejuvenate" the Muslims in the state of Jammu and Kashmir—a territory claimed by both Pakistan and India.

Saudi money, however, does not flow out of the Saudi government treasury, but from various charities. One such charity is Al-Haramain. After Al-Haramain figured among a number of Saudi charities accused by Washington of financing terrorism after the Sept. 11, 2001 attacks, the foundation was closed in Saudi Arabia in 2005. Al-Haramain was said to have received between \$45 and \$50 million each year in donations, and has spent some \$300 million on humanitarian work overseas.

However, the U.S. accusation has no effect on the donors. The foundation and other private groups that have been dissolved, and their international operations and assets folded into a new body, have been named the Saudi National Commission for Charitable Work Abroad, which will employ all those who were working for Al-Haramain and those charities that were closed because of their support to terrorist groups. In other words, the more it changed, the more it remained the same.

The 'Al-Yamamah' Link

Where British and Saudi operations converge in the most profound way, is through the longstanding "Al-Yamamah" covert operations slush fund, established through the arms-for-oil barter scheme, first negotiated between the Thatcher government in Great Britain, and Saudi Arabia's Prince Bandar bin-Sultan, in 1985, and still operational today. As *EIR* has exclusively revealed,



US Army/Staff Sgt. Justin Holley, 982 Combat Camera Company

U.S. troops ran into a hornet's nest, when they invaded Afghanistan to eliminate al-Qaeda and the Afghan Taliban. Shown: A U.S. Army soldier prepares to enter a Taliban safehouse near the Pakistani border, March 2007.

Al-Yamamah has generated hundreds of billions of dollars in off-budget, offshore funds, that were one critical source of Anglo-Saudi funding to the Afghan mujahideen, who battled the Soviet Army in Afghanistan throughout the 1980s. In a 2006 official biography, Prince Bandar's ghostwriter boasted that Al-Yamamah was a geopolitical partnership between London and Riyadh, to "combat communism" through the buildup of the covert funding conduit. As recently as 2006, the funds were used to stage a number of attempted coups d'état in Africa—that had nothing to do with fighting communism, and everything to do with British schemes to engulf that continent in perpetual, genocidal war. The Anglo-Saudi schemes for South Asia are identical, and there is good reason to believe

that Al-Yamamah is an active feature of the ongoing destabilizations.

Washington, with Blinders on

In the United States, whenever the Saudi funding of jihadists is discussed, it is in the context of the financial support lent to the Afghan mujahideen in the 1980s, following the Soviet Red Army's invasion of Afghanistan. However, such support was considered legitimate, if not altogether "patriotic," by Washington. But long before the Soviet invasion, the Saudis had begun to fund various Pakistani militant groups, who had set their eyes on "liberating Kashmir" from India.

Former *Washington Post* managing editor Steve Coll, in his book *Ghost Wars*, pointed out that, as when Osama bin Laden became involved with the mujahideen resistance in Afghanistan, he also developed close ties to the Saudi intelligence agency, the GID. There was evidence that Saudi Intelligence Minister Prince Turki al-Faisal played a middleman role between Saudi intelligence and mujahideen groups. Saeed Badeeb, Turki's chief analyst, had been one of bin Laden's teachers when bin Laden was in high school. Badeeb later said, "I loved Osama and considered him a good citizen of Saudi Arabia." Coll said that while the Saudi government denies bin Laden was ever a Saudi intelligence agent, and the exact nature of his connections with the GID remains murky, "it seems clear that bin Laden did have a substantial relationship with Saudi intelligence."

While there is no doubt that Osama bin Laden was once a stalwart protecting "our allies," he became a bad egg at some point. Billions of dollars in aid from Saudi Arabia and the CIA to the Afghan mujahideen were siphoned off by the Pakistani ISI, and began to protect and strengthen the groups who later jelled into what is now known as al-Qaeda. Melvin Goodman, a CIA analyst in the 1980s, was quoted, in the May 1996 *Atlantic Monthly*, saying, "They [the Saudis] were funding the wrong groups, and had little idea where the money was going or how it was being spent."

They were the wrong groups, no doubt. But it took "those-who-matter" many years to find that out, and a few more years to make it public. During this period of "I see nothing, I hear nothing, and I know nothing," a lot of damage was done. It was "discovered" only later that various accounts held at the notoriously corrupt and now-defunct BCCI bank, later identified as a "drug

bank,” were distributed to the ISI and the A.Q. Khan nuclear network.

Hizb ut-Tahir—A Dirty Link in Saudi-British Ties

Saudi funding has always benefitted those whom British intelligence has nurtured and used. Take, for instance, Saudi funding to spread Wahabism in Central Asia. The funding was done through a group headquartered in London, the Hizb ut-Tahrir. As soon the Soviet Union collapsed and the “stan” countries (Uzbekistan, Kazakstan, Kyrgyzstan, Turkmenistan, and Tajikistan) broke off, Saudi money poured into Pakistan to print hundreds of thousands of copies of the Holy Koran to be distributed in the “stan” countries through the Hizb ut-Tahrir network. These white-robed religious individuals, sworn to the Wahabi-form of Islam, moved in the “stans,” funded by the Saudis.

The Dutch Intelligence Service (AIVD), however, kept its eyes peeled, and at a conference of the Center for Strategic and International Studies (CSIS) in Washington, in 1998, pointed out that Saudi Arabia was funding a number of European departments of Hizb ut-Tahrir. According to a staff member who spoke at the conference, “The Saudis are still poised to play an active role in radically Islamic movements. They have great sums of money at their disposal, and it is difficult to refuse the Saudi dollars.”

While some might defend the right of charities to help spread religion, the fact is that Hizb ut-Tahrir is more than meets the eye. According to Ahmed Rashid, a senior Pakistani journalist, “the Hizb-e Tahrir (HT), which has growing support in Uzbekistan, Tajikistan and Kyrgyzstan reflected by the increasing number of arrests of HT members by the internal security apparatus of these states, operates a highly secretive cell system which makes it difficult for the authorities to contain their spread. They have a vision of uniting Central Asia in an Islamic Caliphate—which would re-establish the idealized period of Islam just after the death of the Prophet Mohammed.”

Rashid said the HT has established thousands of five-man cells across Central Asia to achieve its aims. It believes in peaceful change through a mass movement against the Central Asian regimes, but does not rule out the possibility of eventually having to take up arms if the repression against it continues. HT claims that it has nothing to do with the Islamic Movement of Uzbekistan (IMU); a terrorist outfit involved in regime

change through violence in Uzbekistan, and Kyrgyzstan, and has shown up in the Chinese western province of Xinjiang. However, many, if not all, IMU members were former members of the HT.

Rashid pointed out that the IMU was also bankrolled by the Afghan drug trade, Osama bin Laden, and Islamic groups in Pakistan, along with the Arab Gulf states. Its strength grew from some 600 fighters who first came to Afghanistan in the Spring of 1999, to nearly 3,000 by 2001. It recruited widely from all the Central Asian and Caucasian ethnic groups—especially the Chechens—as well as Uighur Muslims from the Chinese region of Xinjiang.

What makes the Saudi funding dangerous is that it goes to the groups who work directly for the British colonial interest, and against Washington’s interest. To begin with, the violent movement that has sprung up on the Pakistan side along the Pakistan-Afghanistan border, is led by the Pakistani Taliban and the foreign terrorists commonly identified as al-Qaeda. All these groups were beneficiaries of Saudi charities. Now, of course, with the millions of poppies blooming in southern Afghanistan, money is no object. It is plentiful.

The Pakistani Taliban, aided by the ISI and MI6, are involved in an effort to break up Pakistan and create an independent state, which may later blossom into a “Greater Pushtunistan,” to fragment the area further and deepen the conflicts. This would be welcomed by the colonial forces in Britain.

Saudi charities have also helped the anti-Beijing Uighurs. Reports indicate that the Uighur Diaspora, based in Turkey, is beneficiary of Saudi grants. The Aug. 4 terrorist act which killed 16 Chinese policemen in Kashgar in Xinjiang, was orchestrated by the Uighurs and IMU members, coming into China from the Tajik borders.

This blatant terrorist act was repudiated by almost all nations, but not by Britain. An editorial in the *Financial Times* of London on Aug. 6, made clear colonial Britain’s intent. It said that both the Uighurs, and the Tibetans, are citizens of independent nations subjugated by the Chinese. Calling for a break-up of China, the editorial said: “Their restiveness is a flickering if forlorn hope that something like the break-up of the Soviet Union might happen to China. . . . But if Beijing continues its bulldozer approach to minorities and robs the Uighurs of their identity, it would incite jihadism. . . .”

Not even Al-Haramain could say it better!

International Intelligence

Balkanization: British Policy in South America

Even as South American nations begin to discuss building a transcontinental railroad, British agents are attempting to blow up the chessboard again, this time targeting Bolivia.

Argentine President Cristina Fernández de Kirchner, Venezuelan President Hugo Chávez, and Brazilian President Lula da Silva discussed, despite tensions among them, how to further regional integration, in a Aug. 4 meeting in Buenos Aires.

Fernández and Chávez were then scheduled to travel together to Tarija, Bolivia, to join Bolivian President Evo Morales in inaugurating a plant that produces liquefied gas, in a show of support for Bolivian national unity. Their trip had to be cancelled, however, when separatist demonstrators rampaged in the city, barricaded roads, and were heading towards the airport where the Presidents were to land.

The deployment of fascist thugs was also critical, albeit not yet on as large a scale as seen in Bolivia, in defeating the Argentine government's agricultural tax bill last month. Congressional supporters of the government were told they and their families would be killed, should they vote for the government's bill.

Gen. McCaffrey Reports Disaster in Afghanistan

U.S. Gen. Barry McCaffrey (ret.), former White House drug policy advisor, who often functions as an informal advisor to senior Army leadership on the current wars, reported on the disaster in Afghanistan, following his July 21-26 trip to that country and to NATO headquarters in Belgium. In a memo dated July 30, addressed to the Social Sciences Department at West Point Military Academy, McCaffrey writes that 68% of the population of Afghanistan has never known peace; life expectancy is only 44; and it has the highest maternal death rate in the world.

The security situation, the economy (especially agriculture, which is "broken"), governance, and the opium problems are "all likely to get worse in the coming 24 months."

McCaffrey continues: "The atmosphere of terror cannot be countered mainly by military means. We cannot win through a war of attrition.... Afghanistan will not be solved by the addition of two or three more U.S. combat brigades from our rapidly unraveling Army."

Instead, McCaffrey argues that, in addition to building up the Afghan security forces, economic measures are required. He calls for the deployment of a "five battalion Army engineer brigade ... to lead a five-year road-building effort employing Afghan contractors and training and mentoring Afghan engineers.... The war will be won when we fix the Afghan agricultural system which employs 82% of the population.... The war will be won when the international community demands the eradication of the opium and cannabis crops and robustly supports the development of alternative economic activity." McCaffrey pointed to the tremendous growth in the poppy crop since the U.S. invasion in 2001, and warned, "Unless we deal head-on with this enormous cancer, we should have little expectation that our efforts in Afghanistan will not eventually come to ruin."

Pakistan's Assembly To Impeach Musharraf

Following three days of grueling negotiations between Pakistan People's Party (PPP) supremo Asif Ali Zardari and former prime minister and head of Pakistan Muslim League (Nawaz), (PML-N) Mian Nawaz Sharif, a decision was reached on Aug. 7 to impeach President Pervez Musharraf for unconstitutional policies such as imposing a state of emergency in November 2007 and dismantling the Supreme Court.

Since the negotiations to impeach Musharraf followed Prime Minister Yousuf Raza Gilani's trip to Washington, it is likely that the Bush Administration gave the green light for impeachment. According to analysts, removal of Musharraf from the Presidency be-

came necessary to form a consensus between the PPP, PML(N), and the Pakistani military. Nawaz Sharif, who is backed by the Saudis, was removed by a coup in 1999 by then-Chief of Army Staff Musharraf, and was sent to exile in Saudi Arabia. Sharif refused to agree to his party becoming a part of the government unless Musharraf was removed. That effectively paralyzed the government.

Although the issue is an internal one, the long shadows of the foreign troops in Afghanistan and the MI6-ISI-led violence in Pakistan's tribal areas are visible. Washington, facing a grim reality in Afghanistan, is urging Islamabad to move militarily into the tribal areas, where thousands of jihadis are attacking the U.S./NATO troops across the border in Afghanistan.

What Washington apparently expects, is that once Musharraf is removed, the PPP, PML(N), and the military will be able to act in unison—a prime U.S. requirement in light of the growing difficulties along the Afghanistan-Pakistan border.

Israeli Petition Urges No Attack on Iran

Over 100 academics and peace activists have signed a petition calling on the Israeli government not to attack Iran, and urging more diplomatic efforts to resolve the Iranian nuclear crisis.

The petition, while saying that there is a real threat from Iran, warns that Israel is moving toward a military attack, and that "all the arguments for such an attack are without any security, political or moral justification," according to a report in the *Jerusalem Post* on Aug. 7. The petition calls on Israel to show more patience with ongoing negotiations that United States and the European Union are undertaking with Iran. The signers warn that a military strike would constitute "an act of adventurism that could endanger our very existence."

Coordinators of the petition include Prof. Gadi Algazi, Judy Blanc, Prof. Rachel Giora, Prof. Anat Matar, Prof. Adi Ophir, Prof. Yoav Peled, Reuven Kaminer, Prof. Haggai Ram, Prof. Yehuda Shenhav, Prof. Oren Yiftachel.

Billionaire's Movie 'IOUSA': You Must Die So I Can Collect

by Anton Chaitkin

The Anglo-American financiers running the Nixon Administration in 1971 assigned their shameless flack, Peter G. Peterson, to write a public justification for ending Franklin Roosevelt's Bretton Woods credit system. The resulting uncontrolled speculation and a global cheap-labor policy destroyed manufacturing, while Peterson's own hedge fund scheme fed off the economic decay to make him a billionaire.

Now that the crash of the post-Bretton Woods globalist system threatens to wipe out Peterson and his fellow vultures, he is proposing drastic, killer cutbacks in health care and pensions for the lower ranks of society, as the solution to the crisis.

The pompous Peterson is pressing into the political arena a propaganda movie he owns, titled "IOUSA." The film was conceived and produced by the firm of Baron William Rees-Mogg, the leading British strategist for a New Dark Age economy, in which the lower 95% of humanity will be treated as useless eaters to be controlled or disposed of. Lord Rees-Mogg and his firm, Agora Financial, have experience in such propaganda. Agora incited populists to arm against the government just before the 1995 Oklahoma City bombing; and it teamed with right-wing American moneybags Richard Mellon Scaife to direct the slander campaign attempting the ouster of President Bill Clinton.

London's 'American Populism'

The Rees-Mogg firm set up a subsidiary, Agora Entertainment, to produce the movie, "IOUSA," with the same "gold-bug" debt-and-spending themes

pitched for many years by Lord Rees-Mogg, the former editor of the London *Times*, and now a regular columnist for British media mogul Rupert Murdoch. In July, Agora sold the movie to the Peter G. Peterson Foundation. It will appear in 400 U.S. theaters on Aug. 21, with a live-video address by Peterson and his fellow billionaire, Warren Buffet—all part of the Fiscal Wake-Up Tour sponsored by Peterson's foundation and the pro-austerity Concord Coalition, which is chaired by Peterson.

The next week it will be presented at a "film festival" accompanying the Democratic Convention in Denver, and subsequently at a similar affair for the Republican Convention in Minneapolis.

Lord Rees-Mogg has twice this year written columns lauding Barack Obama as "the John Kennedy for our time," while cursing Bill and Hillary Clinton as despised scoundrels. On the Republican side, candidate John McCain declared Aug. 6 that as President, he would bring Peterson Foundation CEO David Walker into the government to explain the national crisis of bankruptcy to the public.

A Goebbels-style fraud, "IOUSA" makes no reference whatsoever to the dying industrial economy, or to the destruction wrought by speculator parasites in the post-1971 globalist system. It pumps up viewers with statistics of growing national debt and supposedly out-of-control commitments to Social Security and Medicare.

The underlying London political agenda was chillingly spelled out in a 2007 essay, "America's Econ-

omy: Headed for Crisis,” co-authored by Peterson. Demanding drastic cuts to workers’ benefits, it says: “Americans have yet to confront these choices, but in other countries they have been dealing with them for years. Go through the intensive care unit of New York Hospital and count the number of octogenarians who are there with heroic intervention techniques and a dismal quality of life. Then go to a hospital in London and observe the difference in the age composition. What is it they do in Great Britain? They have capped their medical costs. A neurologist caring for stroke patients with a dismal prognosis turns them over to their general practitioner who sends them home to die quietly of pneumonia, ‘the old man’s friend.’ Would Americans accept the level of health care ‘rationing’ this implies? Maybe not. But we will soon need to face the question.”

Criminal Incitement

The Agora/Peterson film shapes this argument around the fear of chaos, just as Hitler’s propaganda films and literature did in the economic collapse of the 1920s and ’30s: To save yourself, you must sacrifice the old and the weak, who are useless eaters.

Lord Rees-Mogg pointed the way in a Jan. 5, 1995, *London Times* column entitled “It’s the elite who matter—In Future, Britain Must Concentrate On Educating The Top 5%, On Whose Success We Shall All Depend.” Rees-Mogg announced that in the new Information Age, most of the population would be useless and would need no real education. He praised the Conservative Revolution led by Newt Gingrich in America and a projected super-conservative follow-up in Britain, benefitting the new, ultra-worthy elite.

Soon afterwards, Rees-Mogg used his Baltimore-based firm, Agora Financial, to issue a false report designed to provoke armed clashes between “citizen militias” and the U.S. government. Writing in Agora’s “Strategic Investment” newsletter March 22, 1995, Rees-Mogg wrote, “The slaughter . . . in Waco by government stormtroopers under the command of Field Marshal [Attorney General] Reno may pale in comparison to what has been planned for late March: a nationwide BATF/FBI assault on private militias as the prelude to a possible declaration of martial law throughout the United States. . . . Should Reno be stupid enough to actually attack them militarily, there is going to be a lot of blood.”

The Agora incitement was widely circulated among

populists in the U.S. Western states, accompanied by rumors that government agent-provocateurs would bomb public places and blame private militia leaders. Four weeks later, on April 19, 1995, the bombing of a Federal building in Oklahoma City killed 168.

Over the next several years, Agora co-sponsored the so-called Arkansas Project of Richard Mellon Scaife. A low point of that anti-Clinton crusade was a video entitled, “Unanswered—The Death of Vincent Foster,” produced by Agora’s James Dale Davidson, portraying President Clinton as the murderer of his aide, Vincent Foster. Davidson was Rees-Mogg’s co-editor of the “Strategic Investment” newsletter, and was the founding chairman of the National Taxpayers Union.

At the beginning of 1995, simultaneous to Rees-Mogg’s incitements against the U.S. government, his partner Davidson’s organization, the National Taxpayers Union, formed a coalition with the eco-fascist group Friends of the Earth to push for the end of the modern era of mankind. They issued a joint “Green Scissors” report, hailing the 1994 Conservative Revolution triumph in Congress and calling for the destruction and shutdown of U.S. research for nuclear fission, nuclear waste recycling, nuclear fusion, clean coal research programs, rural electrification, and the Bonneville Power Administration—all to be killed off as “wasteful.”

The “Green Scissors” report also demanded the shutdown of numerous dams and water and hydroelectric projects throughout the world, and an end to Federal support for U.S. flood control and irrigation projects. Davidson had been the co-author with Lord Rees-Mogg of Agora’s book, *Blood in the Streets: Investment Profits in a World Gone Mad*, describing an inevitable financial apocalypse in which those in the know can make a killing buying distressed investments at panic prices.

That colossal 1990s sleaze now has its sequel, “IOUSA,” presented to a depression-frightened public by Peter Peterson, formerly Richard Nixon’s Commerce Secretary, and now chairman emeritus of the Council on Foreign Relations and chairman of the Blackstone Group private equity fund. Peterson made his billions using the Rees-Mogg/Davidson bottom-feeder investment strategy. If Americans choose to restore national-sovereign economics and lock up the speculators, Peterson stands to lose those billions, and his share of the political power that the London-New York axis and the offshore bankers have usurped.

'Starve the Beast' Kills Californians

by Harley Schlanger

California's fascist Gov. Arnold Schwarzenegger signed an executive order on July 31 which cuts wages for more than 200,000 state employees to \$6.55/hour—the Federal minimum wage—and terminates 10,300 part-time and seasonal employees. The Governor argued that he is being forced to take these actions in order to “preserve cash,” adding that the wage cuts will be reversed as soon as a new budget is passed.

In the press conference which accompanied his signing of the executive order, Arnie stated, “Our state faces a looming cash crisis,” adding, “So we have to tighten our belt; everyone has to tighten our belt.”

The state has been operating without a budget since July 1, with no breakthrough in sight: Both Democrats and Republicans are trapped in ideologically fixed positions over how to address a \$15.2 billion deficit. The Democrats are demanding increased taxes to reduce the deficit, while Republicans insist on more drastic spending cuts.

As this Kabuki theater plays out in Sacramento, Schwarzenegger points the finger of blame at both sides, using the stalemate to push his demand for “budgetary reform,” while cavorting with fellow fascist Mayor Michael Bloomberg of New York City, promoting Mussolini-style “Public-Private Partnership” programs (PPPs) to privatize the nation's infrastructure. As one astute observer, the former editor of the *Sacramento Bee*, Peter Schrag, describes it, Schwarzenegger is continuing his practice, honed over five years in office, of mugging at town-hall meetings, where he engages in “posturing, clichés and gimmickry,” in a “nearly unending staging of gubernatorial performance art.”

When this routine, in combination with some Terminator-like bullying, failed to move any of the legislators, he adopted this latest stunt, which is nothing more, in reality, than a further deconstructing of government.

It is not yet clear that Schwarzenegger's executive order will be implemented: There is strong opposition, for example, from Controller John Chiang, a Democrat, who recently stood up to the bully, and said he would not reduce the payroll checks of state employees. Arnie's complete disregard for the interests of Californians is entirely consistent with the policy of government he has followed since his fluke election in October 2003, when he became governor as the result of the recall of then-Gov. Gray Davis.

Schwarzenegger's blustering about cutting wages has triggered an aggressive mobilization of state workers and their unions against his threats. Union members have engaged in spirited demonstrations, including one outside his home, in which they attempted to present him with a symbolic pink slip (which provoked the obvious question, “Who's the ‘girlie man’ now, Governor?”).

A week after signing the executive order, the one-time steroid-popping body builder/Hollywood Beastman lashed out again, this time at the legislators, saying he would sign no bills until a budget is passed, and threatening to lock them in a room, or dock their pay. Incoming Senate president Darrell Steinberg rejected such threats as “not constructive,” adding, “We need the governor to help solve the problem—not to make threats.”

These latest threats by Schwarzenegger, designed to intimidate Democratic legislators, and force them to knuckle under to his demands for fascist austerity, show that he can still follow his director's orders. In this case, his director is the *über*-fascist of Stanford, George Shultz, who chose Arnie to become governor, because he and his allies from the University of Chicago, along with his longtime crony, ersatz Democrat Felix Rohatyn, believed that Schwarzenegger was the man “with the stomach” to make the “hard cuts” demanded by this cabal of predatory financiers: That is, to implement fascist austerity, while dismantling the state's government.

Though Schwarzenegger confuses media pundits and political science professors with his libertarian bent on so-called social issues, and his fervor for Al Gore's anti-technology, anti-human, fraudulent brand of “environmentalism”—which causes them to label him a “moderate” or “compassionate” Republican—it has been clear from the start that his assignment was to obliterate the social safety net created by President Franklin Roosevelt and his immediate successors, and



gov.ca.gov

California's celluloid Gov. Arnold Schwarzenegger, shown here at a press conference Aug. 6, is pushing a killer state budget authored by his fascist controller George Shultz. But he is running into opposition from those who would "put people first."

to destroy the very state agencies and programs which had enabled the state's economy to develop into a model of industrial and agricultural proficiency.

His "libertarianism" is nothing more than a version of Austrian fascism, with a lineage traced from Friedrich von Hayek to Shultz's "Chicago School" flunkey Milton Friedman. The son of an Austrian Nazi, Schwarzenegger embraced Friedman's anti-government mantra, telling the editorial board of the *Sacramento Bee* that, during his tenure as governor, he intended to "starve the beast," i.e., cut funds from government agencies and drastically reduce spending for social services and health care, in order to "free" the private sector from "costly and ineffective regulations."

He boasted that, in doing so, he would solve the long-term budgetary problems of the last two decades, bringing unprecedented prosperity to the state.

Instead, he has presided over an unprecedented collapse of this once-Golden state.

Making a Killing for Wall Street

Since becoming governor, Schwarzenegger has loyally served the corporate interests which backed him, cutting taxes on corporations and reducing regulations, while claiming that the now-routine budget deficits are the result of "too much spending" for "special inter-

ests." The profit bonanzas he has provided to corporate cartels in banking, finance and insurance, pharmaceutical and for-profit health firms, and large construction companies building houses and strip centers, have come at the expense of the poor, the elderly, the disabled, and employees who provide social services, such as health care and education. In Schwarzenegger's vernacular, these are the "special interests," who must be disciplined in order to attain "fiscal responsibility."

This form of "fiscal responsibility" has had deadly consequences, which have been attested to by those who administer the services he has slashed. The latest cuts—10% in payments to doctors in the Medi-Cal system, which serves 6.6 million Californians who lack health insurance—which began on July 1, will leave the most-desperate among the sick, disabled and poor, with no option but long waits in emergency rooms, as a growing percentage of doctors have no choice but to opt out of the system. Unfortunately, the same austerity regime has reduced the numbers of emergency rooms available for such care, especially in urban centers.

Further, the cuts in Medi-Cal, which is a state-federal program, are devastating rural health care. A recent survey shows that rural hospitals are threatened by unpaid bills, and will be forced to borrow, at high interest rates, to stay open, if the budget stalemate continues. For example, Charles Guenther, the CEO of the Eastern Plumas Health Care District, which runs a nursing home, a hospital, and four clinics in the Northern Sierra, described what they face as "a really desperate situation," as many of his vendors will accept only cash.

If the new budget has further cuts for health care—as Arnie is demanding—then many of these rural providers will have no option but to shut down completely.

Are There Any Democrats with Guts?

The havoc wreaked by Schwarzenegger is precisely what he was pre-programmed to unleash, even before he was sworn in, as Lyndon LaRouche has pointed out. The unanswered question in this situation has always been, "Where are the Democrats with guts, who will stand up and defend the interests of those in the lower 80% of family-income brackets?"

The Democratic Party has failed to provide leadership against Arnie's fascist policies thus far, because of the controlling role played by Wall Street "Democrats,"

such as Shultz’s partner Rohatyn—who runs Speaker of the House Nancy Pelosi—and George Soros, who, like Rohatyn, is committed to extirpating any echo of Franklin Roosevelt’s American System economics from the Democratic Party. This tendency has been bolstered by the dirty role played by the Kennedys, who have a family connection to Schwarzenegger through his wife, and has provided both overt, and covert, aid to the Schwarzenegger Project.

This treacherous faction has provided cover for Shultz’s “Republican” fascism, by insisting that the only options are tax increases or budget cuts, while denying the existence of the global, systemic crisis, which is heavily impacting California’s economy. As home foreclosures hit record levels, California banks vaporize (e.g., IndyMac), official unemployment hits 6.9% directly as a result of “globalization,” inflation soars, and revenue to the state coffers collapses, resulting in an out-of-control deficit, Arnie continues to bellow that the deficit is due to a “spending problem,” and timid Democrats counter with impotent debaters’ points.

Many Democrats in the legislature responded initially with enthusiasm last Autumn to LaRouche’s pro-

posed Home Owner and Bank Protection Act, by which the Congress would impose a moratorium on home foreclosures, and place failed and failing banks under bankruptcy reorganization. This would have had a significant effect on California, which has been center stage for the banking crisis. However, action on this legislation was stymied by Speaker Pelosi, who rejected LaRouche’s proposal in favor of a bailout of the bankrupt financial institutions, sponsored by House Banking Committee chair Rep. Barney Frank (D-Mass.), and written by lobbyists for bankrupt banks!

This latest assault by Schwarzenegger may have finally awakened at least a few Democrats, notably Controller Chiang, who reiterated, after Schwarzenegger’s press conference, that first, there is no need to cut the wages of state employees, as there is ample cash to function through September; and secondly, therefore, that he will reject the executive order, and will issue paychecks at full value.

“The State of California, the elected leadership, cannot put the important public servants . . . in harm’s way,” he stated at a rally in Los Angeles. “We put people first, we make sure we protect their interests, and that’s why I have to tell the Governor, with all due respect, I am not going to comply with this order.”

Chiang’s comments were welcomed by LaRouche, who has been a vigorous opponent of Shultz’s fascist golem from the moment he first announced his candidacy on the “Tonight Show” in August 2003.

Chiang is “doing the right thing,” LaRouche said. “This is the time for a confrontation. Break it open—this is the time to get militant, you can’t duck this fight, you welcome it. People will only wake up when they are in a fight, against an injustice, like this fascist nonsense from Schwarzenegger. It’s an arbitrary action. Maybe he should just admit he’s not competent, or maybe he should change his policies, or quit—because this is a catastrophe *he* has created.

“He wants everything his way,” LaRouche continued, “like a bad little boy, or like the son of an Austrian Nazi. He’s been coasting on the fact that he’s gotten away with murder so far. But now, we are reaching a critical point. He created this problem, now he must pay the political price for it. He was able to coast, because of the treachery of the Kennedy machine, of Pelosi. This action dumps the crisis onto Obama’s lap, and Pelosi’s lap. Do they have the guts to stand up for those who will be the next victims of Schwarzenegger’s fascist austerity?”

America’s Untold Story

How the trans-Atlantic republican movement waged a continuous fight for freedom, beginning with John Winthrop’s Massachusetts Bay Colony in 1630.

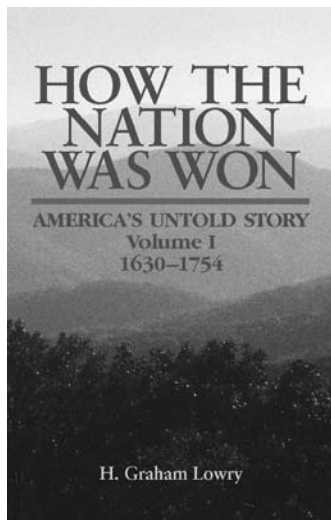
\$19.95

ORDER FROM
EIR News Service, Inc.
 P.O. Box 17390
 Washington, D.C.
 20041-0390

Order by phone, **1-800-278-3135**

OR order online at www.larouchepub.com

Shipping and handling: Add \$4 for the first book and \$1.00 for each additional book. Virginia residents add 4.5% sales tax. We accept MasterCard and Visa



National News

The 'Big Three' Are Now Too Little and Too Late

In a small, three-years-delayed echo of economist Lyndon LaRouche's big idea of 2005 for saving the U.S. auto/machine tool industry, the "Big Three" automakers have now decided they need Federal credits to "re-tool." According to the *Detroit Free Press* Aug. 5, Ford, GM, and Chrysler CEOs have been lobbying the Michigan Congressional delegation to start the ball rolling, for \$40 billion in "retooling" credits.

There is a tragic irony in this proposal from Detroit—coming, as it does, after the loss of 200,000 jobs in those three years. Throughout a two-year Congressional mobilization by LaRouche PAC, for LaRouche's Economic Recovery Act, to give auto that new mission, supported by hundreds of local United Auto Workers leaders and organizers, the CEOs told Congressional leaders they didn't need, or want, Federal credits, loans, or "bailouts." They helped fascist banker Felix Rohatyn and his allies in the Democratic Party, to kill LaRouche's proposal.

The automakers' proposal now is a bad parody of LaRouche's policy. They want to retool their U.S. plants to produce the small cars they now produce in plants, and to build electric cars. But primarily, they want Federal credit to save them from the insolvency they have richly earned. The three CEOs acknowledge they're not going to be able, with their junk credit ratings and collapsed auto-lease income, to borrow what they need to survive in the "capital markets."

Obama Calls for 15% Cut in Electricity Use

In his Aug. 4 speech on "energy" at Michigan State University, Democratic Presidential candidate-presumptuous Barack Obama touted Enron-plagued California as his model for a huge cut in electricity use in United States. In that speech, in which Obama also proposed \$4 billion in retooling credits for the auto industry to produce small and elec-

tric cars, he called for a drastic 15% cut in U.S. electricity use, on the California model:

"Finally, the third step I'll take is to call on businesses, government, and the American people to meet the goal of reducing our demand for electricity 15% by the end of the next decade.... The state of California has implemented such a successful efficiency strategy that while electricity consumption grew 60% in this country over the last three decades, it didn't grow at all in California. Think about that. The country as a whole, 60% more electricity usage over the last 30 years. In California, no change...."

California's electricity consumption per capita actually grew about 20% from 1975 to 2000, which is not much. But note that since 1999, California's *cost per kilowatt-hour* has been 50-60% above the national average, which has pushed consumption per capita back down nearly to the 1980 level: That's how Obama's "model" was "achieved."

'The One' Lies About His Big-Money Backers

Despite his claims to be independent of the influence of big money, Barack Obama is more dependent on big money than either John McCain or Hillary Clinton. A feature in the Aug. 6 *New York Times* and *International Herald Tribune* reported that one-third of Obama's contributions are in the amount of \$1,000 or more; there are 500 Obama "bundlers" who have each collected \$50,000 or more for Obama's campaign; almost three dozen have raised more than \$500,000 each, and more than half a dozen have exceeded \$1 million.

The *Times*, noted that he is raising big money at a pace almost equal to George W. Bush's "Pioneers" and "Rangers" in the 2004 campaign.

Two-thirds of Obama's bundlers are concentrated in four major "industries": law, securities and investments, real estate, and entertainment. Lawyers are the largest group; after that, at least 100 Obama bundlers are top executives or brokers from investment businesses: nearly two dozen work

for financial powerhouses such as Lehman Brothers, Goldman Sachs, or Citigroup. About 40 others come from real estate. As *EIR* has reported, in December, Obama went to George Soros's New York office to court a roomful of high-powered Democratic fund-raisers.

Fights Expands To Open Democratic Convention

Organizations that have sprung up across the country in defiance of the strongarm tactics that have been used to sideline Hillary Clinton's bid for the Democratic nomination are gearing up for the final push to ensure that the Democratic National Convention, starting Aug. 25 in Denver, is an open convention.

The fight takes on ever greater importance as Barack Obama's willingness to do whatever Wall Street and the City of London demand becomes increasingly blatant, the rock star aura of "The One" fades, and he tanks in the polls in a matchup with John McCain.

Obama has now called for the full delegations of Florida and Michigan to be seated at the convention, instead of the rules committee's decision two months ago, to seat only a portion of them, as punishment for holding their primaries early. The Denver Group, which is calling for an open convention, placed ads in newspapers in the two state capitals headlined, "Why Howard Dean Should Place Senator Clinton's Name in Nomination." The ads point out that "super delegate declarations made before Aug. 27 count for absolutely nothing," and "according to the Democratic Party's own rules they do not now have an official nominee since neither candidate won enough pledged delegates to secure the nomination." The ad then calls on Dean himself to place Clinton's name in nomination.

On Aug. 7, a week-old exchange between Clinton and a supporter began getting press attention. In it, Clinton said, "I happen to believe that we will come out stronger if people feel that their voices were heard and their views were respected."

Zepp-LaRouche: Last Chance For a New Bretton Woods

Helga Zepp-LaRouche keynoted a private EIR seminar in Wiesbaden, Germany on July 26. Here is an edited transcript of her remarks. Due to audio problems, it begins mid-sentence. Subheads have been added.

... ever since August, we have the collapse of the banking system, we have a credit crunch, interbank lending has almost ceased completely, because every banking, every major investment bank knows that they're sitting on hundreds of billions of unsellable paper; unsellable, because these are structured investment vehicles, and mortgage-backed assets, and all kinds of other things, which if they would be sold, everybody would realize they may be worth 5 cents on the dollar. And then the whole thing would be devalued, and the banks would have to declare bankruptcy. So, since that time, any interbank lending has come to an end, and the central banks so far have only decided to pour liquidity, already well over \$1 trillion—actually much more—and that has just, from September [2007] onward, fueled the hyperinflationary process. You could see it from Septem-



EIRNS/Chris Lewis

Helga Zepp-LaRouche, shown here speaking to the EIR seminar July 26, called on participants to join her in fighting to bring about a new, just world economic order—now.

ber onward in the explosion of food prices, of energy prices, of commodity prices.

And naturally, as Lyndon LaRouche has said many times, the problem with these bubbles, is they're like a slime-mold, as are their owners. You know, you had the new market bubble, which exploded in 2000-01, which eliminated \$16 trillion in terms of assets. At that point, [Fed chairman Alan] Greenspan lowered the interest rate in the United States almost to zero, which led to the mortgage and real estate bubble. And now that that bubble is collapsing, which was absolutely foreseeable, because if you give a mortgage to people who have no capital to pay for it, or no wages to support it, the explosion had to come.

Now, with the collapse of the real estate and mortgage bubble, the speculative money went into food: into biofuel speculation, into other food speculation on the Chicago Board of Trade, into commodities, into energy, oil, and other things, and this all is a bubble. And there is nothing in this universe which will make it possible to come to a normal situation.

This view, by the way, is shared by some extremely high-ranking people in leading positions in the world financial system, who privately tell you the system is bankrupt, and the only thing which would save it, would be a complete nationalization of the banks—which in part they have started to do. The Mother of Free Trade, Great Britain, already nationalized Northern Rock and similar things, but this thing is completely untenable.

There is a report out, that there are 100 commercial banks in the U.S. which are bankrupt, but for national security reasons, this list has not been published, because if such a list would be published, naturally, that would be the end of the U.S. system. But today, two more banks collapsed: one, the Bank of Nevada, and then another bank. So this is the seventh bank in a row, which closed after IndyMac. And you saw the lines of people who were in a run on the bank!

Now, I'm not predicting that this will happen, but the thing is so overextended, that a run could happen almost any moment around the world. And that would be, indeed the end of the system. Because if people would get the idea that their money is not safe in the bank any more, and everybody would be in line, like it happened with Northern Rock, with Countrywide, and now with IndyMac, then this system would be finished right this minute.

Weimar Germany Redux

Now, we do not have a cyclical crisis; we have, what was discussed in the early 20th Century by the German Social Democracy, as a general breakdown crisis of the system. And, any attempt to prolong that by putting in liquidity is just going to lead to hyperinflation worldwide, like happened in Weimar, in 1923. You remember that, after the Versailles Treaty imposed the payment of the war debt on Germany, plus their own debt which they had accumulated from the war period, was simply too much. So, the Reichsbank just printed money. And this, then, at a certain point, in March 1923, started to show in prices, and by November the thing had become absurd: You had up to 1 trillion reichsmarks for a pound



We do not have a cyclical crisis; we have a general breakdown crisis of the system, Zepp-LaRouche said. And, any attempt to prolong the system by drowing it in liquidity is going to lead to hyperinflation worldwide, like what happened in Weimar Germany, in 1923. Shown: Cash is transported from a bank, April 1923, in Weimar: a gold mark was then worth a million paper marks.

of bread, and then the whole thing came to a screeching halt, because it became absurd.

Now, as [Fed chairman Ben] Bernanke, who is known as “Mr. Helicopter Money,” has said, before they ever let the system go bankrupt, they will fly with helicopters over large cities, and just pour banking notes out, to prevent a collapse, and that’s exactly what they’re doing right now. And Bernanke has also said, the good thing is, you don’t need to physically print money any more, because you have the beautiful method of electronic credit creation, which gives you a hundred ways to create credit these days.

Now, obviously, this is the problem, and it is an international phenomenon, because, for example if you look at China, China is, to a very large extent, depending on the U.S. import market; because of globalization, the outsourcing, a lot of capital, a lot of activity has been geared towards cheap production, in China, for the market. This market is now falling into a depression which is hitting Chinese export values very badly, but it also devalues \$1 trillion foreign reserves which China has in dollar assets. And a lot of these are U.S. Treasuries, but a lot of them are also bonds from the Freddie Mac/Fannie Mae papers; so the same goes for many other Asian countries. There are 35 countries which are pegged to the dollar in one way or another, so that this hyperinflationary move by the Federal Re-

serve, by trying to resolve the problem to just pour liquidity, is simply affecting the whole system.

Now, as you could see, the G8 meeting which just took place in Japan, utterly failed to address the systemic meltdown of the system. It was a complete failure, that did not discuss anything. And in part it was noted, especially by the Russians, that the failure to involve the so-called BRIC countries—Brazil, Russia, India, China—plus other nations in a solution, naturally was one of the reasons.

Now the big question will be: Will it be possible, one way or another, to get a combination of governments together, which will, in time, impose the kind of measures to remedy this situation?

Assault on National Sovereignty

And that brings me to the second problem, that is Europe: Because some people here know that we have opposed the introduction of the euro, we have opposed the Maastricht agreement which was imposed on Germany after the unification in '89, and it was a geostrategic policy by Margaret Thatcher, by François Mitterrand, and in part, in a covert way, also by George Bush, Sr. But it really imposed a dictatorship of the Brussels bureaucracy and the European Central Bank, where one can say many criticisms, but the most important criticism for sure, is that it deactivated the sovereignty of the member countries, and thereby making it impossible for them to do any kind of intervention into the economic process.

For example, the so-called Stability Pact simply means that governments are forbidden to make state credit interventions of the kind Franklin D. Roosevelt did with the New Deal, and it simply has made these governments completely impotent to do anything about it.

Now, with the new effort to impose the so-called Lisbon Treaty, which fortunately, now, is, at least slowed down, because of the “No” of the Irish in the referendum, and the statements by the Presidents of Poland and the Czech Republic. *But*, let me state this very clearly: We are still in a mobilization to get this treaty completely off the table, because it is a cold coup from above. It's a complete scandal, because the “No” of the people in France and Holland in 2005—we have here, a couple of people who were very helpful in bringing this result about in France—which basically meant the treaty was a dead letter. But then, through the completely undemocratic measure of the convention, in

which a group of private individuals decided they would re-write it a little bit and give it a different name, namely, not calling it a “constitution” any more, but to call it a “treaty,” they decided on Dec. 13, at the Lisbon Summit of the European Union, in a stealth way, to simply ram it through without public debate, without discussion.

And I completely agree with some of the professors from Germany, and especially Austria, who have called it a “state coup from above.” The effort to impose an oligarchical dictatorship, where, if you look at the different elements of this treaty, once this treaty is signed, it could be changed by the European Council and the European Commission, into *anything* they wanted thereafter. And several people, including Prof. [Karl Albrecht] Schachtschneider, therefore have called this the new *Ermächtigungsgesetz* [Enabling Act], with reference to what happened in the Third Reich. And I fully agree with that, because there would be absolutely no more democratic control by the national parliaments, once this treaty would be signed.

It also would mean to turn Europe into an imperial power, with military interventions in the so-called developing countries, with the pretexts of “humanitarian concerns”: Countries which have already been mentioned are Burma, Zimbabwe, Sudan, and others. And it is very clear that the international financial oligarchy which has its own models of how to get out of this financial crisis, would like to turn Europe into a fascist dictatorship, and the United States, as well.

LaRouche's Three Steps

So therefore, we have a couple of really serious problems. One is that there are people who know that this is very bad, but they're either too corrupt or too stupid, or too cowardly to do anything about it, and therefore, in Europe, we are really in a bad position. Therefore, when Lyndon LaRouche, in his recent webcast [July 22], reiterated three measures, which absolutely have to be taken if the world is supposed to come out of this crisis, it takes this problem of Europe into account. And let me just repeat what he said.

He said: There need to be three measures: 1) a legislation, which he proposed last August, when he said that the evictions of millions of people in the United States following the mortgage and real estate collapse had to be prevented; and therefore he called for the Homeowners and Bank Protection Act, which essentially said that all people should stay in their houses and apartments, and

that state institutions should take over finding out what would be an appropriate rent; but people have to stay in their homes; and secondly, that the banks, according to the American Constitution, have to be taken under state protection; because if the banking system collapses, then naturally the economy collapses as well.

Now, the Congress in the United States is also extremely corrupt, because they took a lot of money from George Soros, and therefore, Nancy Pelosi and Harry Reid blocked an efficient action by the Congress which would have been the normal thing. But we decided to take this to the grassroots, and we have now passed this resolution in over 100 cities in the United States, where the city councils endorsed it. We have it introduced in many state legislatures, and this process is going on full steam.

Then, the second measure LaRouche said was necessary, is to introduce, in the United States, a two-tier credit system. Because the lowering by the Federal Reserve of the interest rate, to presently 2%, when the Bank of England has 5% and the European Central Bank has 4.25%, naturally means that you have a lot of capital flowing out of the dollar right now. And if the dollar collapses, people should not be happy! I mean, there's a lot of stupidity sometimes in some quarters, who say, "Oh, we hate the United States so much, it's good, let them collapse, let them crash against the wall." But I can only say that the consequences of this would be a global—*are* already a global crisis, and it would be much worse.

So therefore, LaRouche has said that the Fed should increase the interest rate to 4% for normal banking business, but to have a lower interest of 1-2% for crucial investments in infrastructure and other productive enterprises in the United States. And already now, several former members of the board of the Federal Reserve have come out and said something to this effect. Because anybody who looks at the situation, sees that something urgently of this type has to be done, even if this is only a stop-gap measure, and not the final solution to the problem. But it somehow stops the bleeding of the ulcer.

Now, the third measure, and this is obviously, the most important, is that we need to have a New Bretton Woods system: We need to have a conference on the level of heads of state, which basically declares this present system to be bankrupt, and establishes a new system. Now, LaRouche has said for a long time, that

the only way this could succeed, given the power of the international financial institutions, the hedge funds which are sitting primarily in London, but also in other places like New York, Frankfurt, and elsewhere—that only if you take the four most powerful countries in the world, would they have enough power to oppose this financial oligarchy: And that would be a changed United States, plus Russia, China, and India. And then individual nation-states should group themselves around these four countries, not as a European Union, but as France, Austria, Germany, Italy, and other nations, because it does not function with the European Union structure.

Now, this is, some people may say, a far-fetched, long-shot option, but it is not impossible.

Call To Double World Food Output

Let me first mention one other thing: that while all of this is going on, this breakdown crisis has an effect on the real world. You know, this is not something which only concerns Europe and the United States, but the effects on the developing countries are already murderous. Jacques Diouf, who is the director of the FAO [Food and Agriculture Organization], in June 2007, warned that there were hunger catastrophes coming in many countries of the developing sector. There was not even a mention of it, in the international media. Then, when, in October, he reiterated a warning, and said that there are hunger riots coming—which, again, was not reported, and nothing was done about it—these hunger riots took place until late April, when the international media, for the first time, chose to report it.

In December, last year, Diouf had said that he urgently needed Eu10.9 million—really peanuts—to buy seed for the poorest farmers of the developing countries; and in April, he said he was not able to raise that money, which led him to the conclusion that there was no intention by the rich countries to help the poor. And by that time, it was also too late, because the time for the Spring sowing had already passed, and therefore, this report came just before the annual meeting of the IMF and World Bank.

At that point, I issued a call: I said that the only response one can have to this, is to double world food production. Now how do you double the world's food production? First of all, the most immediate thing would be to stop biofuels, using food for biofuels; because I share the view of people like Jean Ziegler [UN Special Rapporteur on the Right to Food, 2000-08] and others, that,



UN/Eskinder Debebe

FAO director Jacques Diouf warned in June 2007 that a hunger catastrophe was about to hit in many countries of the developing sector. But nothing was done, and in April, when hunger riots broke out in Haiti—finally the international media began to report it. Here, hungry Filipinos line up in Quezon City, to buy rice, April 2008.



Noel Celis

ous development program, which is on the agenda anyway, if mankind is supposed to survive.

So, we took this call, and we collected worldwide quite a number of signatures, in the hundreds, from important institutions. For example, the Agriculture Committee of the Argentine Parliament endorsed it; hundreds of elected officials in the United States, in Latin America; there were many politicians and officials who endorsed it. So it is still on the table. The idea was, with this mobilization, to change the agenda of the FAO conference at the beginning of June.

Now, this FAO conference, also, was an utter failure, because it did not produce any result worth mentioning. But it did one thing: It clarified the fronts, by showing that there are two factions—one is the free-trade faction, the people who are pushing the WTO, the Doha Round, to eliminate all trade barriers and give complete freedom to the speculators; in complete contrast to those people who

to use food for biofuels, when you have world hunger, is a crime against humanity, and it's genocide.

Now, it is all the more incredible that by the end of April, the World Bank issued a report which it kept secret, that 75% of the food price inflation is coming from biofuels. They did not publish this. I issued this call to double food production. And, apart from biofuels, you would have to have a complete abolishing of free trade, you would have to go to food security instead; you would have to go through protective measures by individual countries, to have their food production close to where it is being consumed; and naturally, you have to really remedy what has been done by GATT and the WTO, by lowering the food capacity in the last decades; and to massively increase food production, especially in the developing countries, by building infrastructure, by building ports, roads, railways, water, new fresh water, through nuclear energy, through desalination, irrigation, food processing, food irradiation, and simply take a real, seri-

are talking about food security, about the common good of the people, about protective tariffs. So that is essentially what clashed.

The only good thing one can say about Europe, is that there are still remnants of the Adenauer/de Gaulle tradition in the European Common Agricultural Policy, which is a protectionist policy. It's not perfect, but it's its remnants. And the French Agriculture Minister Michel Barnier, Italian Agriculture Minister Luca Zaia, and even the German Agriculture Minister Horst Seehofer, are basically protecting and defending this, so that the present negotiations in Geneva, of the so-called Doha Round, are probably being closed down by the beginning of the week, forever.

And this has also led to a very useful clash between French President Nicolas Sarkozy and the EU Trade Commissioner Peter Mandelson. Because Sarkozy said at a certain point, that there's no way France will accept this, and then Mandelson said, "This is an outrage; I'm

representing the European Union. Sarkozy has nothing to say, this is not a measure of national government.” So, I only hope that this will enlighten the national impulse of Sarkozy and some other French people.

Therefore, you have a very critical situation.

The U.S. Elections

Now let us look at what are the options, in this environment, to come to the Four Power agreement that La-Rouche has suggested.

First, the situation in the United States: Because we have in Europe, a media, which is more controlled than during the period of Goebbels (if people have questions about that, I’m happy to give you many examples as a proof), therefore, most people do not have much knowledge about the election situation in the United States. The reality is, that the entire game plan of the U.S. election was to build up Obama, who is a completely shallow person, who has only empty words, and if you look at the content of what he just said in Berlin in his speech, it is essentially the same thing as Bush is saying: “More war against terrorism; more troops to Afghanistan.”

But, thankfully, Obama, before he left the United States, let a little cat out of the bag, by saying he wants to reduce the tax burden of Americans for supporting U.S. troops in Afghanistan, therefore he would demand that the Europeans send more troops! But he wants to have a strengthening of the European Union, so the European Union can “reach out,” and he mentioned Darfur and other such problems.

But the point is, Obama is not what he appears to be. He’s not this Hawaii-born, young, attractive man who has a *Waschbrettbauchen* [“six-pack abs”]—he goes to the Adlon fitness center to prove it, and have pictures taken! No, the problem is, the only purpose of the Obama campaign was to ruin the election of Hillary Clinton. Now, people have views about Bill and Hillary Clinton, but I can assure you, that we know, from being very closely involved in the situation, that Hillary Clinton emerged in the election campaign, especially since the primary in New Hampshire, as somebody who is really taking on an FDR profile. She has made many speeches, saying that she would take the interest of the “forgotten men and women,” the “invisible” Americans—the people who have three jobs and still cannot afford an education for their children. And she definitely is the only one who has any knowledge about economics.



Obama for America/David Katz

In his speech in Berlin, Barack Obama, “a completely shallow person,” echoed George Bush’s policy: “More war against terrorism; more troops to Afghanistan.” Here is Obama on his extended worldwide photo op, in Jerusalem, July 23.

She had the most popular votes, she had more votes than any other Presidential primary candidate, ever, in the United States—18 million—and she has more delegates; nevertheless, the media, after each primary victory would say, “Oh, she almost lost!” Even when she had landslide victories in some cases, they still painted it as “She’s a complete loser.”

The pressure became, at the beginning of June, so massive—because also the head of the Democratic Party, Howard Dean and Nancy Pelosi—they were completely against her; and George Soros, who is famous for many “humanitarian causes” around the world, poured money in, with his organization MoveOn, to buy delegates. Unfortunately, many African-Americans need money for their social programs, and using something like the faith-based initiative, money was given to these people to come out for Obama.

Hillary, under these conditions, suspended her campaign, but she did not end it—and she did not release her delegates.

In the meantime, a sobering-up has occurred among the base of Obama, because, contrary to his big words of “change”—and “change,” which, in English, means also the little coins you get back when you pay, so he’s really the “candidate of change”—are disappointed, because he kicked out many African-Americans from leading positions of the party, and replaced them with party hacks, with party *apparatchiki*. Now, there is a real move away from Obama. And many people who voted for Hillary, said they will absolutely not vote for Obama.

And therefore, you have now, 53 organizations which have sprung up in the United States, to demand there should be an open convention, that there should be a roll call vote, and an open nomination, and speeches for the nomination of Hillary; and then there should be a contest between the two candidates.

One organization is called PUMA, which stands for “Party Unity, My Ass!” because now the DNC [Democratic National Committee] says, there should be “party unity” behind Obama. These people are committed to fight for the nomination of Hillary; many others there now, are putting advertisements in the leading American newspapers, demanding an open convention. And given the fact that it is our expectation that the financial crisis will worsen, and it’s about five weeks until the convention [begins Aug. 25], that it is absolutely, eminently possible. Because it will become clear that Obama, who has really not said anything concerning the economy so far, that the circumstances could very well arise that this leads to the open convention and the nomination of Hillary. And even if that would not happen, by September, this system is going to blow! And therefore, we are in a completely open situation.

A ‘New Deal’ for Russia, China, India

Now, if you look at the other countries, Russia, China, and India: How do they do in terms of the potential to put such a coalition together?

Now, the good thing about Russia, is that both [Rus-

PUMA's Have Awakened



PUMA videograph

Members of PUMA (Party Unity, My Ass!) are demanding an open Democratic convention; they are committed to fight for the nomination of Hillary Clinton, who received the greatest number of votes during the primaries.

sian Prime Minister Vladimir] Putin and [President Dmitri] Medvedev have already talked about the systemic crisis; they are not totally clear on what that means, but that can be remedied. Putin has spoken many times that Russia needs a “New Deal,” that the foreign policy between Russia and the United States must be on the basis of the tradition of Franklin Delano Roosevelt, and the Russian government has started to go in the direction of a program which we are pushing since the beginning of the '90s, namely the Eurasian Land-Bridge. And maybe, the most spectacular of these infrastructure projects, is the commitment of the Russian government to build across the Bering Strait, a 6,000 km railway between Siberia and Alaska, with a 100 km tunnel underneath the Bering Strait, which is a promising thing.

The shortcoming of Russia, presently, is that from our best knowledge—and if people have better insights, they’re welcome to contribute those—that the big flaw, is that the Russians up to the present time, do not understand the systemic nature of this crisis. Because some of the leading economists in the recent period, have stated that it’s good that the Federal Reserve is finally doing something serious by opening

the discount window, and this means the government is now finally taking care, and that by Spring, one can expect that the whole situation will be back under control, and that new rules can be negotiated. But, that's completely off the wall, and means that they have not really understood the problem. But on the other side, I think it's not a problem which cannot be overcome.

Concerning China, I already mentioned that they are *really* in trouble, because of the collapse of the U.S. economy, and because of the collapse of the dollar.

And I can say in a positive sense, that Lyndon LaRouche is accepted and famous in all three countries: In Russia, even though, there are naturally always elements who do not agree with him, but there are important elements of Russian society which know that he was the author of the SDI; that his prediction that if the Andropov government would keep its policy of rejecting the SDI in 1983, that the Soviet Union would collapse in five years. And this, at that time, was a big scandal, and a lot of slanders and attacks occurred against LaRouche in the Russian media. But we have subsequently talked with many Academicians, scientists, people from the military-industrial complex in Russia, and they have grudgingly admitted that LaRouche was right: The Soviet Union did disintegrate; and they have in the meantime, also studied very seriously LaRouche's economics. Therefore, there is a general awareness of his ideas.

The same goes for China. There were many publications in China, picking up on LaRouche's ideas; and for example, last year in November, he gave a speech in Los Angeles, which was sponsored by the organizations which are campaigning for the unification of Taiwan and the mainland, and at that conference, LaRouche presented his Four Power agreement, and said there is no solution possible, if the United States and China do not work together. And that speech was published in all the major Chinese papers, *China Daily*, *People's Daily*, all the economic science papers. So I think there is a possibility existing.

As concerning India, I should say, that we worked, at the end of the 1970s, with Prime Minister Indira Gandhi on a 40-year development program for India, and we continued that work with Rajiv Gandhi, and therefore, Lyndon LaRouche is regarded in the relevant circles in India as a legendary figure, and as the only American they can trust.

Bring Back a Green Revolution

Now, after the failure of the FAO conference, there was an important meeting at the 62nd session of the UN General Assembly, where the Secretary General of the United Nations Ban Ki-moon presented a paper called, CFA: Comprehensive Framework for Action, which was produced by a high-level task force, which was supposed to present some new ideas on how to solve the food problem. And the Indian ambassador to the United Nations, Nirupam Sen, on July 18, made a reply to that. He said: It's unfortunate that there was absolutely no input allowed from the member states. And he then criticized a formulation of this paper that the crisis of starvation is also a chance to change things. He said: "It's very unfortunate to present the desperation of millions of vulnerable people in their struggle to feed themselves, as an opportunity." Which is really an attack on the cynicism of this paper.

He also said that it was absolutely to be remedied that the agricultural productive capacity has been systematically undermined by the so-called "Bretton Woods institutions"—and by that, he means the IMF and the World Bank—and then he blasted the fact that the WTO and the IMF and the World Bank had forced the developing countries to produce, not food crops for their own population, but cash crops for export to pay their debts! And that on the other side, the OECD countries, in the same period, had spent \$385 billion for subsidies.

Now, that is obviously a tricky point, because you need protective policies for everybody, and not just for the so-called "rich countries."

He then demanded a number of other useful things, like stopping the use of food for biofuels, bringing back a Green Revolution to all the countries, by eliminating private control over seeds—because seeds are now controlled 90% by Monsanto, which has manipulated the seeds such that they cannot be re-used the next year—and so forth.

After the G8 meeting, which had, afterwards a meeting with China, Russia, India, and Brazil, which did not produce anything, because they were not really incorporated; afterwards, the Indian Parliament made a motion to have a vote of no-confidence against the prime minister, because they felt that they had sold out to Bush. This failed just barely; but the Indians are freaked out, because they say they are being attacked by hedge funds, by privatization schemes, in the same way as occurred against Russia in the 1990s. And naturally, if you have

70% of the population which is *poor*, and is already not fed enough, and you then have a price increase of 20, 30, 40% for basic foods, you know, you have food riots! And you have total desperation. So therefore, the Indians are really between a rock and a hard place, between the economic crisis and tremendous pressure from the United States, trying to get them away from the strategic partnership with Russia and China. But I think there is a potential openness there, as well.

Finally, a New, Just World Economic Order

Now, I could speak about many things which have to be fixed. We need a global renaissance for nuclear energy, because without that there is no way we can come to energy security; we need a number of other measures. But I want to say one thing: The time has absolutely passed, where side solutions would remedy the problem.

A philosopher whom I appreciate a lot, Nicolaus of Cusa, of the 15th Century, who is the founder of modern science, the founder of the sovereign nation-state, he already, at that time, said, that if you have an existential crisis, you cannot have side solutions, but you have to have a solution on the highest level. And therefore, the time for little steps, in my view, is over, and we need to have a package, in full, on the agenda.

What that means is, we have to have a new world financial system, a New Bretton Woods system; we need a new world economic order, and we suggest the Eurasian Land-Bridge, which we have proposed since 1990-91: to connect the Eurasian continent through infrastructure corridors, to be extended through the Bering Strait all the way down to Chile, and through Sicily to Tunisia, and through Gibraltar into Africa. Because, only if you have a real reconstruction program for the world economy, can you prevent a world catastrophe.

And this has to be accomplished between now, and the end of September. I'm saying this, because you have the Democratic Party Convention at the end of August; then you have the beginning of the UN General Assembly, which starts on the 26th of September; and by that time, we have to have a couple of leaders from different countries, who pose this question of a new, just world economic order on the agenda of the General Assembly.

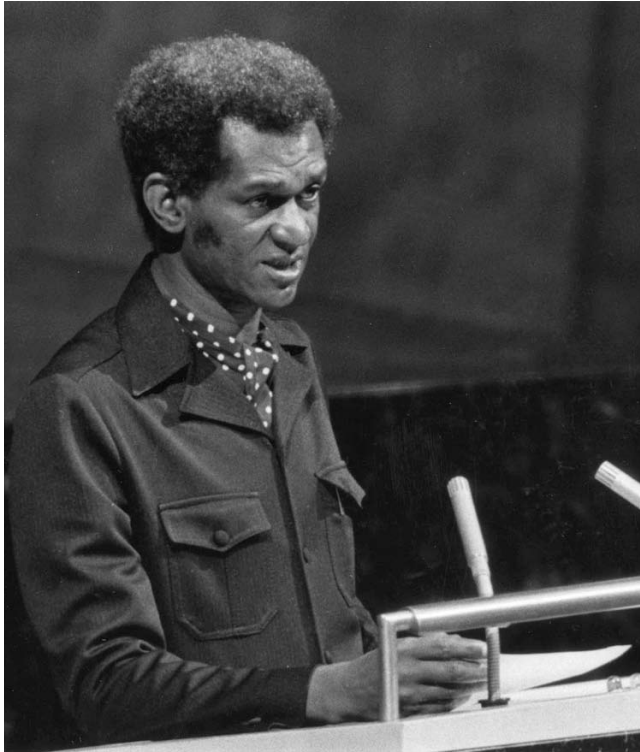
Now, if people think that this is too big, and it cannot be done, I can tell you that we came already once very close to that. Let me give you very quickly a review:

In 1975, Lyndon LaRouche travelled to Iraq to the celebration of the Ba'ath Party, and he talked to many leaders from Africa, and from the Arab world. And he came back, and he made the first comprehensive proposal to replace the already then bankrupt IMF, with a new financial system, which he called at that time, the International Development Bank. This was the proposal to reorganize the debt of the developing countries, to turn debt with high interest and short term, into long-term credit with low interest, and use this reorganized debt with credit lines for well-defined infrastructure projects: like roads, railways, infrastructure, in all the things you can see in terms of infrastructure in Europe, for example, to have that approach for Africa, Latin America, and Asia.

At that time, we, as an organization, as the international LaRouche organization, for one full year, organized for this idea: We talked to every embassy in the world; we talked to many political institutions in the respective countries, and after one year, the meeting of the Non-Aligned Movement in Sri Lanka adopted this proposal, almost word for word, in their final resolution, the so-called Colombo Resolution. And we even talked to many bankers and others in Europe, and they said, "Yes, we made feasibility studies; this would work." Because the proposal had the idea to have, per year, \$400 billion credit, and a technology transfer into the developing countries for capital goods for these infrastructure projects. So these bankers in Europe said, "Yes, it would work—but we don't like it."

So, it was rejected. But the Colombo conference had adopted it. And, at that time, I called the news editor of the DPA, the German News Agency—I said, "Oh, this is wonderful. Three-quarters of mankind has just adopted a new world economic order. When are you going to publish it?" This guy said, "Oh, that's not newsworthy, we'll not publish it at all." So much for the freedom of the press here.

But then, at the UN General Assembly in 1976, Fred Wills, who was the Foreign Minister of Guyana at that time, introduced this into the United Nations. And, at that time, it was absolutely supported by [Indian Prime Minister] Indira Gandhi, by [Sri Lanka Prime Minister] Mrs. [Sirimavo] Bandaranaike, by [Pakistan Prime Minister Zulfikar Ali] Bhutto, by many other Third World leaders. But because there was, at that point, no support from the so-called advanced countries, a real backlash happened. You had the assassination of Bhutto;



EIRNS

LaRouche's proposal for an International Development Bank was taken to the UN General Assembly by the Foreign Minister of Guyana, Fred Wills (shown here addressing the body) on Sept. 8, 1976.

you had the destabilization of Mrs. Gandhi—unfortunately, she had made some domestic mistakes which made it relatively easy to get rid of her for the time being; you had the destabilization of Mrs. Bandaranaike, and some other leaders, so the whole effort did not succeed.

But, then in 1982, José López Portillo, who was the President of Mexico, called LaRouche to come to Mexico City, and he asked him to write a program to defend the Mexican peso, which was at that point attacked with capital flight. So, LaRouche wrote a program which was called “Operation Juárez,” which was essentially the idea for Latin American integration and infrastructure development program, and López Portillo started to implement that program on Sept. 1, 1982, which caused shivers in Wall Street, because they thought that the Third World had formed a debt cartel, and that would be the end of the banks on Wall Street. López Portillo, then, at the next [UN] General Assembly meeting, in September 1982, introduced, in a beautiful speech, this same idea. And López Portillo is now

talked about a lot in Mexico again, because people now demand his policies.

The Last Chance for Civilization

So therefore, the situation today, 32 years after this Colombo Resolution—and many lives and the happiness of many people have been lost, because of the failure to introduce it at the time: But now, 32 years later, I think that this is the absolute last chance for civilization to prevent a collapse into chaos. And I think that, therefore, we have, in Europe, to do our best to break the Maastricht control: We have to cancel all treaties from Maastricht to Nice. And we have to prevent by all means, the Lisbon Treaty, because it would really turn Europe into a dictatorship, and it would completely disable Europe to do anything meaningful in respect to this crisis which I just painted.

And I can only say, I think it can work, what we have worked out. I think the danger is absolutely enormous, we are living in extremely dangerous times. The danger that this whole thing disintegrates into worldwide chaos, with governments being wiped away, like the government of Haiti, which has already been wiped away, because the people who were starving, said: “We don’t fear the bullets of the police, because we are starving anyway, so what does it matter?” And that is, I think, a glimpse of the future, if we don’t remedy the situation.

We will do this anyway—and hope that some of the people in this room will help to do it—that we mobilize as never before, to get the new world economic order on the agenda of the United Nations in September. And that if we mobilize in many countries, and all with the idea that we need a just, new world economic order, and that the present system has failed, I think that there is something in human nature, which gives me hope that it can be done: Because I agree with Leibniz, that a great danger always provokes a greater good. And you know, given that another prediction of Leibniz, who at the end of the 17th Century, said that if it would ever come to the point that the whole world would be dominated by utilitarianism, it would come to a world revolution. And I think if you look at the present international financial institutions, which are all based on utilitarian principles, I think the words of Leibniz could actually be really true. But we don’t want a Jacobin revolution, we want the principle of the American Revolution, and the sovereignty of all countries to be the guidance of this matter.

LaRouche: The U.S.A. Must Take the Lead

Here is an edited transcript of Lyndon LaRouche's concluding remarks, made by telephone hook-up from the U.S., to the July 26 EIR seminar in Wiesbaden, Germany. After his opening statement, he fielded questions from the assembled guests. Subheads have been added.

As you know, from my address this past week [the July 22 webcast], what's settled is this: We require, first of all, the first measure is the Homeowners and Bank Protection Act. Without that, nothing's going to work. Next, we require a two-tier credit system, which now means, from the U.S. side, a 4% rate on bank loans, and a lower rate on government-protected special loans, that is, 1-2% for that range. With the function being, to protect the U.S. dollar, so we're not running, emptying the banks of their cash. And this will be coming in just slightly below the European rate, and significantly below the British rate. But since the United States has the advantage of being an investing country, whereas Western Europe now is not capable, under Maastricht, of doing that side of operation, the main thing is to undercut the British, but at a 4% level, which means that we could save our banking system.

The next stage, the third stage, is to get a proposal, from the United States, to Russia, China, and India; and, on the assumption that we can get cooperation among those four countries, we can extend that group to other countries.

The important thing to remember, the only way this saving of the international system could occur, is *from the United States*. That is, any combination of four other countries than that, would not work. If the United States is not included, there's no way to save the system now. We're in for a complete crash of the world system.

The reason is, that the U.S. system is based on a credit system, not a monetary system. That is, Constitutionally, the United States system is based on a credit system. That is: If the United States makes a monetary emission, or authorizes one, or conducts a treaty agreement which does that, all the parties to that treaty agreement, can now be operating, instantly, on the equivalent



EIRNS/Stuart Lewis

The only way of carrying out the urgently needed policies to save civilization, LaRouche said, is for the United States, in combination with other leading powers, notably, Russia, China, and India, to come together and create a new international monetary system. Here, LaRouche addresses a webcast on July 22.

of a fixed-exchange-rate system. On that basis, which could only occur with the United States as a party in that agreement, a recovery could begin to be organized.

Unless these three conditions, as I just described, are met, we have reached a point that the *present world monetary-financial situation would be considered hopeless! We already are finished off! The world is finished, unless this agreement is made.* And it would be quite feasible.

So far, we have no action—yet—official action in the United States. We've had votes for this, on the terms of the Homeowners and Bank Protection Act; we've had very strong support from certain circles in banking to agree with my idea of a two-tier credit system. We have no action, of course, on this other action, though there is discussion, coming from Russia, China, India, and so forth, discussion in the direction which would be favorable to the third condition. That's where we stand.

The problem here is, in the U.S. in particular—because Western and Central Europe, right now, are, from our standpoint, hopeless for getting an initiative of this type. They can only be, in a sense, passive or subordinate partners. Europe could not initiate this, but as a

subordinate partner could participate. We'd have to get rid of the Maastricht agreement entirely, in order to have Europe functional again, but this would do it.

So that's the situation.

The problem now, of course, is the U.S. election: If Obama were to be the putative nominee in the United States, the situation would be hopeless. Forget civilization. If McCain, as he stands now, were that, we'd have a similar situation. However, there are institutional factors in the United States, which could change. And of course, if Hillary Clinton were still the putative candidate for the Democratic Party, she probably would be willing to make the proposal *as a candidate*, which would activate the discussion with Russia, China, and India, which could get the whole thing going again.

But that's our situation: It's a *dangerous* situation, from all obvious conditions, the conclusion would have to be, the world system, the world financial-monetary system, is going through a breakdown crisis—not a depression, certainly not a recession—but a general breakdown crisis, in which all currencies become hopeless.

In other words, you're looking at a situation like Germany in 1923, toward the autumn of '23 in Germany. You're at a point of a general breakdown crisis, on a global scale. That's where we are. The only thing is, that some miracle, which we're trying to make happen, could change things. The initiative has to come from the United States; it means Obama has to be out of the way; it means that we have to have a different candidacy, which means the month of August is crucial on this. After the month of August, beginning of September, either we have some progress in this direction, *or the world situation is technically hopeless, for the time being*. That's where we stand.

Dialogue with LaRouche

Q: Good evening, Mr. Lyndon. I would ask about the Middle East. What about the Middle East? We are from the Middle East, I don't hear anything about the Middle East until now.

LaRouche: Well, the Middle East is not a factor in this sense: Because, the Middle East situation will depend entirely upon what the world environment is. And the initiative from the United States, and the cooperation, with a U.S. initiative, from Russia, China, and India, is crucial for every part of the world. That is, without these four powers coming into a prospect for

agreement, there's no hope for the rest of the planet. There are no local solutions.

Now, however, on the situation, that doesn't mean we lie down dead in the Middle East. What we have now, with complications, is the possibility, built around Syria, of a nest of agreements being reached, which essentially would be peace and cooperation agreements, which could stabilize the entire area. That is, when we had a success in the case of Lebanon of getting a government constituted there, without disruption, and the fact that we have negotiations between Syria and Israel, implicitly, which are not far from the terms that would have to be settled for agreement there; and with the possibility of agreement among Arabs and Israelis, and among Arab countries themselves, many of them at least, in that region; and with the possibility of bringing Iran into the complex of agreements, and Turkey, we have the possibility of a regional scheme of peaceful cooperation, which could solve the problem.

What we need, however, is to provide a context for that, and the context has to be a new international monetary-financial system: Because without a new *international* monetary-financial system, we can not possibly solve the problem of the world as a whole. I mean, there's no way in which a particular part of the world could survive under these conditions, by itself.

So, the Middle East thing is on the table, as far as I'm concerned. It's very serious. But the most important thing, right now, is a nest of peace agreements and cooperation agreements, among the nations. I think that process is underway. I think most of the elements of agreement are already under discussion, in one way or the other, and my concern in this area, is to defend and promote the success of that process of agreements, without pushing it too hard, because I realize we have to be patient, but we have to have patience under the conditions of confidence that we are seriously negotiating what has to be negotiated.

So I don't leave the Middle East out. I simply say, that we have to provide the context, in which the existing efforts at peaceful cooperation are given favorable conditions and support.

There Are No Designated Candidates, Yet

Helga Zepp-LaRouche: One question we had come up this morning, was, that the governments are not really the powers, and the official institutions are not really the ones who decide. But you have these powers behind these institutions, which are the control-

ling factor. So, one of the participants brought up the question of: How do you affect that, given the fact that you have this powerful financial oligarchy, and how do we focus our intervention in history at this moment, taking this problem into account?

LaRouche: Well, the situation is not simple. For example, we have, in the United States—because my situation is crucial in this—various things in motion, various forces in motion, and it’s not a completely settled situation by any means. First of all, we have to understand, that *there is no securely designated candidate for nomination* for the Presidency of the United States. All the boola-boola about Obama does not mean that he is already a securely designated nominee for the Democratic nomination for President. We don’t have any security on the question of McCain. McCain’s situation perhaps, is a little more secure than that of Obama, but in neither case do we have a Vice Presidential prospect in sight.

So we have, at present, *no secure picture of who the next President, or leading contender, might be.* We are now in the situation, at the end of July, and the month of August, *in which the greatest financial tumult and uncertainty in modern history, is now occurring!* The question of the two candidacies, of a Democratic candidacy and a Republican one, both, will not be clear until early in September, probably about the time of my birthday [Sept. 8].

So, there is *no* situation, from which you can stably calculate *who is what*, and simplify the issues. The situation is changing rapidly, and it’s changing fundamentally. *The entire international banking system is in process of disintegration.* We could have a situation by September, in which *there is no stable banking system in the world! No stable monetary system in the world!* We could be in a state of utter chaos! All calculations which are based on statistical projections of the present trends are incompetent. And most of what is reported on banks and conditions of banks and financial systems is not even mainly incompetent, they are *lying and incompetent:* That is, people are telling lies, but they don’t know which lies are the more probable ones to be continued.

So therefore, in this situation, there *is no certainty.* You’re like in command in warfare: You have the parameters on the ground; you know what the forces are; you know what many options are, but you’re going to have to make command decisions, very rapidly, on the basis of shifting emphasis on options.



HillaryClinton.com

The only hope, LaRouche said, is that we will have an upheaval in the U.S., opening up the possibility that Hillary Clinton, or another qualified Presidential candidate, might emerge. But it would have to happen in the month of August. Shown, Clinton campaigning in New Hampshire.

Therefore, you have to stand back with confidence, and define what a winning position is. Then you have to have a command structure, which will execute the same kind of command function that a leadership does in war, a competent leadership in war.

So, there are no pre-calculable projections, based on so-called probability. We’re in a *real* situation, not a hypothetical situation.

The key thing is, in the United States, the crisis is discrediting the people who are making present policies. That is good. Because as long as the present policy combination is in place in the United States, there’s no hope for civilization. But the crisis is so bad, and the discrediting of the institutions is proceeding so rapidly, that we must expect an upheaval in the present political situation, in each part of Europe and the United States, now, in the immediate period. We have a more stable situation in Asia, in the sense that Russia, China, India, and some other countries are relatively stable politically, now, relative to an absolutely chaotic situation throughout the trans-Atlantic community. So the trans-Atlantic community and Southwest Asia, are completely chaotic.

One of the big problems, of course, is the drug problem, and this is the attempt to destroy Pakistan, which is

now in progress, and the threat that someone from Britain, together with the Cheney faction in the United States, might actually start a war attack on Iran, are the incalculable factors in that region. That's where we stand.

And the only hope, and my recent experience gives me more hope of the possibilities, is that in the United States, we are going to have an upheaval, and the possibility that even Hillary Clinton might come back—because she's still a candidate for the nomination—something like that might happen, or a different combination to similar effect. But it would have to happen in the month of August. And until we get through that hurdle, all we have, is increasing potential for what I'm proposing: The potential consists largely now, of key people in key institutions who are coming to agreement with me. But this is behind the scenes, not up front. If this goes from behind the scenes to come up front, then we have the kind of situation which I depend upon us to have; because if we don't have that kind of situation, I think the situation for the planet as a whole is *relatively hopeless*.

The British System Is the Key

Q: [as translated] Our friend from [Southwest Asia] has a further question. He says that we recognize that there's a certain opening between the United States and Iran, there are types of negotiations going, on the nuclear program, and so on and so forth. But at the same time, you are saying that there are people around Cheney's circles who want maybe to bomb Iran. So, who's in this process? Who is for the diplomacy, and who is—there's a contradiction, our friend says.

LaRouche: Yes. That is absolutely correct, correctly posed. The only thing is, that too much emphasis is placed on assuming that the United States is an independent factor in determining this problem. The United States is not the principal independent factor in this in situation: The *British* system is the key. And of course, it's the British relationship to the BAE [Systems], which is crucial in understanding the way this is going to affect that whole region.

The key thing is, the British are running an empire. The United States is not an empire. The illusion is, in many parts

of the world, that the United States is an empire. It is *not* an empire. If you go through, as I have, who owns and controls the Presidential candidates in the United States, who is controlling many of the international operations, these controls are not coming the United States. There's some influence from the United States, but it's not coming from the United States. *It's coming from London!* The center of this crisis is London, not the United States.

There are factors in the United States, such as Cheney; so, what is Cheney? The Cheney faction is an extension of a faction *in London*. And it's tied to the Labour Party more than the Conservatives. The greatest danger, the greatest threat, comes from the Fabian element inside the Labour Party and things associated with it. And it comes from secret operations. That's our problem here. That's our problem around the world.

So, for example, the Maastricht Treaty and its implications for continental Europe, make continental Europe, from the borders of Russia to the Atlantic Ocean, totally unstable, totally out of control. And London is the problem! And the Maastricht Treaty is key to understanding the problem.

Take the case of a potential attack on Iran. That, of course, is the greatest immediate, short-term danger that we have to consider. That could be done by almost anyone. The purpose of that, however, is not to realize that the purpose of such an attack, would be to *make a mess* of the world! To cause a chain reaction of chaos which will just tear the whole world apart. And this is



White House/Eric Draper



White House/David Bohrer

Bush is an idiot; Cheney is run from London. They would, under London's direction, start a war with Iran, to destroy the peace negotiations now in process in Southwest Asia.

coming from London.

Cheney comes from London. And you have the Baroness Symons, who was a key part of the Blair Administration formerly, who was one of the key figures, who was operating in Southwest Asia, who typifies the kind of people who will explode the whole region. But this comes from London, and not from the United States. But Cheney represents a faction in the United States, which is controlled from London, and deployed from London.

The President of the United States is an idiot. He's a crazy idiot, but he's an idiot. Cheney and the people around him, typify the dangers. And they would, *under London's direction*, just the same way that Blair started the U.S. war with Iraq, deploy U.S. and other forces, in order to make a surprise attack, so-called, for the sole purpose of destroying the threatened peace negotiations which are now in process in the region of Southwest Asia.

That is the chief, immediate danger affecting that region, in particular.

The Future of Africa

Jacques Cheminade: It's a question from an [African diplomat]. He sends his full greetings and expresses his respect to you. He feels that after 50 years of independence, Africa is at the same point it was at the time of the Berlin Conference in the 19th Century. They have even the impression of a setback, because Africa can not decide for itself, and it's absent from the concert of nations, from the capacity to intervene. How do you see the future of Africa, within the framework of the end of globalization which is taking place at this moment? He wants to know, how do you see Africa at the end of the globalization process? Has Africa a future after globalization?

LaRouche: If globalization comes to its own conclusion, there's no hope for Africa. My contention is to end globalization, to rip it up, and to return the world completely to a system of sovereign nation-states, as Franklin Roosevelt had intended, had he lived at the end of the war.

The situation now, in respect to the countries of Africa, is—the intention is, since the middle of the 1970s, when this policy was adopted, during the period of the [Gerald] Ford Administration—but it was not a Ford Administration; it was a policy which was put in, during the period of the U.S. Ford Presidency—this is 1974-75. At this time, the policy adopted by the Anglo-

American powers, under British direction—and Henry Kissinger signed one of the papers on this thing, but he did that as an agent of this process, it was not just his idea—the policy is, that the raw materials of Africa are not to be used up by the Africans, but are to be conserved for the future use of the Anglo-Americans. That's the policy that was agreed upon.

That is the policy today.

Now, this is also the British policy in particular, but it's got an American tail on it. For example, right now, you take the attack on Zimbabwe, the targetting of Sudan, and a number of others—the targetting of Mbeki, for example. There are a number of situations which indicate, the intention is that Africa will not be allowed to maintain its present population; it must decrease its population. It will not be allowed to have sovereignty. It will not be allowed to develop and exploit its own raw materials for its own use, and so forth. One of the indications here, is that China is the only country, major country—and this is particularly with respect to East Africa—which has made a significant contribution to cooperation in the development of infrastructure and other things in Africa. If you look carefully, as you probably know very well, there is no significant effort, in support or *allowing* African countries to develop their own resources for their own survival. The pattern of genocide, by direct genocide, or by indirect genocide by causing chaos in Africa, *is* the current policy! Under globalization, that policy will become total. Totally victorious.

So, there is no hope for Africa, if globalization is allowed to continue the course it's on now.

The only hope is a return to a policy of *the sovereign nation-state*, and the kind of policy that Franklin Roosevelt had intended for the close of the war, had he lived. And had Truman not replaced him, with a *pro-British policy*.

So that's our situation. Therefore, the point here is, the development of Africa, requires large-scale infrastructure development. That development can come chiefly by a global development, in terms of rail lines, and power systems, and water management. That is, there's a Eurasian development extending into the Americas, as by the Bering Strait project. And if a similar effort is made into Africa, the infrastructural extension for development of Africa, in line with what the Chinese participation is doing there now, this opens up the gate for *hope*, for the real, long-term development of sovereign African states. And that should be our policy. I don't think we should sit back and accept the

idea “what is going to happen to us?” I think we have to intervene, to determine what is going to happen.

My view is, that the present crisis of the world as a whole, is so severe, that there’s no part of the world that could survive the presently onrushing financial and related crisis, without cooperation. If such cooperation occurs, it will occur largely on a basis of nuclear power, water-development projects, mass transportation projects. These projects will have to include, naturally, a system of rail or magnetic levitation communication systems and transport systems, throughout Africa. My view is that that African development—nuclear power, mass transportation, water management—will open up the base line for the investment and development of African nations. And I think the only solution is, to fight for that perspective, that global perspective, with the African aspect emphasized, and to mobilize the people of Africa intellectually, about the realistic hope, that such changes can be brought about.

False Hopes in Russia

Q: The Russian government sees that in this crisis, their economy is one of those, which is not doing the worst, and they feel that they can also help Europe. The better forces in Russia, sometimes think that they can help Western Europe as the crisis goes on to create a kind of stability and to come out of this crisis somehow. So what would you say to such forces, with what they’re trying to do? And also to Europe?

LaRouche: That’s a false hope, it’s a delusion. That would be a delusion. I know that there are expressions of such views from Russia: the idea, for various emotional reasons, to say, “We don’t need the United States, we can operate, we can help Europe,” and so forth. They don’t realize what the reality is, and I don’t think they really are that skillful, by my standards, on economics. I think the present Russian government, under Putin and under Medvedev, has obviously made a great improvement over the situation previously. And they’re doing many things which I think are very useful and commendable, and I’m optimistic about it in that sense. But when it comes to understanding the international monetary-financial and strategic situation, I don’t think that Russia presently has yet achieved a competent insight into the actual nature of the present global situation.

Without the United States playing the role which I’ve indicated, in cooperation with Russia, China, and India—that would mean bringing in all the other countries, but you have to have a group of key powerful



Presidential Press and Information Service

The Russian government, under Putin and Medvedev is doing many useful and commendable things, LaRouche noted. But when it comes to understanding the international monetary-financial and strategic situation, Russia has not yet achieved a competent insight into the actual nature of the present global situation.

countries, to make the change—but once the agreement is made with sufficient power to make the change, the other countries which obviously will come in, will become an integral part of it from the start, *then* things are possible. But until that change is made, *nothing good is possible.*

One must not get into this thing about saying “if . . . then, if . . . then, if . . . then.” Look what you’re looking at: you’re at a point, if you look at the obligations of the international financial system, what happens if the dollar collapses? If the dollar goes down, China goes bankrupt; Russia goes into a catastrophe; all of Europe is in a catastrophe; the world is in a catastrophe. We are in a global breakdown crisis, of the *entire world system!* Not a recession, not a depression, not a regional crisis, but a total crisis of the entire world system in its present form. Only by creating a new fixed-exchange-rate system, around agreements among a group of core countries, which has to include the United States first of all—without the United States it won’t work—that’s a New Bretton Woods system, in which Russia, China, and India, with the United States, take the initiative to bring other nations into an agreement with them, of cooperation on creating a *new* monetary-financial system, that is, a credit system, which is geared to global development. Without that, nothing is possible. And any idea

that there are alternatives to dealing with the United States on this thing, is a delusion.

Q: This question is still connected to the Southwest Asia situation, but there are some commentaries being made in the Presidential campaign. Like McCain: One of McCain's advisors presented the idea that Jordan is Palestine, that the Palestinian issue could be resolved by turning the Palestinians over to Jordan as a solution. And then there is a question about redrawing the map of the Middle East, which was presented earlier during the current Presidential administration. But there are people, maybe in the McCain camp, who still harbor that type of idea for changing the map of the Middle East, once again. That's the question.

LaRouche: Okay. I think the threat from the statements of McCain are not too significant. McCain says a lot of things. But unless you get a combination which I would be afraid might occur around the McCain candidacy, I would think there are certain Republican forces around McCain, who would prevent any such idea from actually being pushed. So I don't think there is, in the normal sense of things, a threat from McCain, through just things from his mouth, but not actually from him as a source.

The great danger of precisely that, comes from only one quarter right now: It comes from London, and it comes from London's ownership of Obama, Barack Obama. Remember, Barack Obama is totally a British agent, they *own* him. They own him more than once. And he will be nothing *but* a British agent. If Obama were President, *exactly* what you're afraid of would be attempted.

What Should France's Farmers Do?

Q: As you know, we have some farmers in France, who are opposing free trade, and are mobilized on the world food production issue. What would you suggest to them—how they could do more, to restart farming all over the world?

LaRouche: Well, first of all, there's nothing in this direction that can be done, unless we settle this question about international power. Europe, as we all know, is right now pretty impotent, because of Maastricht. There's rumbling. There's resistance, as in France on some issues, as in Italy from other sources. But Europe is—Western and Central Europe, continental Europe—are totally impotent right now, in terms of any policy-making, whatsoever. Because they're trapped in the

system. Until somebody breaks out of the system, the help has to come largely from the United States. It may seem like a distant prospect, but that's all we've got!

Because you've got to see everything in terms of the fact that the present international monetary-financial system *is in a process of disintegration*. In other words, this is like, on a global scale, Germany in December 1923: That's the kind of situation, historically, used for a standard of comparison, of where we're going now. Unless we *overthrow, all of the present trends in policy-making*, in Western Europe and the United States, that is, all the main monetary-financial, strategic policy trends, unless we overthrow them all, there's no chance for this planet as a whole. Because a collapse of the U.S. will mean a collapse of Europe, a collapse of the British system also, which means a collapse of China, a collapse of Russia, a collapse of India. It's just differential rates of collapse.

There is *no hope* of secondary solutions for the world, under those conditions. *This is a war, we must win*. This is a war against a dark age, it's a war for the very continued existence of civilization. If we can turn the situation around in the United States—and that is *not* impossible—if we can do that, then in that case, the Four-Power proposal that I've made, for the United States, Russia, China, and India, and grouping countries around that, *would lead to an immediate, fundamental change in the situation*. Without that change, *I don't see any hope for any part of this planet*.

British Geopolitics and the Fabian Society

Q: We've got a lot of questions in France, on the Fabian Society. And if you can say a few words on the purpose of the Fabian Society, why it's so dangerous, and how the Obama candidacy is part of this historical scheme.

LaRouche: We did a video here, which I think you should all have access to on this kind of question, because I think we did the job fairly well. It's published on the website [www.larouchepac.com]: It's the "1932" video, which lays out the change in world history, which came about in the aftermath of the victory of the United States, over Britain, in defeating Britain's agents, the Confederacy in the United States. And that the changes were made by the British in their strategy, to try to destroy the influence of the United States victory, inspiring large-scale railroad developments in France, in Germany, in Russia, and elsewhere, and similar kinds of development. Like the Bismarck reforms in Germany of the late 1870s and 1880s. These were considered by



Library and Archives Canada

H.G. Wells was the evil Fabian Society mastermind of the “dirty tricks method of world politics.” Left: a scene from the movie “Things to Come, based on Wells’s book.

Britain as the greatest threat to the British Empire ever conceived.

And it was the threat of American methods based on nations admiring the success of the United States, both in defeating the British, by crushing the Confederacy which the British had created, and also by the development of the United States as a continental nation, with large-scale railway systems and so forth, which was a model of success, which inspired France in the 1870s, inspired Germany in the '70s, and '80s, and led Russia in the same period under Mendeleyev's projects. So this was the origin of what was called, “British geopolitics”: Where the power of the British Navy to control the world through the oceans, was threatened by the development of continental railway system and similar kinds of industrial development.

So, at this point, where the original aim of the British Empire to control the world had been ruined by the U.S. victory over the Confederacy, and the development which followed between 1865 and 1876—this had constituted a *mortal threat* to the possibility of continuing of the British Empire. At that point, the British Empire evolved a new method, a new strategy. And the new strategy was based on the precedent of the Roman general Fabius, who created a special kind of defense of what became the Roman Empire, against the temporary defeat by Hannibal's forces, inside Italy.

So this became the dirty tricks method of world politics, and the new kind of British policy: The key part of this policy, because England and the British Isles are a

complicated place—you have Scottish, Welsh, English people; you have pro-industrial interests, you have pro-national interests and so forth, in there. So the empire aspect of the British Empire, which is the *Anglo-Dutch* aspect of the Empire, the financial aspect, created an arm which was built up largely with the name of Cecil Rhodes, but around H.G. Wells. And H.G. Wells, of course, was a fascist, as he confessed himself to be in the early 1930s. And so, the British Labour Party became the core of fascism, in England, although there are other elements in the Labour Party. But the Labour Party organization itself became the base for fascism, as typified by the role of H.G. Wells, as the chief of intelligence for this faction of the Fabian Society in World War I, and also in his plans for World War II, as in his famous writing and movie, *Things to Come*.

And the post-war policies of Britain have also come from the Fabian Society, from people not only like Wells, who laid out the policy, but Bertrand Russell, who was probably the most evil man of the 20th Century.

And so the Fabian Society represents a liberal-labor core, ideological core, of the methods, which were developed by the British over the course of the late 19th Century and 20th Century for conducting war. It was H.G. Wells, for example, and his friends, who created World War I, and implicitly, World War II, who created the corruption which has occurred in Europe in the post-war period, to the present day. Today, Tony Blair is probably the worst fascist in England, or he certainly has a record of that, and people around him—the Blair crew is the most evil. You have Conservative types who are more complicated—they may be pro-imperialist and so forth, but the imperialist types of the Conservative Party and others have a somewhat different character than the Fabian Society. The Fabian Society is the maximum concentration of evil in Britain.

And that's what the significance of the Fabian Society is. It's an idea of the *alternative*. When Hannibal was defeated Rome, initially, and the Romans were in short shred, because of that defeat, at that point, the Roman method of Fabius was used to draw down the forces of Hannibal, until Hannibal could be defeated. And that's exactly—the Fabian Society was created as a new conception of warfare *against the United States victory over the British in the U.S. Civil War*.

If Obama Wins, the U.S. Loses

Q: I'm coming from Austria... I have a question about the elections: Is it really a realistic scenario that Hillary Clinton, at the end of the road, is going to be the nominee of the Democratic Party? And if so, what must happen that that scenario is going to be real?

And second, if not, do you know who is going to be the running mate of Barack Hussein Obama? Thank you.

LaRouche: Yeah. Well, I don't what's going to happen in the United States. I'm trying to shape what's going to happen in the United States, and therefore I have to say, that I don't think my powers are infinite. I think my influence is now increasing greatly in the recent period. More and more people are coming over to my camp, including from some of the financial circles, simply because they realize I'm right and the others are lunatics! And even among some bankers, I'm getting a growing constituency of bankers who believe that my proposals for monetary-financial reform are appropriate. Meanwhile, my enemies are becoming more discredited by the moment.

As to whether Hillary could—[inaudible] that she will, is uncertain. Hillary has two aspects: First of all, she probably is, potentially, the most powerful figure in the U.S. Senate right now, or will be, because anyone who's got over 18 million votes as a candidate—she got more votes than Obama did!—is a figure to be reckoned with, either in the Senate, or as a candidate. As Vice President? No. As Vice President, that would be probably a failure.

But Obama, I don't think can make it. If he can make it, then the United States won't make it. That's the best way to put it: If Obama succeeds, the United States will fail.

On the Vice President? Nobody's made up their minds yet. There are things all over the place. The place is highly uncertain, highly unstable, absolutely hysterical. You have to realize, that the entire banking system *of the world* is virtually going under. All of Western and Central Europe, including the British; all of North America, is absolutely bankrupt.

Now, to me, that is not a great challenge, being an economist. Because I know what you can do with properly constructed bankruptcy. If governments are determined to have banks function, because they need them for the economy, the banks will function. They may be functioning under bankruptcy protection, but they will function. Because governments who are not stupid will

make sure they function, in order to maintain the stability of society.

The only hope now is, in this moment of crisis, that this crisis, which is coming on with great force, will *break the will to resist what I'm proposing*, from within the ranks of institutions. In other words, sometimes, it's like as in battle: You sit back and you say, "Well, what can you do? I have to wait for the enemy to destroy himself. Then I can do something." And that's the situation I'm in now, and that's the situation a lot of us are in, in the United States. There is a minority in this country, which *would move, in the direction I propose*. But we are not going to be able to move, until we *break the will* of those who are still controlling the situation. And the way the will of those people is going to be broken is by their own failures, by the bankruptcy they're bringing down on themselves, and on the rest of them. It's that kind of strategic situation which must be understood.

And my approach toward the rest of the world is based on that consideration. I'm saying: Don't lose your nerve! The enemy is coming on. The enemy is terrible. He's trying to destroy everything. But be careful. Get ready. The enemy is going to destroy himself, and we have to be committed, in advance, to very quickly acting, around ideas which will work, to deal with the situation. And therefore, my main hope outside the United States, is that specific thing. If we get something from the United States by September, when the failures—the terrible failure, the terrible collapse of the world financial system, including the U.S. financial system—will have occurred during the month of August, by September are we still in a position to push forward exactly what I've been proposing? I think we could be. And that's the best shot we've got.

I don't see, and I'm probably one of the best forecasters in the world on this kind of thing right now, I don't see any prospect for the planet, unless we can do that. I think we can. My concern is that we not lose our nerve, and that we rally our forces to be prepared to take up the opportunity when it's presented to us.

A Rising Movement Among the People

Q: [A guest from France] The citizens are observing their inability and impotence to control the elected officials. This impotence is programmed into the constitutions which do not allow citizens to be able to exert some real control over the elected officials. What do you think of what the Athenians did? They introduced random elections of the elected officials, in particular among



EIRNS/Doug Mitchell

"I think we're looking forward to the possibility of the emergence of new leadership, of people who are oriented to the desires and sentiments of the lower 80% of populations, which are largely nationalistic, in the sense of patriotism, in their character. And I think that's what we have look for. I'm optimistic." Shown: The LaRouche Youth Movement organizing in Boston, July 31.



those would be in charge of writing the constitution?

LaRouche: Well, you've got to look at the situation in the United States. The character of the United States has been, since the Vietnam War, since the killing of Kennedy, actually, that the lower 80% of family-income brackets has become increasingly distant from power. In elections, their behavior is to select a secondary or tertiary issue around which to rally—a demand for this, and demand for that. They don't challenge the composition of the top-ranking power directly. Now, this is especially since 1968. The 68ers changed everything, they changed everything for the worse in Europe, they changed everything for the worse in the United States, and through other parts of the world. The passing of de Gaulle in France, the way they spit on Charles de Gaulle in '68, typifies the change in moral character of government in that period.

Now we've come to a time, where it is the upper 1-3% of the income brackets of the population, which have the greatest power, and which disgrace themselves the most. The collapse of banks, the spectacular bankruptcy of major financial predators, global predators, is bringing about a situation, where there's a collision—there's a rising movement right now, among the people. You saw this in the primary campaigns, and it's getting

even more intense now, in the United States: A rising assertion on the part of the lower 80% of family-income brackets, at least certain parts of the whole process, *toward taking political power*. At the same time that the great financial powers of yesterday, which are running governments from the top down in Europe, as well as in the United States, they are becoming *hated*, and discredited and despised.

So you're coming to a point of junction, which I think is going to be reached in September, if there's not a Middle East war again. But at that point of junction, is the point at which the citizens of the United States *may intervene*, to take charge of the election process, by their influence, their weight. This would tend to be echoed, I think at this time, as par-

ticularly in France, for example, and possibly, in Italy: that these two states have potential for resistance, for popular resistance, against the global trends presently. Under those conditions, I think we're looking forward to the possibility of the emergence of new leadership, of people who are oriented to the desires and sentiments of the lower 80% of populations, which are largely nationalistic, in the sense of patriotism, in their character. And I think that's what we have look for. I'm optimistic.

Under those conditions, we will be able to do, as has been done before: Very rarely do we make fundamental changes in government. We change governments by slight manipulations in their character. We're now at a point, where there can be a reversal of what happened since 1968, and it only requires a slight affirmation of control of government by the lower 80% of family-income brackets of populations, by putting their pressure in the situation, and they can switch the whole process around, in a direction, that is, for a kind of mini-renaissance. And I think that's quite within our reach. Not only is it in our reach, I think it's the only thing worth doing. If we can get a significant part of the lower income brackets of the population to *move*, to exert a real influence, on a discredited present establishment, I think we can get the results we want.

George Soros and London's World War III

On Aug. 9, Lyndon LaRouche denounced British agent George Soros, for his hand in the ongoing London-led efforts to trigger World War III in the Caucasus. Soros is the financial and political godfather of both Georgian President Mikhail Saakashvili and the purported Democratic Party Presidential nominee, Sen. Barack Obama (D-Ill.). In the late hours of Aug. 7, as President Saakashvili completed a nationwide television address, claiming to seek a diplomatic solution to the crisis in the autonomous region of South Ossetia, he in fact ordered Georgian troops to fire on Russian peacekeepers, who were in South Ossetia as part of a UN mandated force, that has been there since 1994. Saakashvili's actions now threaten to trigger World War III—precisely what the British intend as their response to the collapse of their post-Bretton Woods international financial system.

“If you want a preview of what the United States would be like under a President Obama, just look at Georgia's recent actions. Georgian President Saakashvili, like Barack Obama, is owned by the same British godfather—George Soros,” said LaRouche. “Would Soros's man Obama be another Dick Cheney if he got into office?”

Soros's own Open Society Institute boasts that it was the backbone of the so-called “Rose Revolution” that swept Saakashvili into power in 2003-04. As of January 2004, the Soros Open Society Institute, which first set up its office in Tbilisi, the capital of Georgia, in 1994, began directly bankrolling the Georgian government, as part of a joint program with the United Nations Development Program (UNDP), then headed by Mark Malloch Brown, who is now secretary general of the British Foreign

and Commonwealth Office. Malloch Brown was so close to Soros, during his tenure at the UN, that he lived in an apartment he rented from the hedge fund speculator.

Saakashvili's reckless provocations, in firing on Russian troops and killing South Ossetian civilians, who are predominantly Russian citizens, drew a strong military response from Russia, which is bound, under its constitution, to defend Russian citizens under attack. The British have been behind the destabilization of the Caucasus since the collapse of the Soviet Union, funding and arming Chechen rebels, allowing recruitment into the Chechen separatist movements at mosques in England, and providing safe haven to Russian “mafia” figures, like Boris Berezovsky, who bankrolled anti-Russian separatist and terrorist operations in the Caucasus.

“Now, look at the vast Soros cash flow into Obama,” LaRouche concluded. “Soros is a British agent, under the control of British foreign intelligence and special operations services. He is used by them. His sources of funds, after his initial bankrolling by the Swiss branch of the Rothschild banking interests, are murky, at best. Soros is part of Britain's new opium war apparatus—and he virtually owns Senator Obama. And now he is fomenting world war provocations against Moscow, at precisely the moment that I am calling on Russia, China, and India to join the United States in creating a new international financial system that would wipe out speculators like Soros altogether.”

As LaRouche said in his introduction to LaRouche PAC's recent pamphlet, “George Soros is *your enemy*.” Will you tolerate this British tool organizing the detonation of World War III?

See LaRouche on Cable TV

INTERNET

- BCAT.TV/BCAT Click BCAT-2 Mon: 10 am
- LAROUCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- MNN.ORG Click *Watch Ch.57* Fri: 2:30 a.m.
- RAVITELEVISION.COM Click *Live Stream*. Mon & Thu 11 am; Wed & Fri 10:30 pm
- SCAN-TV.ORG Click *Scan on the Web*. Sat 2 pm Pac
- WUWF.ORG Click *Watch WUWF-TV*. Last Mon 4:30-5 pm (Eastern)

ALABAMA

- UNIONTOWN GY Ch.2: Mon-Fri every 4 hours; Sun Afternoons

ALASKA

- ANCHORAGE GCI Ch.9: Thu 10 pm

CALIFORNIA

- BEVERLY HILLS TW Ch.43: Wed 4 pm
- CLAYTON/CONCORD CO Ch.26: 2nd Tue 7 pm; AS Ch.31: Tue 7:30 pm
- CONTRA COSTA CC Ch.26: 2nd Wed 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- HOLLYWOOD TW Ch.24: Tue 4:30-5 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- LONG BEACH CH Analog Ch.65/69 & Digital Ch.95: 4th Tue 1-1:30 pm
- LOS ANGELES TW Ch.98: Wed 3-3:30 pm
- LOS ANGELES (East) TW Ch.98: Mon 2 pm
- MARINA DEL REY TW Ch.98: Wed 3 pm; Thu/Fri 4 pm
- MIDWILSHIRE TW Ch.24: Tue 4:30-5 pm
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 pm
- SAN FDO. VALLEY (East) TW Ch.25: Sun 5:30 pm
- SAN FDO. VALLEY (NE) CC Ch.20: Wed 4 pm
- SAN FDO. VALLEY (West) TW Ch.34: Wed 5:30 pm
- SANTA MONICA TW Ch.77: Wed 3-3:30 pm
- WALNUT CREEK CO Ch.6: 2nd Tue 7 pm; AS Ch.31: Tue 7:30 pm
- VAN NUYS TW Ch.25: Sun 5:30 pm

COLORADO

- DENVER CC Ch.56 Sun 10 am

CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch.23: Sat 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Fri 7 pm
- SEYMOUR CC Ch.10: Tue 10 pm

DISTRICT OF COLUMBIA

- WASHINGTON CC Ch.95 & RCN Ch.10: Irregular

FLORIDA

- ESCAMBIA COUNTY CX Ch.4: Last Sat 4:30 pm

ILLINOIS

- CHICAGO CC./RCN/WOW Ch.21: Irregular
- PEORIA COUNTY IN Ch.22: Sun 7:30 pm
- QUAD CITIES MC Ch.19: Thu 11 pm
- ROCKFORD CC Ch.17 Wed 9 pm

IOWA

- QUAD CITIES MC Ch.19: Thu 11 pm

KENTUCKY

- BOONE/KENTON COUNTIES IN Ch.21: Sun 1 am; Fri Midnight
- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

LOUISIANA

- ORLEANS PARISH CX Ch.78: Tue 4 am & 4 pm

MAINE

- PORTLAND TW Ch.2: Mon 1 & 11 am; 5 pm

MARYLAND

- ANN ARUNDEL Annapolis Ch.76 & Milleneum Ch.99: Sat/Sun 12:30 am; Tue 6:30 pm
- P.G. COUNTY CC Ch.76 & FIOS Ch.38: Tue/Thu 11:30 am
- MONTGOMERY COUNTY CC Ch.21: Tue 2 pm & Fri 11 pm

MASSACHUSETTS

- BRAINTREE CC Ch.31 & BD Ch.16: Tue 8 pm
- BROOKLINE CV & RCN Ch.3: Mon 3:30 pm; Tue 3:30 am; Wed 9 am & 9 pm;
- CAMBRIDGE CC Ch.10: Tue 2:30 pm; Fri 10:30 am
- FRANKLIN COUNTY (NE) CC Ch.17: Sun 8 pm; Wed 9 pm; Sat 4 pm
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

MICHIGAN

- BYRON CENTER CC Ch.25: Mon 2 & 7 pm
- DETROIT CC Ch.68: Irregular
- GRAND RAPIDS CC Ch.25: Irreg.
- KALAMAZOO CH Ch.20: Tue 11 pm; Sat 10 am
- KENT COUNTY (North) CH Ch.22: Wed 3:30 & 11 pm
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Mon/Tue 2 & 9 pm
- LANSING CC Ch.16: Fri Noon.
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 5:30 pm; Wed 7 am
- PORTAGE CH Ch.20 Tue/Wed 8:30 am; Thu 1:30 pm
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

MINNESOTA

- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Wed 8 pm
- DULUTH CH Ch.20: Mon 9 pm; Wed 12 pm, Fri 1 pm
- MARSHALL Prairie Wave & CH Ch.35/8: Sat. 9 am

- MINNEAPOLIS TW Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 3 & 9 pm
- NEW ULM TW Ch. 14: Fri 5 pm
- PROCTOR MC Ch. 12: Tue 5 pm to 1 am
- ST. CLOUD CH Ch.12: Mon 9:30 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
- ST. PAUL CC Ch.15: Mon 10 pm
- ST. PAUL (S&W Burbs) CC Ch.15: Wed 10:30 am; Fri 7:30 pm
- SAULK CENTRE SCTV Ch.19: Sat 5 pm
- WASHINGTON COUNTY (South) CC Ch.14: Thu 8 pm

NEVADA

- WASHOE COUNTY CH Ch.16: Thu 2 pm

NEW HAMPSHIRE

- MANCHESTER CC Ch.23: Thu 4:30 pm

NEW JERSEY

- BERGEN CTY TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- MERCER COUNTY CC Trenton Ch.26: 3rd & 4th Fri 6 pm
- WINDSOR Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.22: Thu 11:30 pm
- UNION CC Ch.26: Irregular

NEW MEXICO

- ALBUQUERQUE CC Ch.27: Thu 4 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.8: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Daily 8-10 pm

NEW YORK

- ALBANY TW Ch.18: Wed 5 pm. TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- BETHLEHEM TW Ch.18: Thu 9:30 pm
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN CV Ch.68: Mon 10 am
- TW Ch.35: Mon 10 am
- TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- CHEMUNG TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Mon/Thu 7 pm
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW & RCN Ch.57/85 Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Irregular
- QUEENS TW Ch.35: Tue 10:30 am; TW Ch.572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm

- ROCKLAND CV Ch.76: Mon 5 pm
- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Thu Midnite. Ch.34: Sat 8 am. Ch 572: Mon & Thu 11 am; Wed & Fri 10:30 pm
- TOMPKINS COUNTY TW Ch.13: Sun 12:30 pm; Sat 6 pm
- TRI-LAKES TW Ch.2: Sun 7 am, 1 pm, 8 pm
- WEBSTER TW Ch.12: Wed 9 pm

NORTH CAROLINA

- HICKORY CH Ch.3: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

OHIO

- AMHERST TW Ch.95: Daily 12 Noon & 10 pm
- CUYAHOGA COUNTY TW Ch.21: Wed 3:30 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

OKLAHOMA

- NORMAN CX Ch.20: Wed 9 pm

OREGON

- LINN/BENTON COUNTIES CC Ch.29: Tue 1 pm; Thu 9 pm
- PORTLAND CC Ch.22: Tue 6 pm. Ch.23: Thu 3 pm

RHODE ISLAND

- E. PROVIDENCE CX Ch.18: Tue 6:30 pm
- STATEWIDE RI I CX Ch.13 Tue 10 pm

TEXAS

- HOUSTON CC Ch.17 & TV Max Ch.95: Wed 5:30 pm; Sat 9 am
- KINGWOOD CB Ch.98: Wed 5:30 pm; Sat 9 am

VERMONT

- BRATTLEBORO CC Ch.8: Wed 8 pm
- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 pm
- MONTPELIER CC Ch.15: Tue 10 pm; Wed 3 am & 4 pm

VIRGINIA

- ALBEMARLE COUNTY CC Ch.13: Sun 4 am; Fri 3 pm
- ARLINGTON CC Ch.33 & FIOS Ch.38: Mon 1 pm; Tue 9 am
- CHESTERFIELD COUNTY CC Ch.6: Tue 5 pm
- FAIRFAX CX Ch.10 & FIOS Ch.10: 1st & 2nd Wed 1 pm; Sun 4 am. FIOS Ch.41: Wed 6 pm
- LOUDOUN COUNTY CC Ch.98 & FIOS Ch.41: Wed 6 pm
- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

WASHINGTON

- KING COUNTY CC Ch.29/77: Tue 10 am
- TRI CITIES CH Ch. 13/99: Mon 7 pm; Thu 9 pm

WISCONSIN

- MARATHON CH Ch.10: Thu 9:30 pm; Fri 12 Noon
- MUSKEGO TW Ch.14: Sat 4 pm; Sun 7 am

WYOMING

- GILLETTE BR Ch.31: Tue 7

MSO Codes: AS=Astound; BD=Beld; BR=Bresnan; BH=BrightHouse; CV=Cablevision; CB=Cebridge; CH=Charter; CC=Comcast; CX=Cox; GY=Galaxy; IN=Insight;

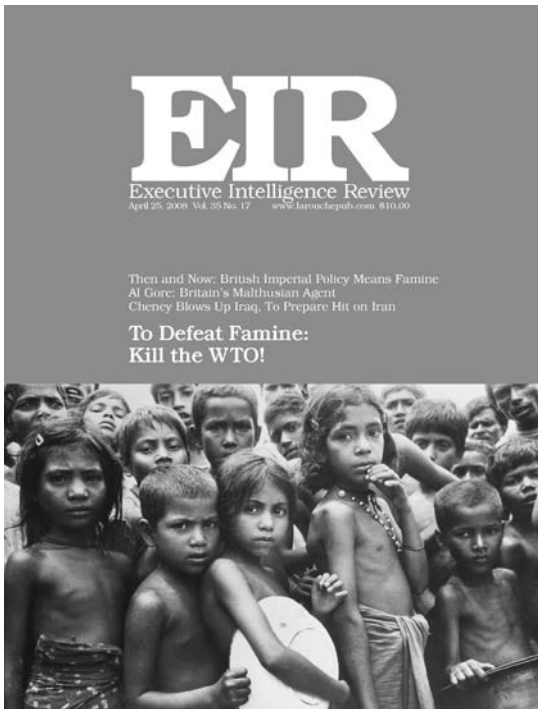
MC=MediaCom; TW=TimeWarner; US=US Cable. FIOS=Verizon FIOS-TV.

Get The LaRouche Connection on your local cable TV system! Call Charles Notley 703-777-9451, Ext. 322. Visit our Website: www.larouchepub.com/tv.

SUBSCRIBE TO

EIR Executive Intelligence Review

EIR Online



EIR Online gives subscribers one of the most valuable publications for policymakers—the weekly journal that has established Lyndon LaRouche as the most authoritative economic forecaster in the world today. Through this publication and the sharp interventions of the LaRouche Youth Movement, we are changing politics in Washington, day by day.

EIR Online

Issued every Tuesday, EIR Online includes the entire magazine in PDF form, plus up-to-the-minute world news.



I would like to subscribe to **EIR Online**

(e-mail address must be provided.)

- \$360** for one year
 \$180 for six months
 \$120 for four months
 \$90 for three months
 \$60 for two months
- Send information on receiving **EIR** by mail.

—EIR Online can be reached at:

www.larouchepub.com/eiw

e-mail: **fulfillment@larouchepub.com**

Call **1-800-278-3135** (toll-free)

Name _____

Company _____

Address _____

City _____ State _____ Zip _____ Country _____

Phone (_____) _____

E-mail address _____

I enclose \$ _____ check or money order

Make checks payable to

EIR News Service Inc.

P.O. Box 17390, Washington, D.C. 20041-0390

Please charge my MasterCard Visa

Card Number _____

Signature _____

Expiration Date _____