

EIR

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Lyndon H. LaRouche, Jr.

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e-mail: eirms@larouchepub.com

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Webmaster: *John Sigerson*

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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.

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EIR

From the Managing Editor

Lyndon LaRouche's last webcast was on Aug. 1, just as Congress was departing for its Summer recess, a time when its Members traditionally meet with constituents back home. Things happened a bit differently this year.

LaRouche forecast in his speech: "The citizens out there are ready to lynch the members of Congress—including members of Congress, who for a long time they have supported, again and again, in terms in office! And these once-popular, once-unchallengeable members of Congress, are now about to be lynched by their closest constituents back home. Why? Because you have people who have *no means to live! Because of this Obama Administration!*"

Immediately, it happened. The American people rose up as one, to demand that their representatives repudiate the Administration's bailout of Wall Street and its Nazi-style health "reform." Jeffrey Steinberg pulls it all together in our cover story.

LaRouche gave this update on Aug. 9: "The President, like the King of France, and the Legislative branch of the government, have gone into hiding, and we're waiting for the rioters to reach the Bastille.

"This is a breakdown of government. The government has fled from the people. It is not fleeing from 'mobs.' This is not caused by the 'mobs.' It's caused by the government's refusal to deal with the problems of the American people.

"And the American people are not going to let Obama do it."

We report herein the implosion of the world financial and economic system, and the policy fights raging around it: a new scheme to bail out Fannie Mae and Freddie Mac, to the advantage of Wall Street; the collapse of the U.S. hospital system; Helga Zepp-LaRouche's view of the German economic crisis, and her challenge to SPD Chancellor candidate, Frank-Walter Steinmeier; the LaRouche Youth Movement's intervention in Argentina against George Soros's planned legalization of Dope, Inc.; and a renewed debate in Italy over long-shelved plans to develop the Mezzogiorno, the less-developed, southern half of the country.

To these breaking developments, our *Feature* adds the solution: an excellent overview of the concept of Hamiltonian banking, which provides the *only* way out of this global financial-monetary breakdown.

LaRouche's next webcast is set for Sept. 8, with details as they become available, at www.larouchepac.com.



Cover This Week

Scenes from the mass strike (Romulus, Mich., Chicago, New York): LaRouche PAC organizers provide leadership.



Cover design: Alan Yue. Photo credits: EIRNS (lower right): Carolyn Shannon; (the rest): Tiffany Wamsley

4 From the Streets of America: The Mass Strike Revolt Is On

Instead of touring the country to promote his health-care swindle, as previously scheduled, President Obama is ducking for cover. He is hiding out, along with the vast majority of members of the House of Representatives and Senate, from the mass revolt of the American people, against what the population sees as a betrayal by their Federal elected officials, including the President.

Feature

8 LaRouche: It's Time To Develop a Third U.S. National Bank

The U.S. Federal Reserve is bankrupt, along with the rest of the world financial system; and since its inception, the Fed has been a violation of our constitutional credit system. If the United States is going to survive the crisis looming in October, we are going to have to replace the Fed with a Hamiltonian Bank of the United States.

10 LaRouche PAC Videos: Hamiltonian Basis of a Global Credit System

LaRouche PAC has produced a series of video documentaries to inform Americans about the difference between Adam Smith's British system, where private banks control the sovereignty of nations, and Alexander Hamilton's revolutionary hypothesis of 1779-81, in which governments have no need of going into debt to private banks, or praying to the market to create money upon which the nation subsists.

12 LaRouche Replies to Query on National Bank

21 Documentation: Hamilton's Report on a National Bank

Economics

- 24 Looting of Fannie and Freddie Demands New Pecora Commission**
To bail out the speculators, Presidents Bush and Obama stuck Fannie Mae and Freddie Mac with the gamblers' worthless debt. The criminality of the collapse and the bailout, makes it imperative that the cases of Fannie and Freddie be thoroughly investigated by a new Pecora Commission.
- 26 Shutdown of Community Hospitals Portends Near-Term Health Disaster**
The fastest way to kill people who are sick is to close their community hospital. Now, in the midst of the accelerating breakdown crisis, which itself is feeding the spread of a deadly flu pandemic, hospital closings are about to lead to a rapid increase in the death rate.
- 29 Onward into the Future, But Not in Green Socks, Herr Steinmeier!**
Helga Zepp-LaRouche, BüSo candidate for Chancellor of Germany, challenges SPD candidate Frank-Walter Steinmeier to abandon the green agenda, and support a real development plan for Germany.
- 32 Herd on the Street**
Cash for Clunkers: There's a lot more to this government "stimulus" program than meets the eye—and a lot less.

International

- 36 A Warning to Argentina: It's LaRouche Against The British Empire**
Argentine LaRouche Youth Movement organizers busted up a drug legalization conference organized by British agent George Soros, and succeed in putting the issue of LaRouche vs. the British Empire at the center of the battle for Ibero-America's survival.
- 37 No to the Empire's Pothead Dictatorship!**
- 39 Bill Clinton's Korea Success Enrages Obama**
- 40 Italy Debates Return to Mezzogiorno Development**
- 43 French-Italian Joint Venture for Nuclear Energy**
- 44 India Seeks China's Help To Fight International Climate Change Mafia**

Book Reviews

- 33 A Grand Vision of Man's Role in Colonizing the Universe**
Krafft Ehrlicke's Extraterrestrial Imperative, by Marsha Freeman. A review by Oyang Teng, LaRouche Youth Movement

Editorial

- 48 The Revolution Is Here!**

From the Streets of America: The Mass Strike Revolt Is On

by Jeffrey Steinberg

Aug. 8—Yesterday morning, President Barack Obama abruptly cancelled a scheduled appearance at Henderson Hall in Arlington, Va., where he was to hold a town hall meeting on his health-care “reform” policy. Instead, he held a three-minute press conference in the Rose Garden, read prepared remarks from a teleprompter, and took no questions.

Today, the President’s office announced that he had cancelled a schedule of public appearances around the country, en route to his vacation on Martha’s Vineyard. Now, instead of touring the country, promoting his health-care swindle, as previously scheduled, the President is ducking for cover, taking his family to the Grand Canyon, and then to the safety of Cape Cod. Mr. Obama, in short, is hiding out.

The same is true of the vast majority of members of the House of Representatives and Senate. They have all gone into hiding, in the face of a mass revolt of the American people, against what they see as a total betrayal by their Federal elected officials, starting with the President.

In the minds of the vast majority of Americans:

- The President has fully embraced and extended the Bush Administration’s policy of bailing out Wall Street and the banks—to the tune of more than \$23 trillion, while average Americans continue to lose their jobs, their homes, and their health care at worse than Depression-era rates. A death-spiral is already hitting some of the most vulnerable, and this will only get worse in the immediate days ahead.

- The President has been caught, repeatedly, in his own words, advocating a policy of euthanasia and other

radical cuts in health-care services, all in the name of so-called “reform,” and “saving the system.” More and more Americans are coming to realize that the President’s policies are worse than those of Adolf Hitler. As Lyndon LaRouche noted today, Hitler was smart enough to wait until the war had begun to implement his genocidal euthanasia schemes. Obama is going, flight-forward, for the same policy of identifying whole categories of the population whose lives are deemed “not worthy of living,” and he does not intend to wait for anybody or anything.

The fact is, that the American people have awakened to reality. And this is one slumbering giant that will have its way—one way or the other. The United States of America has entered a period of momentous revolt, the likes of which has not been seen, since the French Revolution erupted on the streets of Paris in 1789.

The People Have Spoken

Coinciding with LaRouche’s Aug. 1 webcast, the American people have taken to the streets, to voice their fury at what has been dealt to them by their elected representatives in Washington. The news of the week has been the mass turnout at town hall meetings all over the country, called by once-popular Congressmen, who, now, increasingly, won’t dare show their faces in public. Constituents have turned out in record numbers, to shout down their elected representatives, and demand a total change in policy—starting with health care.

In Romulus, Mich., where the official unemployment rate is 17%, but, in reality, is closer to double that figure, 1,000 citizens turned out to confront the formerly popu-



LPAC videograb

Americans, outraged over the killer economic and health-care policies of the Obama Administration, are confronting their Congressional representatives, in spontaneous protests, as seen here at a town hall meeting with Rep. Lloyd Doggett (D-Tex.), in Austin, Aug. 1.

lar Rep. John Dingell (D), who has served in the House since 1955. When LaRouche PAC organizers held up a large poster, depicting President Obama with a Hitler moustache, and the words “I’ve changed,” the crowd went wild with approval, taking pictures and videos, and backing down police, who attempted to escort the organizers outside the room where the event was being held, which was only large enough to seat 150-200 people.

When a man in a wheelchair disrupted Dingell’s talk, accusing him of backing a policy that would kill his son, who suffered from cerebral palsy, the police pulled him out of the room. That incident was videotaped, and has been posted on the Internet, where millions have seen it. Major news outlets, like CNN, NBC, and the *Wall Street Journal*, have featured the Obama-with-Hitler-moustache in their headline news coverage of the revolt.

In a suburb of Tampa, Fla. Aug. 6, some 1,500 people showed up for a town hall meeting with Rep. Kathy Castor (D). The event, promoting Obama’s health-care “reform,” was organized by the White House-run Organizing for America and the Service Employees International Union (SEIU). The majority of people in attendance showed up to express their anger at the murderous policies of the President and Congress, and, at one point, captured on video, SEIU goons attacked some of the participants, causing a near-riot.

In St. Louis, Mo. the same day, 1,000 citizens were locked out of a widely advertised town hall meeting

with Rep. Russ Carnahan (D-Mo.), while SEIU members were ushered into the room through a separate door. At that event, SEIU and Obama toughs also attacked protesters, leading to six arrests.

Elsewhere around the country, the same thing is happening. Even Congressional Republicans, who oppose the Obama euthanasia scheme, are finding that they, too, are not exempt from the public wrath. Rep. Tom Petri (Wisc.) was confronted on Aug. 7 by an angry crowd at a public appearance, and Rep. Bob Inglis (S.C.) had to fend off 350 furious constituents this week. The angry voters were not at all satisfied at with a pledge to vote against Obama’s health-care

fiasco. They want far, far more out of their elected representatives.

The mass, spontaneous eruptions are not confined to pre-scheduled public events either. While on the campaign trail for a local candidate in the Denver area, Speaker of the House Nancy Pelosi (D-Calif.) made an appearance at a community center, and was soon confronted by a crowd of angry citizens. Word got out to nearby shops and buildings, and Pelosi had to flee.

The Sergeant-at-Arms of the United States Senate issued a warning to all Senators late last week, that they should take precautions when they return to their home states, because they could expect to face “a true political uprising.”

Making Matters Worse

The response from the Obama White House to this popular revolt has only served to make matters worse. For weeks, the President has been urged by responsible Democratic legislators to drop his health-care “reforms,” and accept the fact that the American people have resoundingly rejected his claims that he can “improve” health care for all, through trillions of dollars in cuts in services. The President has, so far, rejected all pleas for sanity.

Instead, he and his top aides have accused the tens of thousands of protesters who have taken to the streets, of being “right-wing professional agitators,” “Brooks Brothers-suited rioters,” and “Brown Shirts.” While the

President's men are putting out these patent lies, accusing "Big Pharma" of putting up the cash to send professional agitators from town to town, the reality is that the pharmaceutical industry is in love with Obama's scheme, because it allows them to keep up their price gouging. Indeed, the industry lobby, PhRMA, is pledged to spend \$150-200 million in an advertising campaign this Autumn, *supporting* the President's so-called health care reforms. And another front group for the industry, Healthy Economy Now, is spending an additional \$12 million in advertising—to boost the Obama scheme.

In one extreme case of flight-from-reality, White House officials have gone so far as to blame the mass protests on Israeli agitators (!), who, they say, were smuggled into the United States on behalf of the Netanyahu government. The ostensible reason? To deliver the President a major defeat on his signature legislative issue, and thereby weaken his opposition to continued expanded Israeli settlements, and Israel's rejection of the two-state solution.

The President, safely sealed off from an ever-growing majority of furious citizens, is clearly sticking to his mad denial of reality. In his Saturday, Aug. 8, weekly radio address, the President lied shamelessly, stating, "As we draw close to finalizing and passing real health insurance reform, the defenders of the status quo and political point-scorers in Washington are growing fiercer in their opposition. In recent days and weeks, some have been using misleading information to defeat what they know is the best chance of reform we have ever had. That is why it is important, especially now, as Senators and Representatives head home and meet with their constituents, for you, the American people, to have all the facts."

The President ranted on, "So let me explain what reform will mean for you. And let me start by dispelling the outlandish rumors that reform will promote euthanasia, cut Medicaid, or bring about a government takeover of health care. That's simply not true."

This is the same Barack Obama who, just a week earlier, had announced five times, in the course of one press conference, that the central feature of his program was the creation of an independent board to police medical services and cut costs—the precise equivalent of the Hitler T-4 board that oversaw the removal of medical care, the euthanizing of hundreds of thousands of elderly, chronically ill, and mentally impaired Germans from 1939-41—a prelude to and first phase of the Holocaust.

This insane sophistry on the part of the President

and his backers has forced some Democrats to repudiate the White House lies, to save their political skins. Sen. Claire McCaskill (D-Mo.), an early enthusiastic campaign backer of Obama, posted a statement, declaring, "I disagree that the people showing concern over some health-care proposals are 'manufactured. . . .' Real folks, strong opinions." Sen. Ben Cardin (D-Md.), who was confronted by 500 enraged constituents at a town hall meeting in Baltimore, defended his detractors, telling reporters that the "majority of Americans" want to know how the bills before Congress and peddled by Obama, are going to affect them, and these are "legitimate questions" asked by real constituents.

While the revolt now underway is the cumulative reaction to the failure of elected officials to honestly deal with the worst economic and financial collapse since the 14th-Century New Dark Age in Europe, it can be fairly said that Lyndon LaRouche's series of widely viewed webcasts, beginning with his April 11, 2009 address, exposing President Obama as suffering from a severe "Nero Complex," have informed the public and helped fuel the process. Indeed, while the White House tries to scramble to pin the reactions on a bunch of "right-wing extremists" and "racists," growing numbers of Republicans have, indeed, been picking up on LaRouche's exposé of the Obama health-care "reform" scheme as a replay of the Nazi T-4 euthanasia program.

Just-retired Alaska governor and recent GOP Vice Presidential nominee Sarah Palin displayed a bit of political acumen on Aug. 7, when she posted a statement on her website, asking: "Who will suffer the most when they ration care? The sick, the elderly, and the disabled, of course. The America I know and love is not one in which my parents or my baby with Down Syndrome will have to stand in front of Obama's 'death panel' so his bureaucrats can decide, based on a subjective judgment of their 'level of productivity in society,' whether they are worthy of health care. Such a system is downright evil."

Palin went on to cite Rep. Michele Bachmann (R-Minn.), who delivered a frontal attack—by name—on Dr. Ezekiel Emanuel, the brother of White House Chief of Staff Rahm Emanuel, and a key White House health-care "reform" advisor, for his repudiation of the Hypocritical Oath, and his advocacy of euthanasia.

The Dynamics of the Mass Strike

Against this backdrop, LaRouche delivered a history lesson on the dynamics of the mass strike process, in a symposium with colleagues today.

“This is a mass strike, comparable in many features, to the French mass developments of June-July 1789, something which we have not seen, which is even comparable, in either Europe or North America, since the 1930s. Faced with the systemic revolt of the U.S. citizenry against the combined general breakdown-crisis of the U.S. economy, and the hatred throughout the population against the role of both the President and the majority of the U.S. Congress, the vast majority of the U.S. citizenry are in a revolt against the elected officials of the government.

“So, both the President and the Congress have gone into hiding this weekend, hiding from the U.S. population as a whole body—not against some limited numbers of disgruntled citizens. This is a condition fairly compared to France, in the months of June and July 1789, a time when the King and Queen of France had gone into hiding from a French population which was enraged against them, by such developments as the King’s bringing in foreign troops from the Queen’s brother, the Emperor Joseph II, in rage against France over the matter of the earlier orchestrated scandal of the ‘Queen’s Necklace.’

“When the institutions of national government such as the head of state, his government, and the national legislature have fled into hiding against the fully justified rage of the general population as a whole, you have a situation of crisis which is comparable to that of the French Revolution.

“There are two issues behind this general rejection of the President and members of Congress by the great majority of the U.S. population. First, is the Obama health-care policy imported from the President’s masters of the British monarchy; the second is the 20-plus trillions bail-out swindle initiated by the complicity of the U.S. Congress and both the Bush and Obama presidencies. The President and Congress have fled not only because they have lost the confidence of the people; they have fled because they have also lost confidence in themselves.

“We are, thus, in a condition, when the President and Congress have abandoned their posts in government in this way. Unless both the entire bail-out policy and the Obama health-care policy are repealed now, the situation is already virtually ungovernable.

“The existence of the continuity of the constitutional government of the U.S.A. now lies, at this instant, in the hands of those within the institutions of the President and Congress who are ready to cancel the bailout, re-

store the U.S. economy under reorganization of finances in bankruptcy, and sweep the entire Obama health-care plan into the rubbish-bin, for now, and forever. It is time for the right representatives of constitutional government to take President Obama out to the woodshed, as was done with President Nixon. Nothing less will do.”

In the case of the French Revolution, leading republicans, like the Marquis de Lafayette, failed to act at critical moments, and lost control over the entire process, leading to the British intelligence-led destruction of France, and a new decade of wars on the European continent.

Today, LaRouche emphasized, there is nothing that will turn off the public rage, and its demand for a genuine change in leadership and policy direction. What will give positive direction to the mass revolt that is already underway and unstoppable, is a clear plan for a revolutionary change in policy. This is, LaRouche asserted, what the American people want

London Answers

It is no coincidence that, while the Obama White House privately seethes at LaRouche’s every word, and makes no bones, in discussions with perceived Democratic Party allies, that LaRouche is the greatest obstacle to their Nazi euthanasia agenda, they avoid, at all costs, an open and public confrontation with LaRouche. So, the White House spin-doctors have been focusing their barbs at an amorphous “right wing” and “big business” apparatus behind the crash in support for the President’s agenda.

Not so for the City of London. On Aug. 7, the flagship *Financial Times* ran a smear story on the “black helicopter” conspiracy mob, which, they lied, stands behind the crash in Obama’s popular support. They led off with an explicit attack on LaRouche, citing an earlier attack on him in the same newspaper which produced a flurry of protests, at the time. After a rant against LaRouche as a “conspiracy theorist” who places “international bankers,” “world government,” and “the Queen of England” at the center of his conspiracies, author Jurek Martin conceded that the American media can no longer curb his influence, because the Internet now makes it impossible for the Establishment media “gatekeepers” to control the spread of LaRouche’s ideas.

The *Financial Times* diatribe came less than a week after LaRouche’s Aug. 1 webcast, which, not coincidentally, was titled “The Fall of the House of Windsor.”

LaRouche: It's Time To Develop a Third U.S. National Bank

by Nancy Spannaus

Aug. 8—If the United States is going to come back from the brink of destruction, which looms as early as early October this year, policymakers are going to have to comprehend the historical roots of the unique American System of economics, as established, especially, by our first Treasury Secretary, Alexander Hamilton. The good news is that the depth of the current breakdown crisis, has brought a grouping of economists to the point where they are coming to grips with Hamilton's ideas, as mediated through the advances on that approach that have been developed by today's unsurpassed economic forecaster, Lyndon LaRouche.

LaRouche and his movement have been promoting the work of Hamilton since the mid-1970s, when it was clear that the controllers of the world financial system were moving it in the direction of doom. As the crisis has deepened, LaRouche has again and again updated the form of the solution at hand, while hammering at the axioms that had to be changed. At this point, going into the developing October crisis, LaRouche is working on a new, essential re-presentation of the economic revolution that must be made, with a trilogy of articles begun by "Economic Science, in Short" (*EIR*, June 19, 2009).

Certain concepts are already absolutely clear. First, the fact that the world financial system, including the U.S. Federal Reserve, is bankrupt beyond all salvation. Second, the fact that the Federal Reserve was, from its inception, a violation of our constitutional credit system. And third, the fact that that Federal Reserve is going to have to be replaced with a Hamiltonian Bank of the United States.

Credit for a National Mission

LaRouche addressed this point, in response to a question about the Fed's unconstitutionality during his Aug. 1 webcast:

“What we do is, we simply get rid of it by bankruptcy. Just take it off the books. It's bankrupt; it took itself off the books, by going bankrupt. Easiest way of skinning that cat.

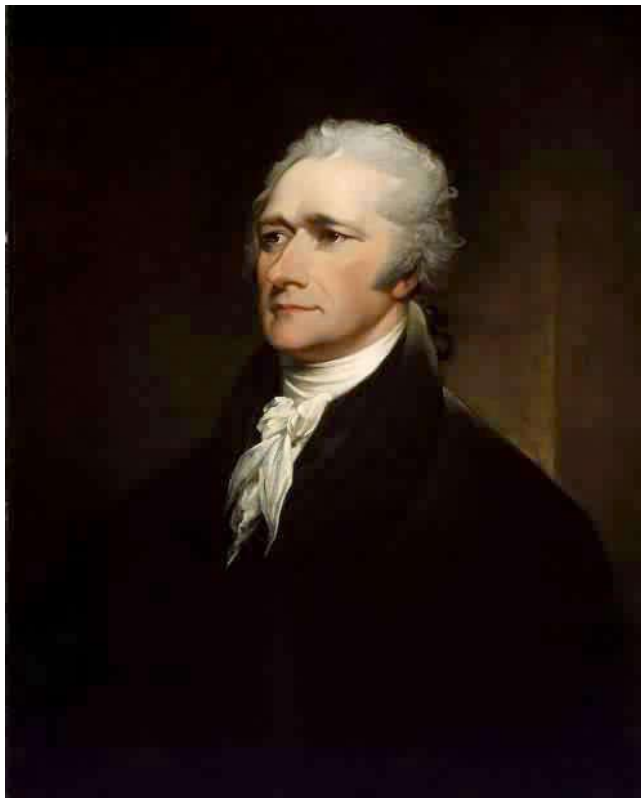
“Now, then what we're going to have to do is, we're going to have to develop the Third National Bank of the United States. And what we will do with that, is essentially assigned to the Treasury, but it's not an extension of the Treasury otherwise. It has a relationship to the Treasury, by being authorized, but a Third National Bank, exactly as Hamilton pre-

scribed for the first National Bank. And we will take a little carefully guarded barbed-wire, etc., thing, down in the basement of the Third National Bank, and inside will be the remains the Federal Reserve System. Held in captivity for purposes of audit only.

“And that's the way to get rid of it. Because we have to manage, you see, we have to manage the relationship which the Federal Reserve System has established with the chartered banks of the states, and the national banks. We have to rescue those.

“Now, we're going to do that: How? By a Glass-Steagall kind of clean-up act, of all these banks. We're going to have to create credit to keep these banks—many of which are bankrupt, but are essential to communities—functioning. We're going to have to use these banks, saving them, as a way of generating the distribution of credit, to maintain an economic recovery.

“Now, we have then this private-public relationship, and how do we deal with that? Also with international



Alexander Hamilton's prescription for a National Bank flowed from his understanding that the United States needed to control its own currency, and use it to promote development, through fostering manufactures and inventions.

accounts? We deal with that through a National Bank. So we use the National Bank as a facility to promote things.

“What we also need are projects conceived in the form of the Tennessee Valley Authority. Now, that's an ideal thing, because it had a primary purpose, but it also had a lot of other things that went with it, to fulfill its primary purpose. So, what we need is a national transportation development plan, under some name, which essentially takes care of this railroad-maglev system, and takes care, as the Tennessee Valley Authority did, of all the things that are auxiliary to that system. . . .

“We need a national transportation system, which is oriented to an

agro-industrial mission. We need to get a situation nationally, so that we don't have super-industries. . . .

“We destroyed the entire development of the western United States. We concentrated everything in a few areas. We congested them with automobile traffic, instead of efficient mass transportation systems. We should have decentralized. We shouldn't have built such big, giant, oversized corporations; we should have built smaller units, distributed in various parts of the country, in the rational way we used to approach this.

“So, we need a national development program, which is based on this function of transportation, which means also building the water system, the NAWAPA [North American Water and Power Alliance] water system, and other things, because we have a real problem with water supplies in the western states. We're going to have a food supply problem. We're destroying agriculture. We're destroying the industrial-agricultural relationship, with globalization,

and other kinds of insanity.

“So, what we need for this period, is national mission orientations, of the type that Roosevelt used, and Henry Wallace used. We know those kind of approaches, to take the infrastructure development of the nation, thinking of it as a living economy, and thinking about it as a place where people live, and work, and have homes, and have schools, and have medical facilities. And think of that, and say, we need a national transportation reorganization plan, for the United States.

“We have a vast territory, relatively speaking, and we should just go back and develop it. And the way to start, is with your transportation grid, knowing where you’re going, and the transportation grid is coupled with your water problem, the water-management problem, both for traffic and for water management. And building up the aquifers in areas where they’re being destroyed. And taking advantage of that. Forestation, instead of greening. A tree is worth much more than grass! Up to 10% of the solar radiation used by a tree is incorporated in the tree. The grass? One or two percent. So you want to have more trees. You want to have a reforestation program for areas. You want a development territory. All of this comes under the question of transportation. And we need probably a national transportation project, like a national space program, or an international space program. And these kinds of programs will drive us, as long as we have a *future* orientation, in the direction we want to go in.”

Hamilton’s Battle

LaRouche’s, Hamilton’s, and FDR’s approaches to national economic health are, of course, radically different from what most Americans think they understand about “economics,” not to mention history. British ideologues have so controlled the fields of history and economics, that these have been rendered their very antithesis.

To address this fact, the LaRouche Youth Movement has taken up the task of presenting the real history of the development of the American System, using the audiovisual medium which today’s younger adults depend upon. You will find on www.larouchepac.com a treasure-trove of video features devoted to this subject.

The content of these videos is also invaluable in text, however, and for that reason, we reproduce three of the crucial ones here.

LaRouche PAC Videos

Hamiltonian Basis of A Global Credit System

The videos from which the following are transcribed are posted at www.larouchepac.com. Subheads have been added.

Hamilton’s Constitution (May 5, 2009)

Michael Kirsch: Today’s historians are incompetent, because they don’t understand the difference between Adam Smith’s feudal Europe, where private banks had arbitrarily given value to money, holding the sovereignty of nations hostage to the amount of this money they have, or go into debt to private banks to have, on the one side, and on the other, Alexander Hamilton’s revolutionary hypothesis of 1779-1781, a system where governments have no need of going into debt to private banks, or praying to the market to create money upon which the nation subsists.

The purpose of the right of free government is to break from arbitrary authority, which is why we don’t tolerate kings and queens in this country. But what about the arbitrary authority of the private banks?

Whether this difference is understood will determine whether civilization will survive the current breakdown crisis of the world economy. Understanding this difference lies in the lesson of the contrast of 1776, when independent colonies were only free in name, and not in fact, versus Hamilton’s vision of 1779-1781, of a government fully capable of carrying out the mission of the stated intent of the Declaration of Independence, a lesson which weaklings in the government today, don’t want to understand.

“Why not?” you ask. Because they would have to actually mean, that which they merely pay lip service to, truly internalize the historical responsibility it demands, and make the enemies of sovereign government want to kill them.

Who do you think Hamilton and Washington were up against? What resistance do you think Hamilton had



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Robert Morris, a financier of the American Revolution, was also a collaborator of Hamilton's in devising the idea of national banking. He is honored in this statue in Chicago, which shows (from left to right) Morris, George Washington, and fellow financier of the Revolution Haym Salomon.

to encounter, when he forged the system for which the Constitution was formed?

A 1779 Letter

When a change in principle reorganizes matter according to its presence, that state of organization can continue to exist without the presence of the principle for a while, but soon, as when the principle of life leaves its host, the loss of the governing force will cause it to lose its governing state. Thus, with the United States continuing to act in ways contrary to our revolutionary U.S. Constitution, acting more like a feudal nation of 18th-Century Europe, civilization will revert to a population capacity which such structures of government

and economy could support at that time.

In 1779, as aide-de-camp to General Washington, Hamilton began writing to leading members of the Continental Congress that the credit of the nation was being lost, and current methods had to be changed. We were acting as a motley of disunified states, without the power to carry out a unified intention. Confronted with this situation, he chose to take personal responsibility for securing the rights of mankind, for which he had written extensively in defense of the Revolution. Hamilton looked to the higher battle which the problem implied, a problem that had doomed all earlier civilizations in Europe and elsewhere.

In April 1781, he wrote to the leading financier of the Continental Congress, Robert Morris, with a proposal that began a transformation of history: "It is by introducing order into our finances, by restoring public credit, not by winning battles, that we are finally to gain our object."

Hamilton wrote to Morris, with a way to outflank the problem of the collapsing value and increasing scarcity of the Continental paper currency, a way to support the Continental Congress with enough funds, despite the facts that the states were broke, and hesitant to supply the Congress. Rather than depending on loans from abroad, private individuals, or scarce taxes, which no matter how fast they were gathered, were spent even faster, the way the government could secure a permanent paper credit, was to construct a National Bank:

"It would promote commerce, by furnishing a more extensive medium, which we greatly want in our circumstances. I mean, a more extensive, valuable medium. The tendency of the National Bank is to increase public and private credit, industry is increased, commodities are multiplied, agriculture and manufactures flourish, and herein consists the true wealth and prosperity of the State. By converting the currency produced through loans of the bank, into a real and successful instrument of trade, it would increase the quantity and strength of the currency."

Morris was convinced, and the Congress chartered the Bank of North America that year, a bank whose sole reason for existence was to facilitate the development of a national economy.

In old Europe, a bank's money came from private property of nobles. But the money which the National Bank loaned came from bills of credit created by a sovereign government, credit as an expression of intention, not credit of a pledge to pay. And since the initial capital

which formed the bank would put the nation as a whole, rather than the states, in debt, the new national debt served as a powerful cement to the union, a spur to industry, thus transforming the meaning of debt, altogether—“A national debt, if it is not excessive, will be to us a national blessing; it will be a powerful cement of our union.”

By this new bank serving as a tool of the Continental Congress, Hamilton transformed the United States

from a monetary system into a credit system—almost. Because this campaign had only won its first battle in 1781. Under the 1780 Articles of Confederation, the Continental Congress did not have the power to organize a national economy. They couldn't bring the resources of the different states into one, unified process. They didn't have the power to organize a national system of taxation, or the power to regulate trade. Therefore, the Federal government effectively had no

LaRouche Replies to Query on National Bank

An email exchange on March 5:

Q: Doesn't the Federal Reserve System already represent a “bad bank”?

And wouldn't all that would be necessary be a “National Infrastructure Bank”?

LaRouche: All that is required is the adaptation to Alexander Hamilton's stroke of genius in establishing the national bank on which the crafting of our Federal Constitution depended in fact.

The special problem created by the freaks who supported Hank Paulson's insanity, is that the “bail-out” and “stimulus” programs have destroyed the U.S. economy to a state of virtual hopelessness, unless we rid our economy of that swindle by the following steps:

1.) Put all of what had been previously Federal and State chartered banks under Glass-Steagall, into Federal receivership.

2.) Reestablish Glass-Steagall (in effect) by putting all accounts which do not meet the now-restored, former Glass-Steagall test into a freeze, thus reducing the affected banks back into being National or State chartered banks (by Glass-Steagall standards).

3.) As a consequence of the swindles by Senator Dodd, Representative Barney Frank, Paulson, et al., even the rescued elements of what had already been, previously, chartered banks will be in a condition of negative equity with respect to even legitimate,

Glass-Steagall-class characteristics. This deficit, which is being covered now by Federal bail-out funds, is to be defined as that negative equity of the banks to be reformed.

4.) That margin of negative equity, so defined by the indicated steps of procedures outlined above, is now a debt, of those banks to the Federal Government, on the account of the rescued part of the formerly chartered banks. That debt of those banks to the Federal Government will fall, then, into the category of assets of the Federal Government, as assets of a reconstituted (“Hamiltonian”) National Bank, which absorbs the presently bankrupt and similarly reformed, Federal Reserve System.

5.) This is a reflection of the solution, by Alexander Hamilton, which made possible the establishment of that U.S. Federal Constitution which created us as a true Federal constitutional republic. There is little that could better typify the relevant intent of the original Federal Constitution, than that.

6.) For reasons implicit in the preceding five steps, that re-creation of a U.S. National Bank is the only possible route of safe exit from what would be, otherwise, that presently spiraling, hyper-inflationary bankruptcy of the United States which was launched by the concerted efforts of such as qualified, on this account, as dangerous lunatics typified by the cases of former Federal Reserve chairman Alan Greenspan, the George W. Bush Administration, George Shultz accomplice Felix Rohatyn, stooge and Senator Chris Dodd, the crafty looney-bin and U.S. Representative from Massachusetts Barney Frank, and the pack of Hank Paulson, Ben Bernanke, and their sundry accomplices.

Such is the gist of my response to your question.

—Lyndon.



Library of Congress

The creation of a Federal state, capable of establishing and mobilizing a national credit system, was the prerequisite for implementing Hamilton's vision. Here, the signing of the Constitution, Sept. 17, 1787.

lasting credit. In this way, although the Bank of North America salvaged the nation's credit for the time being, and ensured the ability to win the Revolutionary War, the Federal government could not effectively supply the National Bank for the purpose it was established.

Needed: A Federal Constitution

Therefore, in identifying the deeper roots of the problem, Hamilton began organizing a broader audience for a national government with sufficient powers. Such reasoning meant sure defeat for the British Empire's new method of 1763, which had hoped to keep the colonies enslaved to the old system of monetary usury, by means of Adam Smith's "let it alone" approach to the economy. Fully conscious of this, and knowing the challenges of this global economy, Hamilton spit in the face of the British Empire, and committed to personally see through the realization of a new government.

From his Continentalist essays of '81-'82, his Statehouse organizing of '85, his leadership at the Annapolis Convention of '86, the Constitutional Convention of '87, to his *Federalist Papers* project of the same year, no obstacle would deter him from forming a lasting union. In 1790, as Secretary of Treasury in the Washington Administration, Hamilton could then initiate the powers he outlined in Article 1, Section 8: By means of the powers

to pay the debts, provide for the common defense and general welfare, lay and collect taxes, regulate commerce, the Federal government could now ensure the power of its credit. In short, a full credit system could now be established.

Hamilton immediately initiated his system, first assuming all the debts of the states incurred during the war, into a national debt, which served as a driver to initiate the powers of government; and second, since the Bank of North America was insufficient for the task, having degenerated into a state similar to the purely state banks of Massachusetts and New York, established a new National Bank, housing the national debt.

After the establishment of this National Bank in 1790, in the next

ten years, 30 state-chartered commercial banks sprang up, acting as nurseries of economic wealth, and, working in tandem with the National Bank, formed a national banking system, creating the medium of exchange which could facilitate the growth of the Federally directed economy.

A Functioning Credit System

Under the U.S. Constitution and Hamiltonian American System, the government has no need of money. It does not gather money, nor loan money, but rather, by the power implied in Article 1, Section 8's clause, to borrow money in the credit of the United States, it emits bills on the credit of the United States to the Treasury, which can then be turned into whatever serves the purposes of money, for the economy. Then, by receiving these bills of credit from Congress, the Treasury uses the National Bank to coordinate the distribution and allocation of this credit, for the nation's intention. This process creates a sovereign currency, which is a reflection of the nation's power to act, not something to be speculated upon.

Debt is redefined: A creation by government, through an emission of credit, a sovereign government does not go into debt to someone else. Rather, a government states its intention to carry out an action it deems necessary, and accounts for that action by an issuance of

Hamiltonian Dynamics (June 17, 2009)

Michael Kirsch: In the fight for a new global credit system, which patriots of nations internationally are fighting, along with economist Lyndon LaRouche, to bring about, the most important and challenging question which must be addressed, is a scientific definition of economic value.

This definition of value, rather than the arbitrary, intentionally destructive valuation provided by the bankrupt derivatives markets, must be the guiding exemplar of the Hamiltonian reorganization of the world monetary system into a new global credit system. This definition of value

will allow governments the ability to guide economies toward the long-term realization of the goals of the new global credit system.

This scientific definition of economic value is, therefore, in a sense, the most important understanding for you to obtain. For a true notion of value, we must look at the essential characteristic of the human beings whose activity constitutes the economy—that is, human creativity.

Looking at minds who have demonstrated creativity in their discoveries, one sees that mankind's process of discovery, is the process of moving to higher and deeper truths concerning the nature of the physical universe around him. And using these concepts of how the universe works to increase his power. That capacity generates greater and greater abilities to look into the universe with the power to control it.

We see this, for instance, in Leibniz's revival of Plato's concept of dynamics, reflected in his *Parmenides* dialogue, in Leibniz's discovery that the characteristic of *change*—rather than the static, geometric, object-based method of Descartes—is the most important element of a process. Leibniz discovered that the invisible principle which guides physical processes, is reflected in certain characteristic relationships, which, once understood, give mankind the power to control the invisible. The power of man to control the invisible, and act upon it, is seen in greater degrees by this study of cre-



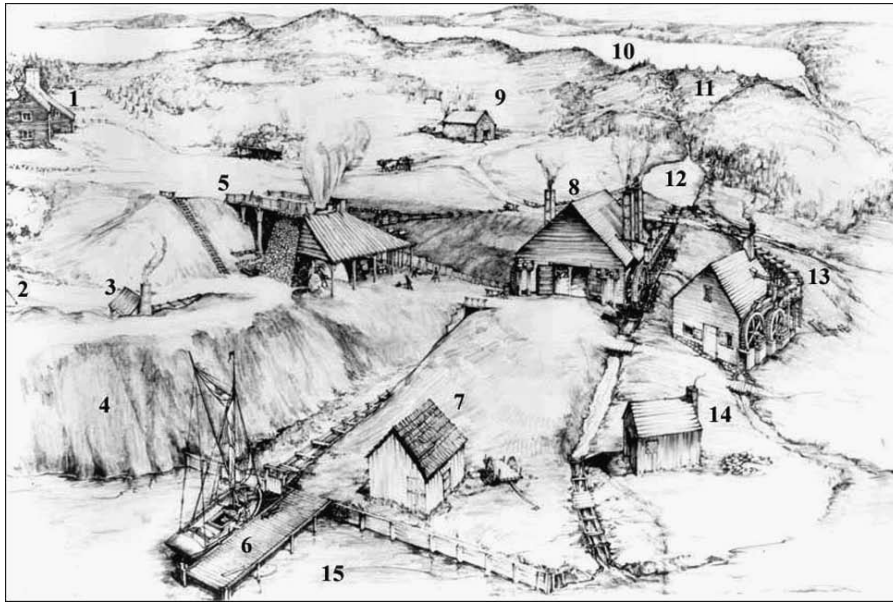
Library of Congress

The First National Bank of the United States was established in Philadelphia, Pa., where the capital was located until 1800. It still stands today.

credit. The debt it creates will now be used to account for carrying out the purpose for which the credit was issued. There is no money involved in that process. Hamilton's revolution bluntly stated, that money in exchange, has no self-evident value outside that process, and is only a means by which the credit of government is transferred.

Economic value is redefined. The only value in a nation-state economy is that which serves to provide for the common defense and general welfare. Therefore, the credit system defines value as that which contributes to increasing the powers of labor to accomplish greater strides of development. The value of a currency is the power of the physical economy, increased by the process of government credit directed in such a fashion. Therefore, money only has value, if it is tied to the emission of credit.

The lesson lies before you, now: the difference between Hamilton's credit system and the monetary system currently strangling the world. The United States is the only government on the planet with the constitutional authority and obligation for a credit system. Only if the Federal government borrowed some guts from Hamilton, and used his credit system, releasing the government from the monetary shackles which it has created for itself, could we pull the United States and world off the current path which the bankrupt international monetary system guarantees.



Saugus Iron Works National Historic Site

The Saugus Iron Works in Massachusetts, 1650. Hamilton's concept of economy went directly against the British dictum of free trade, which declared that the young United States could not afford manufactures. Hamilton insisted that they must be promoted, not only for national security, but "to cherish and stimulate the activity of the human mind."

ativity. This study of creativity determines the way in which physical processes can be perceived and measured, including his own and society's development—that is, the economy. Economics is thus a reflection of that power of mind.

In this way, and only this way, objects and materials created in economy are seen in their right light, in contrast to the way the legacy of Adam Smith and Karl Marx has made modern economists think. They say, "There are these objects floating around, transported, and consumed; and if you've got money, you can buy 'em." Then, described by money, these goods become seemingly a consequence of money, created magically by a hidden power *in* money.

Scientifically, one might say about this view: "Bogus!"

Having cast aside this empirical, Cartesian approach, the relevant causes of the materials created, transported, and consumed—that is, their context—becomes the investigation by governments, who intend to guide and develop an economy.

'Report on Manufactures'

In 1791, after establishing his unique constitutional credit system, which defined money as only a means of exchange to serve the real, physical economy, Alexan-

der Hamilton addressed Congress in his *Report on the Subject of Manufactures*. In this report, he enunciated the true, scientific measurement of economic value. Value is determined by whether something contributes to increases in the productive powers of labor. In educating Congress on the fundamental principles of physical economy, at that time, he was also taking up the axioms which prevented Americans from seeing the benefit of promoting manufacturing. Therefore, all the increases in the productive powers of labor, which he presents in that location, are discussed from the standpoint of the positive effect which introducing manufacturing employment, in addition to the already-established farming economy, would have. [His argument goes approxi-

mately as follows:]

With manufacturing added to farming, think of the changes which take place, as in the establishment of a division of labor: No more is time wasted, running from the field to the shop, to manufacture one's clothes. All the time spent in moving operations from one to the other, the mental strain on concentration is regained for the purpose of one task, promoting a constant employment of one kind rather than many, yields an increasing degree of skill and learned dexterity not found before, due to the attention put upon one form of employment rather than multiple tasks. By concentrating on one object, a man thinks up new things and makes inventions related to his trade, which he otherwise never could.

And there's much more: Machinery gives an increased ability to do the same action, by using the power of man's "enslaving" nature. The labor force, encumbered with heavy manual labor, can now turn their attention to more skillful work, letting machines do the rest. With the proliferation of manufacturing, what was idle time for many occupations is a thing of the past, as machinery is not constrained by bad weather, or daylight hours. And people who were idle, due to physical or age constraints, can now contribute to the nation with the help of manufactures.

Hamilton's continued addition of the augmentations which occur, begins to unfold as a kaleidoscopic image, and they continue. Think how the infrastructure would be created, which would then increase the productivity of that whole process just described, by transforming the availability of power, water, and other necessities for production, and the ease of transportation of people and goods.

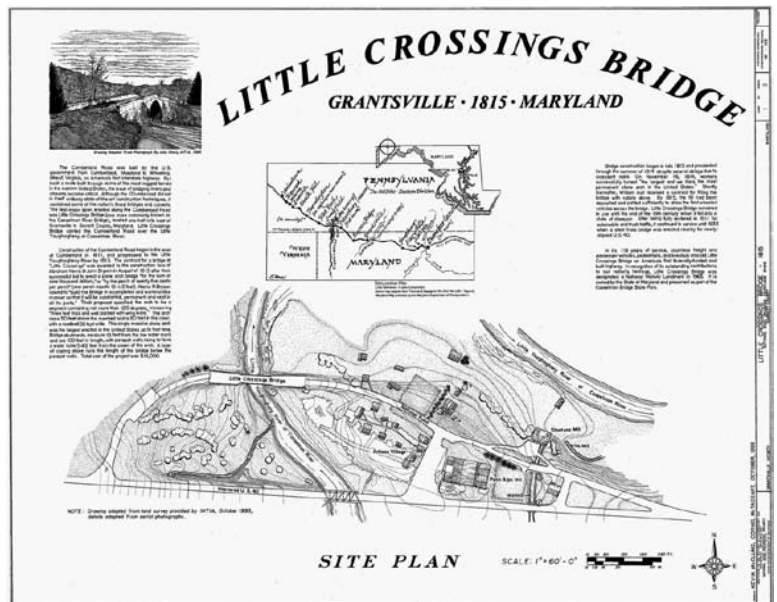
And new talents arise, with a greater scope of industry, allowing each individual to find his proper element. Those who didn't know they had a talent, because they were involved in menial pursuits, suddenly shine forth with ingenuity. New fields for the imagination to devise methods for the abridgment and efficiency of labor are obtained. With more opportunity, each person can find their proper course. All of this affords a more ample and various field for enterprise.

As Hamilton wrote: "To cherish and stimulate the activity of the human mind by multiplying the objects of enterprise is not among the least considerable of expedients, by which the wealth of a nation may be promoted. Even things in themselves not positively advantageous, sometimes become so, by their tendency to provoke exertion. Every new scene which is open to the busy nature of man to rouse and exert itself is the addition of a new energy to the general stock of effort."

A Self-Sustaining Nation

Hamilton understood more than how manufacturing caused these changes, and addressed it in the context of the British Empire's intention to destroy the United States' economy. Much like today's conditions created by globalization, farmers had to move from one good to the next, appeasing the irregular demand of Britain, now investing in a new cultivation, now cutting others because of a loss, or cutting employment because of a failure of a crop. By establishing a steady demand with domestic manufacturing, a profit is enjoyed, which can be turned to the farm, leading to a growing amount and variety of land cultivated.

This creates steady employment on the farm; this creates families that are able to settle down, and set up their own farms or move into manufacturing. With the steady demand of their produce, farmers are able to



National Archives

Among the first national infrastructure projects envisioned by Hamilton (and President Washington) as a means of uniting the nation economically and politically was the National Road, one of whose sections is shown in a schematic here.

afford the newest and best manufactured goods produced. Manufactures would be available, not some of the time and in fluctuating quantities, but constantly available from domestic manufactures. These new improvements to the productive process would be even more efficient, leading to ever greater surpluses.

Conceptualize what the effect is upon the agriculturalists, who now, not only have a steady supply of new manufactures to apply to their farms, increasing the value of their property and work, but can afford them cheaply, increasing the rate of change of that process, and the value of their income to be applied to their farm. And that is not all. Turn the kaleidoscope again. New resources are discovered, which transform the ecological boundary society is operating in, transforming man's relationship with the Biosphere: Not only will there be a more flourishing demand for things usually bought, but also a whole new, and growing, demand.

As Hamilton wrote: "The bowels of the Earth, as well as the surface of the Earth, are ransacked for articles, which were before neglected. Animals, plants, minerals, acquire a utility and value which were before, unexplored. Which new employments are now created? What new profits from the farms? What new materials become useful to the manufacturer? What new

minerals for new metals in infrastructure, what new kinds of wood, animals, and plants for medicine and food? What changes occur in manufacturing, that demand new farming techniques? What new farming techniques procuring new minerals and produce demand new manufactures? At what rate do the improvements occur in agriculture as a steady demand occurs in manufacturing? How is this rate then changed, with a new technology in manufacturing demanding a new mineral or plants product? Such transformations as these continually redefine the value of an agricultural and manufacturing product, and create new products altogether.”

The Science of Dynamics

Hamilton’s description of the effects of introducing newer principles is dynamic, the interaction of invisible principles, whose effect is general, not local, not the kinematic Cartesian push and pull of parts of the economy on one another. The economy is guided by the events which imply a new principle being added, a characteristic change in the value of a produced good, with the decrease in cost, as a reflection of the added action of a new principle in machinery or infrastructure. It is thus an invisible action, the change in the productive powers of labor, which defines the ability to create goods and defines their relative value to each other.

To view these relationships government must create, from the standpoint required to pull society out from the depths of its current breakdown crisis, the national plans of governments must incorporate exactly how the changes initiated through mankind’s development are going to transform the Biosphere and Noösphere. This requires a more rigorous definition of human creativity, and its effects, necessitating the application of the scientific measurements provided by economist Lyndon LaRouche, in his science of physical economy, which incorporates the discoveries of the Russian scientist Vladimir Vernadsky.

Vernadsky studied how the chemical elements and isotopes changed, when flowing through and incorporated into a living process. Vernadsky investigated this relationship, quantitatively, by the migration of atoms from the Biosphere to the living organism and back again, what he called, “the biogenic migration of atoms.” Through what Vernadsky called a “continuously changing, organized state, a dynamic equilibrium,” the Biosphere creates fossils of living matter,

like coal or iron, the excretions of bodies of formerly living things. Through the dynamic interaction of living and nonliving, Vernadsky therefore investigated the invisible principle of life that bounded and created the Biosphere. In addition to this, Vernadsky defined human society and its products, the Noösphere, which shapes the two lower domains, of the living and non-living.

Economist LaRouche has pointed to the fact, that just as Vernadsky prescribed how to study the continuously changing dynamic equilibrium of the Biosphere, economists today must conceptualize the economy as such a Noösphere, transforming the Biosphere and the non-living. As the principle of life, via living organisms, creates non-living fossils, which are distinct from merely non-living elements, how does the principle of cognition, via the Noösphere, create noëtic fossils, which take the form of living, fossils of the living, or non-living?

Think back to Hamilton’s kaleidoscopic image: The Noösphere orders that which it incorporates into increasing the productive powers of labor. The actual relationship of a product or production process, to the economy as a whole, is like the Biosphere’s components to each other and non-living domain. Whereas Vernadsky discussed the biogenic migration of atoms in the Biosphere, Lyndon LaRouche has pointed to the necessity to study the cognitive migration of materials in the Noösphere, as a basis for a science of physical economy.

However, there is an incommensurable difference, for, whereas the Biosphere transforms the lower domain by the principle of life, instinctively, mankind does it willfully, through the principle of cognition. This essential nature of man, creativity, is the way in which the Noösphere organizes the flow of both non-living and organic materials which it uses, and discharges, transforming them by that process.

Only this approach will allow sovereign governments in the new credit system, to define the true notion of economic value, upon which the survival of the planet depends. Otherwise, in the midst of the disintegration of the world monetary system, the alternative to this approach is the Obama Administration’s Nazi health-care policy, the final consequence of monetarism, where not only is there a market value placed on all the objects in the economy, but human lives themselves, as if each pound of flesh could be so priced.

The Constitutionality of the National Bank (July 30, 2009)

Leandra Bernstein: “The people of the United States have been warned that the nation was entrusted to their wisdom in selecting competent leaders, to use the powers given to them in the Constitution, to protect the nation’s happiness and prosperity. They have been warned, to resist the tendency to act as a mob, easily swayed by populist demagogues, that such a tyranny of the majority would lead us to lose what was most valuable to our republic.” President James Monroe spoke in his first inaugural address, that “it is only when the people become ignorant and corrupt, when they degenerate into a populace, that they are incapable of exercising their sovereignty. Usurpation is then an easy attainment, and the usurper soon found. The people themselves become the willing instruments of their own debasement and ruin. Let us then look to the great cause and endeavor to preserve it in full force. Let us, by all wise and constitutional measures, promote intelligence among the people, as the best means of preserving our liberties.”

In November 1828, the populace elected Andrew Jackson, a war hero, a man for the people, who said all the right things to everyone: a traitor.

At the beginning of his Presidency, Jackson launched a populist campaign across the country attacking the United States Second National Bank. He called into question its constitutionality and rekindled populist fears, after the banking crisis of 1819, of more financial crises and corruption within the bank itself. The campaign was meant to break the sovereign power of the Federal government, and the line of nationalist Presidents up until then, and turn the United States over to foreign interests, allied to members of our own government.

Patriots, like Sen. Henry Clay, noted publicly, that after entering office, Jackson began directing attention to the question of the National Bank Charter. It quickly became a topic of popular conversation; it was discussed in the press, on the campaign trail, and raised in elections across the country. Clay remarked, in an address to the Senate, “It seemed as if a sort of general order had gone out from headquarters, to the partisans of the administration, everywhere, to agitate and make the most of the question.”



Library of Congress

Andrew Jackson, shown here in a caricature drawn after his veto of a bill reauthorizing the Second Bank of the United States, acted as a traitor, on behalf of the British Empire, in carrying out his demagogic campaign against national banking.

And from his first address to Congress, Jackson was known for making the most of the question. In his 1829 address, he claimed that “many of our fellow citizens deprecate the bank as an infraction of the Constitution.” In his 1830 State of the Nation address, Jackson charged that “the dangers of the institution are still felt by the citizens.” He then questioned whether it were possible to consider the advantages of “reconstituting” the National Bank, to quell the people’s fear, which he had evoked, and run national finance through the individual states, leaving the Federal government impotent to mobilize public funds for anything of necessity, or in the national interest.

Of course, Jackson’s state bank plan had already proven a complete failure, following the expiration of

the First National Bank Charter. After the bankruptcy of the Continental currency following the Revolutionary War, the 1791 passage of Alexander Hamilton's National Bank Act, allowed the government to charter 88 state banks, in the following 20 years, gaining a capital of over \$42.5 million. This formed the core of the Hamiltonian credit system, from which we leveraged the physical development of the country. Despite the ongoing assaults, the National Bank lasted until 1811, when the charter was allowed to expire. At that time, the millions in deposits, a fifth of which belonged to the people of the country, were disbursed to state banks. In only a few short years, 120 new state banks, which could make loans for their own profit, not the nation's, were established at the time when we had to raise our Navy and our Army, in our second war against the British.

By the end of the war, with our finances in disorder, and credit scarce for reconstruction, President Madison, who had allowed the charter to expire only five years before, had a sort of Damascus Road conversion, and issued the charter for the Second National Bank of the United States. For then we knew, that every time we moved away from the National Banking Federal credit system of our Constitution, we were no longer sovereign, but subject to the whims of imperial financial control.

Sponsored by British Agents

In Jackson's case, his Presidency was the witting personal creation of such traitors who wanted to put the United States back under that control, and undermining the bank was key. The chief sponsors of Jackson's candidacy and Presidency, were the traitors Aaron Burr and Martin van Buren—who, if he wasn't Aaron Burr's illegitimate son, was at least politically the fruit of his loins. Jackson was directly under their patronage and, by extension, under the patronage of Lord Shelburne's chief intelligence officer, Jeremy Bentham, whom Jackson stayed in contact with, on the question of dissolving the Senate, while he was President, up until Bentham's death in 1832.

Beginning with the 1824 election campaign, Burr started his effort to bankroll the Tennessee Senator into the Oval Office, using his Manhattan Bank, later the Chase Manhattan Bank. This effort was after Jackson proved his merit, in collaborating with Burr in the 1806 treason plot to deliver Louisiana to the British, part of Burr's great plot to lead a secessionist coup from the

South, to overthrow the sitting U.S. government. At that time, Jackson supplied Burr with hospitality, praise, recruits, and even Naval boats, to transport Burr's growing mercenary army down the Ohio River. And when Burr was caught, and tried for treason in 1807, Jackson, called as a witness, stood outside the court, rallying a crowd, and denouncing then-President Thomas Jefferson.

Van Buren, another close disciple of Burr's and those New York banking interests, had his moment of glory later, when he outshined his pupil Jackson. And after helping Jackson destroy the National Bank as his Secretary of State, he brought us the 1837 Banking Panic, the worst financial crisis in U.S. history up to that time.

Anticipating the effect of the propaganda drive against the National Bank, Henry Clay moved that the charter be brought to a vote four years early. Jackson had campaigned for it, put the populists of the country into a frenzy over it, and raised it to the attention of Congress in each of his addresses. Surely, if the President were serious about his proposals, he would have no objections to both bodies of Congress taking the question up in law.

No sooner did Clay call for the vote in 1832, but the President and his allies were entirely unnerved. Said Clay, "The friends of the President, who have been for nearly three years agitating this question, now turn around upon their opponents, who have supposed the President quite serious and in earnest, in presenting it for public consideration."

In a letter to Samuel Smith, Nicholas Biddle, the president of the Second National Bank, questioned why the President and the friends of the President would not want to quickly settle the question of the re-charter, a question which they themselves had provoked. "I am very ignorant of party tactics, and am probably too much biased to be a fit judge in the case, but such a course has always seemed to me so obvious, that I have never been able to comprehend why it was not adopted?"

Clay had called Jackson's bluff. The Congress voted to renew the charter. It was voted up in the House, it passed in the Senate, and it was sent to President Jackson, who vetoed the bill! That was July 10th, 1832, and that day, Clay spoke before the Senate, saying, that "of all the controverted questions that have sprung up under our government, not one has been so fully investigated as that of its power to establish a Bank of the United

States.” Since the Constitutional Convention, no question has been so long, so often, and so thoroughly scrutinized by every department of government. All aspects of the Bank’s constitutionality, its benefits, and indispensability in securing the nation’s sovereignty against foreign influences, have been contested before a tribunal of the greatest American minds. And it was found, that the United States required a national credit system.

The Treason Unfolds

The majority in the House and Senate who originally voted to re-charter the Bank, was not enough against Jackson’s puppets in Congress, and they could not override the President’s veto. Shortly after, Jackson’s Treasury Secretary, Roger B. Taney, began pulling the deposits out the National Bank, and putting them into favorite state banks, anticipating the 1836 expiration of the charter. This included the Baltimore bank, where Taney was a shareholder, and Jackson sponsor Aaron Burr’s own financing arm, the Manhattan Company, where the Secretary paid the bank’s debt with the public funds.

John Quincy Adams, then Representative of Massachusetts, prepared a damning indictment, to deliver on the floor of the House, on April 4th, 1834. But on that day, he was denied the right to address the House, by Speaker Andrew Stevenson. Adams then published his indictment in a widely distributed pamphlet, “On the Removal of the Public Deposits, and Its Reasons,” showing stepwise, the unprecedented, unlawful, and unjust act of removing the specie from the National Bank, to hand out to state banks. Adams also offered a resolution, to honor the pure and disinterested patriotism of Secretary Taney, “in transferring the use of the public funds from the Bank of the United States, where they were profitable to the people, to the Union Bank of Baltimore, where they were profitable to himself.” “The



Library of Congress

John Quincy Adams fought Jackson to try to keep the Second Bank of the United States, insisting that “it has always been, and is still, today, that the opponents of the Bank are the ones who spurn the Constitution.”

transfer of the funds from the National Bank into worthless favorites,” wrote Adams, “stamps with insolvency the depositories, so judiciously chosen as substitutes for the Bank of the United States. These institutions resorted to the corrupt administration for the millions of appropriated public monies, to pay their debt, and save them from breaking.”

“The lying claims the President brought against the Bank could never justify his veto of the charter, and deserved him more than censure. Was it sufficient for the President to claim that the Bank was ‘a monster, a tyrant, a corrupt monied aristocracy, with a bad influence on the State’? Of course not. Nor was it sufficient to make that most damned claim, and the one that has cast the longest shadows on our history: that the Bank was unconstitutional. For it has always

been, and is still, today, that the opponents of the Bank are the ones who spurn the Constitution.”

The Bank Ruled Constitutional

Only ten years before Jackson began his criminal campaign, claiming the unconstitutionality of the Bank, there was a famous case of *McCullough v. Maryland*, where Supreme Court Justice John Marshall ruled on the undenial constitutionality of the Bank. He ruled explicitly on behalf of Alexander Hamilton’s Federal Constitution, that established the means that the Articles of Confederation denied, to execute the intent of the Declaration of Independence, and actually establish “the right to life, liberty, and the pursuit of happiness,” namely, the implied powers of Congress. “A government into whose hands the power of securing the happiness and prosperity of the nation is entrusted, must also be entrusted with the means to execute that power. And if the object it seeks is good, and in accord with the Constitution, the government

must have its choice of means that are most necessary and proper for carrying out those powers.” On these grounds, Justice Marshall further ruled, that the power of creating a corporation like a bank, is one appertaining to sovereignty:

“The government, which has a right to do an act, and has imposed on it, the duty of performing that act, must, according to the dictates of reason, be allowed to select the means.”

And as it had been debated in the United States, the most indispensable means to promote the interests of the nation was to incorporate a bank, through which the credit of the nation could be organized and mobilized, for the public benefit.

This was a ruling arbitrarily overturned ten years later, by a traitor.

Today, over six decades since we have had a semblance of a constitutional credit system, our states are bankrupt, our people suffering unemployment, and the President now threatens their lives, by eliminating access to health care, while putting Federal funds into bank bailouts, and the financial market swindle known as “cap and trade.” Any competent understanding of the United States Federal Constitution, as giving us not the right, but the obligation to establish a National Bank and secure the public credit, shows us where we must go. Today the survival of the United States, and the world, depends on a quick return to our constitutional system of credit and national banking, a reorganization in bankruptcy, and mobilization of Federal credit, to halt and reverse the ongoing physical breakdown of the economy. At this moment, anything less than that, will kill us. And anyone who has a different approach, now deserves to be removed from their position in government.

Wrote John Quincy Adams to the Congress, when they still had the chance to rectify the crimes of the administration: “The President has constituted himself the legislator, and calls upon you to execute his ordinances and decrees. Representatives of the people of the North American Union, is it for this, that you are elected the trustees of their interests, the guardians of their rights? The Bank of the United States will die, but its ghost will haunt this hall, though justice should be denied, Congress after Congress, perhaps from age to age, and your evasion of the question will be a standing recommendation of the claim, till importunity shall extort from your successors the reparations sought in vain from you.”

Documentation

Hamilton’s Report On a National Bank

To the Speaker of the House of Representatives:

The Secretary respectfully reports

... That a National Bank is an Institution of primary importance to the prosperous administration of the Finances, and would be of the greatest utility in the operations connected with the support of the Public Credit...

The following are among the principal advantages of a Bank.

First. The augmentation of the active or productive capital of a country. Gold and Silver, when they are employed merely as the instruments of exchange and alienation, have been not improperly denominated dead Stock; but when deposited in Banks, to become the basis of a paper circulation, which takes their character and place, as the signs or representatives of value, they then acquire life, or, in other words, an active and productive quality... It is evident, for instance, that the money which a merchant keeps in his chest, waiting for a favourable opportunity to employ it, produces nothing, ’till that opportunity arrives. But if instead of locking it up in this manner, he either deposits it in a Bank, or invests it in the Stock of a Bank, it yields a profit, during the interval... His money thus deposited or invested, is a fund, upon which himself and others can borrow to a much larger amount. It is a well established fact, that Banks in good credit can circulate a far greater sum, than the actual quantum of their capital in Gold and Silver...

The same circumstances illustrate the truth of the position, that it is one of the properties of Banks to increase the active capital of a country... The money of one individual, while he is waiting for an opportunity to employ it by being either deposited in the Bank for safe keeping, or invested in its Stock, is in a condition to administer to the wants of others, without being put out of his own reach... This yields an extra profit, arising from what is paid for the use of his money by others, when he could not himself make use of it, and keeps the

money itself in a state of incessant activity. . . . This additional employment given to money, and the faculty of a bank to lend and circulate a greater sum than the amount of its stock in coin, are all to the purposes of trade and industry, an absolute increase of capital. Purchases and undertakings, in general, can be carried on by any given sum of bank paper or credit, as effectually as by an equal sum of gold and silver. And thus by contributing to enlarge the mass of industrious and com-

And thus by contributing to enlarge the mass of industrious and commercial enterprise, banks become nurseries of national wealth. . . .

mercial enterprise, banks become nurseries of national wealth. . . .

Secondly. Greater facility to the Government in obtaining pecuniary aids, especially in sudden emergencies. This is another undisputed advantage of public banks, one which, as already remarked, has been realised in signal instances among ourselves. . . .

[T]hat Banks tend to banish the gold and silver of the Country . . . is an objection, which if it has any foundation, lies not against Banks, peculiarly, but against every species of paper credit.

The most common answer given to it is . . . that it is immaterial what serves the purpose of money, whether paper, or gold and silver; that the effect of both upon industry is the same; and *that the intrinsic wealth of a nation is to be measured, not by the abundance of the precious metals contained in it, but by the quantity of the productions of its labour and industry* [emphasis added]. . . . It is certain, that the vivification of industry, by a full circulation, with the aid of a proper and well regulated paper credit, may more than compensate for the loss of a part of the gold and silver of a Nation. . . . A nation that has no mines of its own, must derive the precious metals from others; generally speaking, in exchange for the products of its labour and industry. The quantity, it will possess, will therefore, in the ordinary course of things, be regulated by the favourable or unfavourable balance of its trade; that is, by the proportion between its abilities to supply foreigners, and its

wants of them; between the amount of its exportations and that of its importations. Hence the state of agriculture and manufactures, the quantity and *quality* of its labour and industry must influence and determine the increase or decrease of its gold and silver.

If this be true . . . well constituted Banks . . . augment in different ways, the active capital of the country. This, it is, which generates employment; which animates and expands labour and industry. Every addition, which is made to it, by contributing to put in motion a greater quantity of both, tends to create a greater quantity of the products of both: And, by furnishing more materials for exportation, conduces to a favourable balance of trade and consequently to the introduction and increase of gold and silver. . . .

The support of industry is . . . of more consequence towards correcting a wrong balance of trade, than any practicable retrenchments in the expenses of families or individuals: And the stagnation of it [industry] would be likely to have more effect in prolonging such balance, than any savings in shortening its continuance. That stagnation is a natural consequence of an inadequate medium, which, without the aid of Bank circulation, would in the cases supposed be severely felt. . . .

The establishment of Banks in this country seems to be recommended by reasons of a peculiar nature. Previously to the revolution circulation was carried on by paper in great measure emitted by the several local governments. . . . This auxiliary may be said to be now at an end. And it is generally supposed, that there has been for some time a deficiency of circulating medium. . . .

The circumstances are . . . the vast tracts of waste land, and the little advanced state of manufactures. The progressive settlement of the former, while it promises ample retribution, in the generation of future resources, diminishes or obstructs, in the mean time, the *active* wealth of the country. It not only draws off a part of the circulating money, and places it in a more passive state, but it diverts into its own channels a portion of that species of labour and industry, which would otherwise be employed, in furnishing materials for foreign trade, and which, by contributing to a favourable balance, would assist the introduction of specie [currency]. In the early periods of new settlements, the settlers not only furnish no surplus for exportation, but they consume a part of that which is produced by the labour of others. The same thing is a cause, that manufactures do not advance, or advance slowly. . . .

[Hamilton then lists several reasons why some already extant private banks may not be made the National Bank and why a new Bank must be created.]

... The last inducement ... is the want of precautions to guard against a foreign influence insinuating itself into the Direction of the Bank. It seems scarcely reconcileable with a due caution to permit, that any but citizens should be eligible as Directors of a National Bank, or that non-resident foreigners should be able to influence the appointment of Directors by the votes of their proxies....

It is to be considered, that such a Bank is not a mere matter of private property, but a political machine of the greatest importance to the State....

[T]he following plan of the constitution of a National Bank is respectfully submitted to the consideration of the House:

I. The capital Stock of the Bank shall not exceed ten Millions of Dollars, divided into Twenty five thousand shares, each share being four hundred Dollars; to raise which sum, subscriptions shall be opened... Bodies politic as well as individuals may subscribe.

II. The amount of each share shall be payable, one fourth in gold and silver coin, and three fourths in that part of the public debt, which according to the loan proposed by the Act making provision for the debt of the United States, shall bear an accruing interest at the time of payment of six per centum per annum....

XIII. None but a Stockholder being a citizen of the United States, shall be eligible as a Director....

XX. The bills and notes of the Bank originally made payable ... in gold and silver coin, shall be receivable in all payments to the United States.

XXI. The Officer at the head of the Treasury Department of the United States shall be furnished from time to time ... not exceeding once a week, with statements of the amount of the capital Stock of the Bank and of the debts due to the same; of the monies deposited therein; of the notes in circulation; and of the Cash in hand; and shall have a right to inspect such general account in the books of the bank as shall relate to the said statements....

XXIV. And lastly. The President of the United States shall be authorised to cause a subscription to be made to the Stock of the said Company, on behalf of the United States, to an amount not exceeding two Millions of Dollars, to be paid out of the monies which shall be borrowed by virtue of either of the Acts, the one entitled

“an Act making provision for the debt of the United States,” and the other entitled “An Act making provision for the reduction of the Public Debt”....

The combination of a portion of the public Debt in the formation of the Capital, is the principal thing, of which an explanation is requisite. The chief object of this is, to enable the creation of a capital sufficiently large to be the basis of an extensive circulation, and an adequate security for it... But to collect such a sum in

It is to be considered, that such a Bank is not a mere matter of private property, but a political machine of the greatest importance to the State....

this country, in gold and silver into one depository, may, without hesitation, be pronounced impracticable. Hence the necessity of an auxiliary which the public debt at once presents.

This part of the fund [the Continental Debt] will be always ready to come in aid of the specie. It will more and more command a ready sale [i.e., the debt of the U.S., via the Bank, will become marketable]; and can therefore expeditiously be turned into coin.... This quality of prompt convertibility into coin, renders it an equivalent for that necessary agent of Bank circulation; and distinguishes it from a fund in land of which the sale would be far less compendious, and a great disadvantage....

The debt composing part of the capital, besides its collateral effect in enabling the Bank to extend its operations, and consequently to enlarge its profits, will produce a direct annual revenue of six per centum from the Government, which will enter into the half yearly dividends received by the Stockholders.

When the present price of the public debt is considered, and the effect which its conversion into Bank Stock, incorporated with a specie fund, would have in all probability to accelerate its rise to the proper point, it will easily be discovered, that the operation presents in its outset a very considerable advantage to those who may become subscribers; and from the influence, which that rise would have on the general mass of the Debt, a proportional benefit to all the public creditors....

Looting of Fannie and Freddie Demands New Pecora Commission

by John Hoefle

Aug. 7—When the Bush Administration initiated its “rescue” of mortgage-speculation giants Fannie Mae and Freddie Mac last September, we warned that, far from saving the two firms, they were being thrown to the wolves. The Treasury Department effectively took control of both firms, promising to provide as much money as necessary to keep them solvent, and to buy billions of dollars of Fannie- and Freddie-issued mortgage securities on the open market.

The intervention was a crucial part of the scheme to bail out the global financial markets, by pumping up the values of trillions of dollars of mortgages and mortgage-related securities.

There were two major aspects to this plan. The first was to put an explicit government guarantee behind the debt issued by the two quasi-governmental entities, as a way of luring buyers back into badly spooked markets. The second was to get the firms—which were then guaranteeing some 70% of all new home loans—to help bail out the banks by taking over big chunks of their mortgage exposures.

Under this scheme, huge losses have effectively been moved from the books of the banks and other private institutions, to the government and the taxpayer. In that, it has been a wild success, a rip-off of the first order.

While this program was inaugurated under the Bush/Cheney Administration and Treasury Secretary Henry Paulson, it was also explicitly endorsed by then-Democratic Presidential nominee Barack Obama. Obama

backed the bailout schemes then, and has continued the swindle as President.

Hemorrhaging Money

Since the September 2008 bailout, the two firms have reported losses of some \$150 billion. They have lost over \$165 billion since Lyndon LaRouche declared the global monetary system dead, in July 2007. These figures include Fannie Mae’s \$15 billion loss for the second quarter of this year, but not Freddie Mac’s loss, which has yet to be announced.

In what qualifies as one of the understatements of the year, Federal Housing Finance Agency (FHFA) director James Lockhart admitted June 30, that at least some of the \$85 billion in capital the government has injected into the two companies to keep them solvent “will never be repaid.” Lockhart added that the two firms will continue losing money “for at least the next year or so.”

That \$85 billion figure does not include the \$10.7 billion the government injected into Fannie Mae, after it announced its second-quarter loss. The injection was required to keep Fannie’s reported net worth above \$0.

Just a few days later, in an Aug. 5 interview with the *Washington Post*, Lockhart announced that he would step down from his post by the end of the month. As head of the FHFA, Lockhart is the primary regulator for Fannie Mae and Freddie Mac. The FHFA was created by the Housing and Economic Recovery Act of 2008, which merged the Federal Housing Finance Board and

the Office of Federal Housing Enterprise Oversight, the previous regulator of Fannie Mae and Freddie Mac.

On the day the Housing Act was signed into law (July 30, 2008), Lockhart promised that under the new regulatory structure, Fannie and Freddie would “provide stability and liquidity to the mortgage market, support affordable housing, and operate safely and soundly.”

It didn’t work out that way. Today, after at least hundreds of billions of dollars of government injections and subsidies, another reorganization of Fannie Mae and Freddie Mac is in the works.

Bad Idea

The Obama Administration is actively considering plans to stop the meltdown of Fannie and Freddie, as part of yet another futile effort to halt the collapse of home values and restart the markets for, and values of, mortgage-related securities.

One of these plans, the *Washington Post* reported Aug. 6, would involve dumping hundreds of billions of dollars of Fannie’s and Freddie’s toxic assets into a newly created “bad bank.” The government would cover the losses of this “bad bank,” while Fannie and Freddie would return to financial health, and thus be able to make even more loans to support the bailout.

While the White House was quick to deny that any particular plan has been decided upon, White House spokesman Jennifer Psaki did admit to the *Washington Post* that, since June, Larry Summers’ National Economic Council has been looking at plans to reorganize Fannie and Freddie.

The details of any particular plan are less important than the back-door admission that the “rescue” of Fannie and Freddie has been a total disaster, and further proof that Washington has learned nothing from its failure. Two years after the crash, despite failure after failure, these fools are still trying to reanimate a dead system. All they are doing is fueling monetary hyperinflation in a vain effort to halt an unstoppable deflation of financial asset valuations. It is the worst possible move.

Worse To Come

What Washington undoubtedly knows, is that the losses at Fannie and Freddie—losses that were a direct result of using the firms to take over the losses of the banks and other speculators—are about to surface in a big way. Housing values continue to fall, and a report issued this week by Deutsche Bank projects that the percentage of homeowners in the U.S. who owe more

on their mortgages than their homes are worth, will nearly double from 26% of mortgage-holders at the end of March, to 48% in 2011. These figures are for prime loans; 69% of subprime loans and 89% of Option-ARM (adjustable rate mortgage) loans will be underwater by 2011, with some areas topping 90%, the bank said.

We view these projections as optimistic, as linear projections of a process which is decidedly non-linear. There is no reason to believe that the delusions of financial viability will survive until 2011, much less the mortgage and home value projections.

Even so, those projections are enough to generate losses at Fannie Mae and Freddie Mac that are almost incalculable in their magnitude. The losses on their mortgage portfolios will be huge, but the losses on their derivatives operations—their mortgage-backed securities and hedging operations—will likely run into the double- or even triple-digit trillions of dollars.

In this connection, we recall the strange death of Freddie Mac chief financial officer David Kellermann, who allegedly committed suicide in April. Kellermann had been involved in heated discussions with officials at the FHFA over whether and how to disclose the losses that the Obama Administration’s “foreclosure prevention” schemes would cause Fannie Mae. Kellermann thought the losses should be disclosed. Just two months later, according to the White House, plans were being discussed to reorganize Freddie and Fannie.

At the time of Kellermann’s death, Lyndon LaRouche called for a full investigation of the circumstances of the case, noting the recurring frauds in both Freddie Mac’s bookkeeping and the way in which the firm was being looted in the bailout. LaRouche noted that not only was Freddie Mac under investigation at the time for accounting and other irregularities by the Justice Department and the SEC, but that Kellermann had also hired private security for his home. Kellermann was clearly on a hot seat, in a position to know a great deal about the company’s fiscal condition and its financial practices, and with his death—suicide, or not—that knowledge was lost.

Given the level of criminality which brought the global financial system to its collapse, and the level of criminality which has allowed financial institutions to continue to operate after that collapse, it is imperative that the cases of Fannie and Freddie be thoroughly investigated by a new Pecora Commission—one that, unlike Nancy Pelosi’s sham, is worthy of the name.

johnhoefle@larouche.org

Shutdown of Community Hospitals Portends Near-Term Health Disaster

by Marcia Merry Baker

Aug. 7—The fastest way to kill people who are sick is to close their local community hospital. That is what the Health Maintenance Organization (HMO) policy has done in the United States since the 1980s. Now, in the midst of the accelerating breakdown crisis, which itself is feeding the spread of a deadly flu pandemic, that hospital-closing policy is about to lead to a rapid increase in the death rate, including in the United States.

The Obama Administration health “reform” will, if it is permitted to go through, disastrously accelerate this process. The behavioral Nazis devising the policy have declared their intention to wrench “savings” out of the Medicare and Medicaid budgets, much of which goes to paying hospitals. Already, as of 2007, community hospitals had a \$32 billion payment shortfall, relative to their costs, for treating Medicare and Medicaid patients, and the Obama plan would reduce payments much more, in the name of “incentivizing” “effective” care.

The community hospital is the baseline health-care resource for the country, and particularly for the uninsured, Medicaid, and Medicare recipients. In 2007, these hospitals cared for 121 million patients with emergency needs, performed 27 million surgeries, and treated 35 million inpatients. With tens of millions of Americans having lost their jobs and health insurance since 2007, the strain on hospitals has gotten much worse.

However, the nation is in the process of losing these community hospitals, along with specialty hospitals, and vital hospital beds, every day. The peak of the buildup of hospitals under the 1946 Hill-Burton policy, which set a standard of 4.5 to 5.5 beds per 1,000 persons, was in 1980. That year, there were 5,904 community hospitals, spread across most of the 3,000 U.S. counties, providing their populations with the desired standard. But, by 2007, the number of community hospitals had shrunk to 4,724, a 20% decline, and only 3 out of the 50 states had anything approaching the re-

quired beds-per-1,000 persons ratio.

In order to face the worsening pandemic, not to mention, address the general health needs of the American population, it is the Hill-Burton policy that must be revived. Lyndon LaRouche has outlined the necessary program: 1) cancelling the HMO law; 2) reviving Hill-Burton; and 3) instituting the single-payer system—all in the context of the bankruptcy reorganization required by the fatal bankruptcy of the current financial system. In addition, there must be an emergency infusion of monies to the states, in the range of \$150 billion, by early September at the latest, to fill the holes in services being created by collapsing revenues and state budgets.

We summarize here some of the recent testimony and warnings on the disastrous decline of the U.S. community hospital network.

Start with the Military

Of the 36 Army base medical centers, fully 26 cannot meet the needs of the military right now, according to a late 2008 Army survey, reported by *USA Today* (July 31-Aug. 2 weekend edition). “Army records show that 26 of its [36] medical centers, hospitals and clinics are unable to meet Pentagon standards requiring that 90% of patients get routine care appointments within seven days. Those are the worst results since the start of the wars in Iraq and Afghanistan. That’s a 13% increase from 2006 in the number of medical facilities unable to meet the standard. . . .

“The Army doesn’t have enough doctors to provide care both to families and soldiers at home and to those in combat,” according to those in charge, including Gen. George Casey, Army Chief of Staff; Col. Ken Canestrini, who is in charge of improving the situation; and Col. Jonathan Jaffin, director of Health Policy and Services, for the Army Surgeon General, Lt. Gen. Eric Schoemaker. Among the stopgap measures, Schoo-



Michael Heckman/Illinois Corps PAO

Military hospitals are among the most seriously endangered. Of the 36 Army base medical centers, fully 26 are unable to meet the needs of U.S. soldiers. Shown: Carl R. Darnell Medical Center, Ft. Hood, Texas.

maker has authorized 12 medical centers to hire more primary-care physicians, and has ordered that soldiers and families may go to off-base care centers, even if it costs more.

The on-base medical center at Ft. Bragg, for example, has “not met the routine care standards since 2005. Bragg is home to the 82nd Airborne Division and special operations forces that have been fighting in the two wars consistently.”

To go “off base” for medical treatment, means in many localities, to seek care in communities already short of hospitals and facilities.

Shutdowns Proceed

Meanwhile, the rapidly worsening net loss of beds and staff in the U.S. medical-care delivery system proceeds. For example:

- **New Orleans, La.** On Sept. 1, the New Orleans Adolescent Hospital (NOAH, which also serves adults of any age) is set to close, which among other things, will shut down the city’s only public hospital with a dedicated mental-health unit (with 35 beds). At present, the city has only 170 inpatient beds for the mentally ill, located at seven hospitals—way down from 400 such beds at 10 hospitals, four years ago.

- **Syracuse, N.Y.** In the nearby town of Hamilton, the Community Memorial Hospital will close its baby-delivery unit as of Sept. 1, because of financial constraints and lack of obstetricians. Women will have to go to the more distant facilities in Utica, Syracuse,

Oneida, and elsewhere. The physician shortage in Upstate New York is bad, and is acute in the Mohawk Valley, where the supply of doctors fell 4%, between 2002 and 2006, according to the Center for Health Workforce Studies at the State University in Albany.

- **Toledo, Ohio.** On Sept. 1, the Toledo Hospital will shut its Drug and Alcohol Treatment Center, which has operated both in- and out-patient services. The 20 staff members are seeking work at other facilities in the ProMedica Health Care System. The patients are being referred to a 42-bed facility in the region, operated by Arrowhead Behavioral Health, a company based in Tennessee.

And then comes the flu...

Meanwhile, responsible public officials are looking ahead to the disaster over the horizon—when the expected Fall flu pandemic hits. Public health leaders from California, New York City, and Maryland testified about their fears during a hearing of the House Homeland Security Committee on July 29. They described how their capacity was stretched “to the limit” during the Spring outbreak of A/H1N1. Health officer Mark Horton, M.D., M.S.P.H., added, “There is no way we could have sustained this.... I am very concerned about this for the Fall....”

States and localities are now in the throes of still further reductions in their public-health capacity, given the budget-slashing underway since the start of the new fiscal year July 1, under impossible conditions of revenue collapse. But, at the same time, they are trying to step up “pandemic readiness”!

In Pennsylvania, the state has managed to purchase 19 mobile “medical surge” trailers, with 50 cots each, and eight portable hospitals, with 50 beds each, but the net gain is reduced by the loss of pre-existing beds from the closure or downsizing of local hospitals, reductions in Veterans hospitals, etc. This crazy pattern prevails across the country. Last year, 12,000 public-health worker jobs were eliminated in the United States.

On Aug. 5, nurses demonstrated in Sacramento, Calif., to protest the lack of protective equipment to provide them safety during their care for flu patients. A week earlier, the first death of a nurse occurred in the state, due to A/H1N1.

The Administration sent only their number-two-level deputy secretaries from the Health and Human

Services and Homeland Security departments to report to Congress on the hearing topic, “Beyond Readiness: An Examination of the Current Status and Future Outlook of the National Response to Pandemic Influenza”: respectively, William Corr and Jane Holl Lute. These officials played down any deficiencies in the U.S. hospital/public health delivery system, by instead focusing on “collaboration” between agencies, “communication,” etc.

They also spoke of the \$350 million in Federal grants for preparedness aid, now going out to the 50 states and the territories—a paltry sum, given, for example, that, to properly protect New York City alone, a bare minimum of \$70 million will be required this Fall, which they don’t have (this was in the New York City testimony), and for full protection from a severe episode, \$0.5 billion is needed.

The Administration spokesmen actually left the hearing chamber at the end of their panel, without bothering to listen to what the state and local officials had to say.

Dr. Horton spoke afterward, on the second witness panel for the July 29 hearing, which was chaired by Rep. Bennie Thompson (D-Miss.). Horton and two other government officials, Thomas A. Farley, M.D., commissioner of New York City’s Department of Health and Mental Hygiene, and Richard G. Muth, executive director of the Maryland Emergency Management Agency, reported on their experience from this Spring’s A/H1N1 outbreak, and their preparations for the Fall. In addition, Colleen M. Kelley, President of the National Treasury Employees Union, called for Federal action to provide A/H1N1 protective gear for customs, border, airport, and other key front-line Federal personnel. The following are indicative specifics from their testimony.

Surge Capacity

The California Department of Public Health has stockpiled supplies and equipment for 21,000 “alternate care site beds” being lined up by local health departments, but Dr. Horton describes the overall process as “an overloaded health-care system” statewide.

In New York City, an advance-planning effort is underway for bed space and equipment. Dr. Farley reported, “During the peak of the pandemic this past Spring, some hospital emergency departments were overwhelmed. Many emergency departments saw a 200% increase in the number of patient visits. To deal

with overcrowding, some hospitals created additional space by setting up a tent outside of their emergency departments or used outpatient clinic space to allow those patients with influenza to be quickly separated from others. . . .” Now, a bigger surge is ahead.

Personnel

Every state and city has big “personnel gaps.” Dr. Farley testified that, “the steady erosion of funding the last few years hinders our ability to maintain progress and retain the critical workforce needed to respond to the unique risks and public health emergencies in New York City. . . .”

“The primary source of support for the preparedness infrastructure in New York City, the [Federal] Public Health Emergency Preparedness Cooperative Agreement through CDC, has steadily decreased since 2002, dropping approximately 26%.” Other Federal programs have also dropped, especially a 25% reduction in New York City’s allocation under the 2004 Cities Readiness Initiative program. Farley testified, “And we have been advised that we will receive another 25% reduction in the next grant year. . . .”

Dr. Horton of California asked Congress for “additional investment in the public health workforce, including epidemiologists, microbiologists, and laboratorians to ensure enough scientists are on the ground to identify and monitor the spread of disease.”

Supply Lines

In California, where the first two U.S. A/H1N1 cases were identified April 17, and by July there were 3,200 reported cases, and 537 hospitalizations, Dr. Horton said, “We experienced an early and inexplicable collapse of the private industry pipeline for antivirals and masks, which, if not resolved, would have rapidly depleted our stockpiles. The resolution required Federal intervention, as the suppliers were national companies. . . .” This must be worked on “more closely . . . to ensure supply-chain reliability.”

California’s network of 26 local public-health laboratories tested over 14,500 specimens over a four-month period, “compared to a typical volume of 2,000 in a regular influenza season,” but they came within hours of shutting down because of a shortage of reagents. Lab capacity must be expanded, with reliability in supply lines.

marciabaker@larouchepub.com

Mary Jane Freeman contributed to this article.

Onward into the Future, But Not in Green Socks, Herr Steinmeier!

by Helga Zepp-LaRouche

Mrs. Zepp-LaRouche is the candidate for Chancellor of Germany for the Civil Rights Movement Solidarity (BüSo). This article was translated from German.

The so-called Germany Plan, which Frank-Walter Steinmeier wants to use to create 4 million new jobs, if he is elected Chancellor, clearly reflects his recognition that, over the coming weeks and months, unemployment figures are going to reach record-setting heights. It is, of course, useful that a debate over how governments must act to create jobs—millions of them—has now been kicked off. But aside from lifting a few good ideas that the BüSo has been proposing for a long time now—such as using the Kreditanstalt für Wiederaufbau [Reconstruction Finance Bank], and placing the emphasis on the human being as central to the economy—Steinmeier’s plan is otherwise, unfortunately, yet one more proof that the Social Democratic Party’s leadership does not have the slightest grasp of the science of physical economy.

Leading up to the Sept. 27 Federal elections, neither the ruling coalition parties, nor the news media, are going to be able to keep up their propaganda pretense that “the worst is over.” The systemic crisis is in full swing, and the outrage currently being expressed by American voters in political meetings, against Congressmen and Senators, over the health-care package which the Obama Administration is trying to sell them, is only a foretaste of the social explosion which will erupt worldwide, unless this crisis is very quickly averted by reorganizing the world economy from the ground up.

People are getting a keen sense, that what we are dealing with, is not merely a financial and economic crisis, but rather an existential threat to their lives, and to civilization itself. When Obama proposes cutting 30% of health-care costs, this means a shorter life expectancy for those unfortunate enough to be really sick

and with no money to pay for medical care. And in Germany, where we already have rationing of health care, we are moving down the same road. FAZNET wrote on July 8 that no party (that is, no party currently represented in parliament) would dare admit how brutal the cuts are going to become after the election is over.

But reality is far worse. We are in a breakdown crisis without precedent in human history, a crisis which threatens to plunge our civilization into chaos, and which, within only a few years, can reduce the world’s population from its current 6.5 billion people, to 2 billion or less. Already, productive capacity in industry and agriculture has collapsed to below the level necessary for sustaining the world’s population, and as a result, the number of people threatened with starvation has climbed to more than 1 billion. And that figure will soon increase dramatically.

Germany’s Potential

Ever since the Bismarck reforms in the second half of the 19th Century, Germany, thanks to its high rate of economic and technological progress, has possessed an enormous potential with its innovative small and medium-sized firms—the *Mittelstand*—along with one of the world’s greatest capacities for machine building. Most other countries do not have this. And it is precisely this *Mittelstand*, and this machine-building capacity—which could produce what is most urgently needed in other regions of the world—that is now threatened with collapse on the order of 30%, 40%, and even 50%. Any competent Germany Plan would therefore have to ensure that this capacity, so indispensable on a world scale, is not only maintained, but that it be expanded on the very highest technological level.

Unfortunately, Steinmeier’s plan does the exact opposite: He promises to reinvigorate the economy through environmental technologies, with German technology for combating global warming, expansion



EIRNS/James Rea

Chancellor candidate Helga Zepp-LaRouche (left), at her webcast from Berlin on July 21, is introduced by BüSo leader Portia Tarumbwa-Strid. Zepp-LaRouche charges that her opponent from the Social Democratic Party, Frank-Walter Steinmeier, has essentially copied the Green Party's program for a "Green New Deal"—the farthest thing from FDR's conception of the New Deal.

of Germany's contribution to the wind-power market, solar technology, generally environmentally-friendly technologies, and total renunciation of nuclear energy. He believes that promoting nuclear energy would slow the trend toward renewable technologies, and promises that at the Climate Conference in Copenhagen in December, he will fight for a 50% worldwide reduction in greenhouse gas emissions by 2050. He further promises that at that summit meeting he will hold high the banner of free trade as a "moral appeal" against protectionism, and he foresees the services economy as the new motor for generating full employment.

Steinmeier considers the introduction of electronic health cards as an important step for utilizing "health IT" as a growth industry, and sees a huge potential in the "creative industries." On top of this, in education policy, he intends to continue the Brandt reforms of the 1970s, reforms which, in lockstep with the OECD reforms back then, aimed at eliminating "the educational ballast of the past 2,500 years of European history"—which is why today we have almost three generations of Germans who believe that the names Leibniz, Lessing, Mendelssohn, Humboldt, Schiller, Mörike, Gauss, and Riemann might have something to do with cookies, or perhaps with movie actresses.

The underlying fallacy in Steinmeier's plan—which

is, in fact, just a copy of the Green party's so-called "Green New Deal"—lies in his lack of understanding of the connection between energy flux-densities of the technologies used in the production process, on the one hand, and human population potential, on the other. There is no doubt that, for a little while longer, it may still be possible to make a profit in a market that remains dominated by the rules of globalization, and in which the hedge funds discovered long ago that trading in CO₂ emissions and green technologies could be a lucrative business. But you can also make a profit playing poker on the sinking *Titanic*.

No Such Thing as Ecological 'Equilibrium'

The problem with green technologies, is that they claim to be dedicated to maintaining what is, in fact, a non-existent equilibrium of resources. Human existence has always depended on utilizing resources which are the fossil remains of living process of animal or plant life. These deposits, accumulated over long spans of time, have primarily supplied us with the elements that are listed in the Periodic Table, and which—aside from continuing biological processes and direct human intervention—have not changed substantially in quantity.

To the extent that the human species multiplies, our utilization of these relatively limited reservoirs of resources must improve, so that the rate of scientific progress is increased, thereby changing the nature of the resource. In other words: Whether a stone was used during the Stone Age as a hand-axe to brain one's neighbor, or was used by a goldsmith as a grindstone for polishing gemstones, or is seen today by an engineer as a source of trace elements, depends entirely on the level of technology from which one considers it.

The continued existence of mankind depends on our ability to increase the energy flux-density associated with each stage of technology, per capita and per square kilometer, of the part of the Earth's territory that is inhabited

at that time. For this reason, the transition from fossil energy sources to inherently safe nuclear energy, in the form of high-temperature reactors—the pebble-bed reactors—is absolutely necessary to achieve the next-higher order of energy flux-density, nuclear fusion, which will then be able to solve our resource problems. So-called “renewable” energy sources contribute absolutely nothing to guaranteeing mankind’s long-term energy and raw materials security—not our energy security, because renewable energies are sufficient only for a limited population potential, whereas mankind cannot exist in a state of equilibrium; and not our raw materials security, because it doesn’t even address this problem.

Therefore, whereas Steinmeier says that nuclear energy is an outdated technology which is blocking investment in more efficient, renewable energy sources, the truth is the precise opposite: Investment into renewable energy sources ties up the resources necessary to reach the next-higher, absolutely necessary stage.

The present crisis is the result of 40 years of precedents leading us in the wrong direction—starting with the Frankfurt School’s hostility to technology, the ’68ers, the Club of Rome, and its offspring, the ecology movement. Steinmeier is right when he says that Germany has squandered its former lead in educational excellence, and that today’s generation, aged 20-29, is more poorly educated than the 45-55 generation. But, who was in power for all that time, and who set education policy? The SPD has been part of the government since 1998!

What Steinmeier describes as the “creative industries” has just as little to do with true creativity—i.e., the discovery of universal principles in science and art—as Berlin of the 100 cooks and fashion shows has to do with Einstein’s Theory of Relativity. Berlin should be held up as a warning, not an example. With Berlin Mayor Klaus Wowereit’s “creative industries,” Berlin will never be able to pay off its debt, which was already EU60 billion in 2007. Steinmeier further promises ultra-modern transportation networks, but instead of the Transrapid and CargoCap, he wants to monitor highway traffic by satellite, so that traffic jams can be quickly reported, and alternate routes offered! And instead of getting rid of the innovative financial instruments which have brought the crisis upon us, he calls for better financial accounting rules for single-purpose financial vehicles, and wants to “ostracize” speculation.

In 1994, when Peter Hinze was secretary general of the Christian Democratic Union, he coined the slogan



UN Photo/Marco Castro
Frank-Walter Steinmeier addresses the UN General Assembly, as Germany's Deputy Chancellor and Foreign Minister, Sept. 26, 2008. His “Germany Plan” for creating jobs is a fraud.

“Onward into the future, but not in red socks!”, by which he meant the possibility that the Party of Democratic Socialists [the successor to the East German communist party] would enter the governing coalition of Social Democrats and the Greens—the so-called Red-Green coalition. Steinmeier’s idea today, that in this crisis, the state must intervene to create jobs, is correct—but not “in green socks”! Socks and other things often turn green because they’ve grown rotten and moldy. Green ideology doesn’t want to have anything to do with Roosevelt’s New Deal, since Roosevelt was emphatically pro-technology. And so, if there’s anyone who has been practicing product piracy, it’s the Greens—but they’re very bad plagiarists.

What we need now, is the original, and that means FDR and his New Deal, and the New Bretton Woods. It means the BüSo, which most recently, in 2005, presented a program for how 10 million new jobs could be created, since that’s how many we actually need in Germany. For we already have at least 8 million unemployed, and soon we will have 10 million. But we can only turn this around if the financial toxic waste in the banks is eliminated, *after which* the Kreditanstalt für Wiederaufbau, or a nationalized Bundesbank, can make lines of productive credit available. Then, we’ll really be talking about a New Deal; and that’s what, thus far, only the BüSo has been proposing.

Cash for Clunkers

There's a lot more to this government "stimulus" program than meets the eye—and a lot less.

After much wheedling and groveling, and a few bucks passed discreetly under the table, I finally managed to land an interview with one of the busiest men in Washington. No, not "Mr. Economy," Larry Summers, who is admittedly busier than a Dutch boy facing the mother of all holey dikes. Not even President Nero himself, who is so busy looking in the mirror—and admiring all he surveys—that he barely has time to yell at his courtiers.

No, I'm talking about one of the top officials of the "Cash for Clunkers" program, the one new government program that even non-bankers can love. The program is a wild success, as might be expected of a program which gives people money for buying expensive things.

I met "Mr. Cash," let's call him—"Please don't call me Mr. Clunker," he begged—at his headquarters just outside of Washington. The location of the headquarters must remain undisclosed for security reasons, but I can reveal that it was, fittingly, adjacent to one of the biggest junk yards on the East Coast.

The office was truly impressive. All the desks are made of crushed cars, with Mr. Cash's desk being the very first clunker crushed during the program. Lighting was provided by recycled headlights.

Getting right down to business, I asked Mr. Cash who came up with the catchy name, "Cash for Clunkers."

"It actually belonged to the Federal Reserve," he said. "It was their in-

ternal codename for the bank bailout, and they were reluctant to give it up. After much persuasion, they finally agreed to let us use it."

"They do have a point," I replied. "It is a perfect description for an operation designed to buy bankrupt institutions and worthless toxic waste."

"Yes, but we take it one step further," he said. "We actually take what we buy out of service, and destroy it so that no one can ever buy it again. The Fed doesn't do that—they can't wait to find someone to sell it to."

He had a point there, you have to admit. At least the Clunkers program admits that what it is buying is crap. The Fed never does.

"But isn't the Cash for Clunkers program really a part of the financial bailout, just like the auto bailout?" I asked.

"Of course it is. You don't think the government is doing this to help the little people, do you?" he laughed. "The government bailed out the car companies to save the banks, and now they're buying cars to make sure the program works. We're not stupid, you know!"

"I'll buy that," I said. "But where is it going to stop? First the banks, then the auto companies, now the cars. What's next? Buying car insurance for them, to save the insurance sector?"

"We're working on that," he replied. "We call it 'Cash for Coverage.' We're also looking at ways to pay for the cars if the buyer defaults. We can't have the car companies eating the losses, after all we've done."

"What are you going to call that, 'Deals for Deadbeats'?" I asked.

"Not bad," he chuckled, "but we have to stick with the 'C's. Maybe 'Cash for Crooks.'"

"Then you'll really annoy the Fed," I replied. "That is clearly encroaching on their territory."

"You're right!" he exclaimed, a frightened look crossing his face. "We don't want to do that. Those guys play hardball. The New York Fed might have me whacked."

"That's a bit paranoid," I said. "Surely the Fed doesn't have assassins."

"Don't be so naive," he retorted. "My former boss got into trouble when he let the program run out of money, and the rumor is that what's left of him is in one of the desks around here."

With that, the interview was over. As a parting gift, he gave me a rear-view mirror. "So you can watch your back," he said.

I needed it. The security guards, who looked at me like they were Blackwater operatives and I was an Iraqi, were bad enough. But what really creeped me out were the two plainclothes guys who followed me until I left the property. I hadn't seen such cold, soulless eyes since my tour of the trading floor at Goldman Sachs.

Shortly after I got back to my office, I got a call from an aide to one of the most powerful politicians on Capitol Hill—let's call her Speaker Screw-Face—who cautioned me.

"Attack the program if you want," the aide said, "but don't you dare write anything connecting it to the bank bailout! Speaker Screw-Face will be very angry with you if you do. There will be consequences."

I thought about that for a while, nervously looking out my window to see if those two guys were still following me. They were. But what the hell. Truth is truth.

lesswift322@yahoo.com

Book Review

A Grand Vision of Man's Role In Colonizing the Universe

by Oyang Teng, LaRouche Youth Movement

Krafft Ehricke's Extraterrestrial Imperative

by Marsha Freeman
Burlington, Ontario:
Apogee Books, 2009
302 pp., paper, \$27.95

There are two reasons to read Marsha Freeman's book, *Krafft Ehricke's Extraterrestrial Imperative*. The first, is that it adds a crucial dimension to the historiography of 20th-Century spaceflight, through a loving portrait of one its most important and interesting founders, Krafft Ehricke. More important, it evokes in the reader a childlike optimism about the possibilities for the future of humanity, with the inescapable truth—at the same time obvious and fantastic—that mankind *belongs* among the stars.

This latter feat is accomplished largely through the writings of Ehricke himself, a sampling of which comprises the greater part of the book, following Freeman's enlightening biographical sketch of Ehricke and his place among the pioneers of human space exploration. The selection ranges from a fictional account of a trip to Mars, written in 1948, to an excerpt from his titular manuscript *The Extraterrestrial Imperative: From Closed to Open World*, a book-length work that was never published, because of what Ehricke described as the “then rising emotional anti-technology and anti-space moods” of the early 1970s.

In one article, Ehricke outlines the possibilities for space tourism, with such features as a Space Zoo for animals reared in low-gravity conditions; in another, he provides a detailed technical and economic analysis of



the industrialization of the Moon. In one of his most penetrating essays, his 1957 “The Anthropology of Astronautics”—written at the dawn of the Space Age—Ehricke establishes three “fundamental laws of astronautics”:

1. Nobody and nothing under the natural laws of this universe [can] impose any limitations on man, except man himself.

2. Not only the Earth, but the entire Solar System, and as much of the universe as he can reach under the laws of nature, are man's rightful field of activity.

3. By expanding throughout the universe, man fulfills his destiny as an element of life, endowed with the power of reason and the wisdom of the moral law within himself.

An Early Love of the Extraterrestrial

As a young boy in Germany, Ehricke was enthralled by Fritz Lang's famous 1929 silent movie *The Woman in the Moon*, and spent the rest of his life developing, and then elaborating, his three laws, as the drivers for the next phase of conscious, human evolution. He poetically envisioned the coming transition from our current “Two-Dimensional” civilization, in which the human population is limited to the surface of the Earth, to a “Three-Dimensional,” and, eventually, “Four-Dimensional” civilization, capable of moving across interstellar stretches of space-time.

Ehricke brings to bear his extensive technical credentials in describing the actual means of accomplishing this, credentials which he initially earned during Germany's wartime rocket research at Peenemünde, and later, with both the U.S. Army rocket team under



Courtesy of Krafft Ehricke

Krafft Ehricke (1917-1984)



Courtesy of Krafft Ehricke

“Selenopolis,” a city on the Moon, as envisioned in a painting by Ehricke. At left is the Hall of Astronauts museum. Note the indoor monorail for getting around in the city. Ehricke’s concept of the Moon was as Earth’s “Seventh Continent.”

Wernher von Braun, and the civilian aerospace firms involved in America’s space program.

Ehricke was an apostle for all aspects of space research and exploration. To the practical benefits of such activity for life on Earth, he devoted many pages of detailed proposals for industrial mining on the Moon and other planets, the use of orbiting microwave transmitters to relay electrical power across the globe, and even the employment of giant solar reflectors to increase crop yields and provide safer night-time lighting in poorer areas of the world.

He argued that, more than a pragmatic approach to the human use of space, these activities ought to be viewed as relatively modest steps on the pathway to fulfilling mankind’s Extraterrestrial Imperative—that is, the moral, spiritual, and physical-economic requirement for the human species’ expansion into the Cosmos.

Ehricke writes in “The Anthropology of Astronautics”:

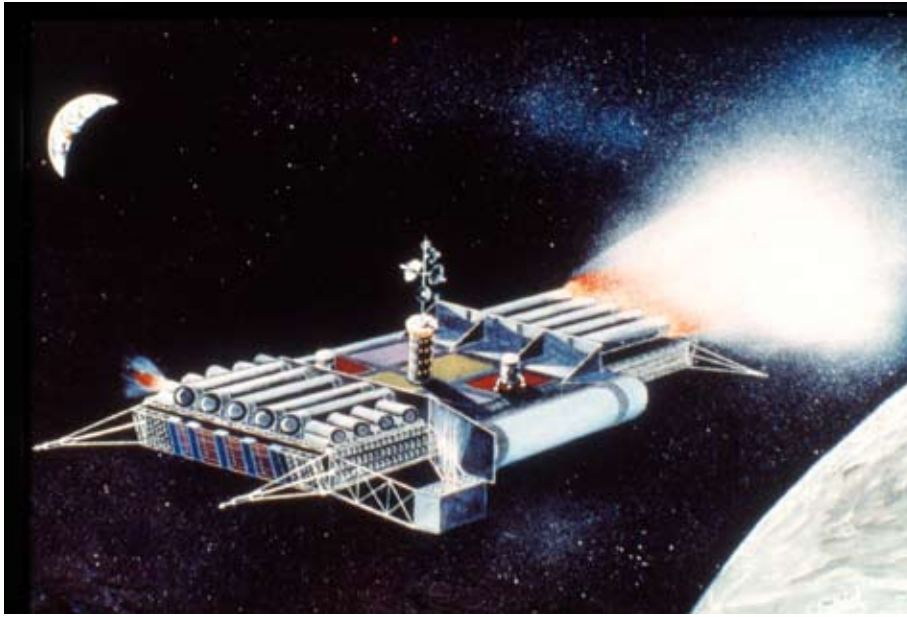
“The concept of space travel carries with it enormous impact, because it challenges man on practically all fronts of his physical and spiritual existence. The idea of traveling to other celestial bodies reflects to the highest degree the independence and agility of the human mind. It lends ultimate dignity to man’s technical and scientific endeavors. Above all, it touches on the philosophy of his very existence. As a result, the con-

cept of space travel disregards national borders, refuses to recognize differences of historical or ethnological origin, and penetrates the fiber of one sociological or political creed as fast as that of the next.”

Biospheric Evolution

For Ehricke, the Extraterrestrial Imperative is a natural extension of the evolutionary process of the biosphere itself, characterized by a continual supersession of existing physical limits, such as the movement of life from the oceans to mammalian life on land, and now mankind’s technological capability to leave Earth’s biosphere altogether. Far from being an “unnatural” development, Ehricke writes in “The Heritage of Apollo,” that technology has been “life’s principal weapon since its inception. Photosynthesis was life’s first large-scale industrial process to achieve control over an adequate energy source, to enlarge its raw material base and to control the production of its essential needs. It was the first time life reached out for an extraterrestrial resource.”

This kind of striking insight demonstrates Ehricke’s intellectual kinship with the great biogeochemist Vladimir Vernadsky, who characterized the qualitative superiority of man’s creative activity as the advent of the



Courtesy of Krafft Ehrlicke

A nuclear-powered lunar freighter, which uses materials on the Moon for fuel, is one of the vehicles Ehrlicke designed as part of the transportation infrastructure that would open the Solar System to mankind.

Noösphere over the Biosphere, itself a cosmic phenomenon. A similar kinship with Lyndon LaRouche, with whom Ehrlicke collaborated in the 1980s around their shared perspective for a “great projects” policy of colonizing space, was based on taking a simple epistemological principle—that man’s Reason has no limits to growth—and applying imagination and expertise to working out the practical expression of that principle in its full scope.

This depth of thought comes across through the broad range of Ehrlicke’s writings and spoken words included in the book, which show him to be a consummate organizer, inviting the reader or listener to share in the celebration of mankind’s most exciting endeavor. As both a profound philosophical truth, as much as a practical assessment of the reality of human nature, Ehrlicke’s message is clear: The whole Universe is our rightful domain.

As Freeman adeptly elaborates the background with her own intimate historical knowledge of the period, Ehrlicke’s brand of militant optimism takes on new significance amidst the cultural degeneration beginning in the late 1960s, in which existentialism and environmentalism led to, among other things, the extinction of the once great ambitions of our national space program.

Ehrlicke’s Classical education in the humanist tradition of the science of Kepler and Leibniz, to which he was consciously committed, gave him an instinctive aversion to the pseudo-science of the ecological “Limits to Growth” pessimism that became pervasive in Western Europe and the United States. Here, it becomes most clear, that Ehrlicke’s signal contribution, as he himself saw it, was toward the philosophical underpinnings of a new social-scientific paradigm, embodied in the Extraterrestrial Imperative, for which he was a tireless advocate until his death in 1984.

Industrializing the Solar System

It is important to point out, that Ehrlicke did not simply advo-

cate grabbing real estate on other planets as a scheme to relieve overpopulation and overpollution on Earth. Rather, he argued that it would be more effective to initially focus on shifting large-scale industrial processes to other planets, in order to better maintain the Earth as a garden spot, capable of supporting a growing population at an increasing standard of living. With the “industrialization” of the Solar System, we would be in a position to create entirely self-sufficient colonies, or “planetallas,” not attached to any planetary body, eventually moving out beyond our own neighborhood, beyond the Solar System itself.

The horizons of today’s national space program are pitifully shrunken, in comparison to Ehrlicke’s grand vision, with the Space Shuttle scheduled to cease operations for good next year, without a replacement vehicle for at least several years after that. As such, Ehrlicke’s writings should be required reading for national policymakers, NASA managers, and aspiring scientists, but also for anyone who takes joy in the understanding that imagination is necessary for human knowledge. Marsha Freeman’s book is an excellent place to start.

This review appears in the Summer 2009 issue of 21st Century Science & Technology magazine.

A WARNING TO ARGENTINA

It's LaRouche Against The British Empire

by Cynthia R. Rush

Aug. 6—The City of London is aghast that its Opium War against the Americas ran afoul of Lyndon LaRouche this past week, with repercussions that, under conditions of global economic collapse, could be unpredictable. Argentine LaRouche Youth Movement (LYM) organizers, who busted up a drug legalization conference organized by British agent George Soros in Buenos Aires, succeeded in putting the issue of Lyndon LaRouche vs. the British Empire at the center of the battle for Argentina's—and Ibero-America's—survival. And that's definitely where the British don't want it to be.

Soros's Open Society Institute, the British and Dutch embassies, and the Soros-sponsored Latin American Commission on Drugs and Democracy (LACDD) had intended the Aug. 6-7 conference to kick off what they hoped would be the final phase of Dope, Inc.'s offensive to legalize drug consumption and possession in Argentina.

The National Conference on Drug Policy, has become a tradition in Argentina, having been held every year for the past seven years in the Annex of the National Congress, where speakers promoted Soros's drug legalization and decriminalization policies without interference. This year the conference was also billed as the "Latin American Conference on Drug Policy," as the Soros crowd had pulled in speakers from pro-legal-

ization and Soros-financed NGOs and academic institutions in Mexico, Venezuela, Uruguay, Brazil, and Ecuador.

Argentina, together with Mexico, is a special target. President Cristina Fernández de Kirchner, and her husband and former President Néstor Kirchner, have swallowed Soros's "harm reduction" fraud and allowed Presidential Chief of Staff Aníbal Fernández to promote it at every opportunity. As soon as the Supreme Court rules, as expected, that the current national drug law's prohibition of drug possession for personal use is unconstitutional, the government will present a bill to Congress for full drug decriminalization.

Approval of such a bill is not a given; but were it to pass, this would be a key victory for the British Empire in a nation it has always considered its colony. And should Mexican President Felipe Calderón sign the drug decriminalization bill sitting on his desk, or succumb to the Soros-directed offensive against the Mexican Army's war on drugs, this would be a major advance for the imperialist drive in all of Ibero-America.

It's British Imperialism, Stupid!

But the LYM's aggressive intervention into the first panel of the Buenos Aires conference, keynoted

No to the Empire's Pothead Dictatorship!

Below are excerpts of the Aug. 6 intervention by LaRouche Youth Movement organizers Betiana González and Rosina Castillo, against pro-drug Supreme Court justice Eugenio Zaffaroni during the opening session of the Soros-sponsored Latin American Conference on Drug Policy in Buenos Aires.

Rosina: George Soros is the most prominent international speculator — he's financing this conference —and given what you're doing, you should be thrown out of government; you shouldn't be there.

Zaffaroni: so you'll be in the government?

Rosina: You can kick me out of here, but now people will know what George Soros is, what the Dutch embassy is — and [the British] who kicked us out of the Malvinas. Do you think that you can defend human rights this way? In the middle of an economic crisis, what you're doing has nothing to do with human rights.

Zaffaroni: Now, be quiet. You've said enough, you've had your chance to speak.

Rosina: It may be enough for you, but Argentina is really suffering.

Betiana: You can kick me out of here, but now people will know what Soros is, what the Dutch Embassy is—and [the British] who kicked us out of the Malvinas.

Do you defend human rights? What human rights are you talking about when drugs cause addiction?

Zaffaroni: You already spoke!! Enough! When you're in power, you won't let us speak either.

Betiana: You can't shut me up! Drugs cause addiction, and a person who's addicted isn't free, so you're lying because the point is that drugs destroy



Argentina's LaRouche Youth Movement distributed 15,000 of the pamphlet pictured at left, over a four-day period intersecting the George Soros-organized "Latin American Conference on Drug Policy" held on Aug. 6-7 in Buenos Aires. Citizens and conference attendees snatched up the handout, whose front page reads "George Soros and his Imperial Masters: Narcos and Legalizers." It explains the British Empire's new Opium War against the Americas, and the role of the Nazi-trained Soros in it.

the mind, and all young people who drug themselves know very well that drugs destroy their ability to think. So legalization means menticide! Why is the British Embassy here? Why is Soros so interested in having Latin America legalize drugs? This is population reduction! They're worried that there are too many youth...they don't want them to think, or to have a future. This means killing the conscience of our youth, of our future.

We young people are not going to keep quiet. We aren't going to allow you to impose your pothead dictatorship, because that's what you're talking about—a dictatorship of the potheads.

by Aníbal Fernández, completely altered the academic dynamic that organizers had tried to create. They exposed the Anglo-Dutch and Soros hands that financed and organized the conference, and caused a media

storm that identified LaRouche's fight against the British Empire as the one whose outcome will determine whether Argentina, and the world, survives. And *that*, is London's worst nightmare. Why?

Argentina knows something about British imperialism, having been victimized by it since even before it declared its independence from Spain. There is fierce pride in the defeat by Spain's Río de la Plata colony of the 1806-07 "English invasions," which sought to wrest this wealthy region from Spanish control. The average Argentine understands better than most that the British Empire is the enemy, since it has manipulated the nation throughout its history into regional wars, internal conflict, and financial chaos to smash any display of nationalism.

The humiliation Argentina suffered at Britain's hands in the brutal colonial war in May 1982, after Argentina's military government took back the Malvinas Islands that Britain had illegally seized in 1833, is seared into national memory. Whatever the junta's motives, its action set off a wave of nationalism and pride throughout Ibero-America that so rattled British imperial and allied financial interests, that they vowed to make a "horrible example" of Argentina's defiance.

In the midst of this nationalist ferment, *EIR*'s Dennis Small traveled to Buenos Aires to bring LaRouche's message of support for the country, but also to remind them of the unique bond that united all the Americas, grounded in the principles expressed by John Quincy Adams' warning that the United States should not act "as a cockboat in the wake of a British man of war." Media interviewed Small, and LaRouche's name was all over the place, including his discussion of the American System of opposition to British free trade and slavery. In London and on Wall Street, financiers sweated, fearing that the Americas might free themselves from the Empire's grip.

Today, in the midst of a global financial crash that has caused economic and political upheaval across Ibero-America, LaRouche is once again in the Argentine media, warning that the drug slavery peddled by George Soros is British imperialism—and people are listening.

Menticide and Population Reduction

A recent poll shows that almost 54% of the population opposes drug decriminalization. At least seven Peronist governors who are the government's allies on most other issues, have stated they will not support this policy. The Catholic Bishops Council warns that in a society where the deadly crack-cocaine drug *paco* is de facto already legalized in urban slums, decrimi-

nalization is tantamount to "a policy of death." Indicating discord in the Supreme Court, Justice Carlos Fayt has called for a "period of meditation" before any bill is passed, to ensure that "no mistakes" are made.

Will Argentina's President, who is under fierce attack by British financial interests following her defeat in the June 28 midterm elections, listen to her own people?

As they made clear to the opening session of the drug conference, Argentine LYM members are determined that she will.

Aníbal Fernández had finished telling the audience that "the repressive policies contained in Argentine law over the last 20 years have failed," and promised that the government will ratify its "policy and position before all Latin America."

But fellow decriminalization advocate, Supreme Court justice Eugenio Zaffaroni, had barely opened his mouth before two LYM organizers, Rosina Castillo and Betiana González, accused him of promoting the British Empire's youth "menticide" and population reduction policies, with his promotion of drug legalization. Why are Soros and the British so interested in drugging all of Latin America, they asked. Why are they financing this conference? (See box.)

A flustered Zaffaroni tried to remove the two young women, who were applauded at various points by the audience. Reporters surrounded the two, filming their statements, and then followed them outside after they were finally removed by security. Outside the Congress, other LYM organizers wore sandwich signs depicting the cover of *EIR*'s bestseller *Dope, Inc.*, while "the Queen of England" told passersby how pleased she was that Argentina had lent its Congress to the drug legalizers.

Articles appeared in the electronic media and on radio stations, including an interview with Rosina Castillo run on Radio Mitre's popular hosted by Chiche Helbun, who commented that LaRouche obviously has "a strong presence in Argentina."

The daily *Clarín*, in an article entitled "Who Does the Group That Protested Against Zaffaroni Answer To?" reported that LaRouche "accuses the British Empire of being responsible for the world economic crisis and for being allied to the 9/11 attacks." Coverage appeared across the media spectrum. The establishment website Infobae posted a video showing the two LYM organizers' intervention against Zaffaroni.

Bill Clinton's Korea Success Enrages Obama

by Mike Billington

Aug. 7—As the Obama Administration disintegrates in the face of increasing popular outrage over the President's failed economic policies, former President Bill Clinton, with cooperation from Secretary of State Hillary Clinton, and others in the national security establishment, carried out a highly successful mission to North Korea. Clinton not only achieved the release on Aug. 4 of two Korean-American reporters, who had intruded into North Korean territory while making a film attacking the North Korean regime on behalf of Al Gore's company Current TV, but also potentially reduced the tensions that have been building between Washington and Pyongyang.

President Obama responded to the Clinton breakthrough with rage by reasserting his own antagonistic posture toward North Korea, undermining the potential for stabilizing the situation brought about by the Clintons—something that he could not achieve himself. A BBC dispatch Aug. 5 stated: "Speaking hours after former US president Bill Clinton had secured the release of two U.S. journalists during his surprise visit to Pyongyang, Obama told MSNBC that North Korea should not engage in 'provocative behavior. We have said to the North Koreans there's a path for improved relations and it involves them no longer developing nuclear weapons. We just want to make sure the government of North Korea is operating within the basic rules of the international community.'"

Lyndon LaRouche responded to Obama's reaction: "This is what I have anticipated the mentally unstable President Obama's predictable behavior would be, in reaction to the successful role of President Clinton in this matter. The genesis of this ugly reaction by President Obama reflects the aggravated mental-health condition he expressed in his enraged reaction to his failure of getting the U.S. to secure a virtual pre-adoption of the President's Nazi-modeled health-care policy. Obama's Nero-like mental disorders are now beginning to show more and more clearly, at the same time that his Administration has pushed the breakdown of the U.S. economy



Korean Central News Agency

President Clinton's successful intervention in Pyongyang follows Lyndon LaRouche's proposal that a high-level emissary be sent to Seoul, to engage North Korea in serious diplomacy. Clinton is pictured here with South Korean leader Kim Jong-il, during Clinton's visit there.

close to over the edge, into a global general breakdown crisis. One of the likely, Nero-like side-effects of such a mental breakdown of President Obama would be his targeting Secretary of State Hillary Clinton."

LaRouche had intervened into the escalating crisis on the Korean Peninsula two months ago, soon after North Korea conducted its second nuclear weapon test, by recommending to the Obama Administration that it acknowledge that, first, North Korea is certainly not going to launch a nuclear war, and second, that the U.S. should engage North Korea in serious diplomacy, by sending a high-level Presidential emissary to Pyongyang, someone at the level of Bill Clinton or Colin Powell.

North Korea, LaRouche said, "is in some phase of a leadership succession process, and the country is also facing famine and other forms of economic catastrophe. The challenge is to get them to open up, and for the U.S. to find out what the story is. . . . Ask them, 'What is your problem? Maybe we can help.' Diplomacy is all about getting the other side to tell you what they want. This is especially important when you have a relationship between a great power and a lesser power. Very often, aggressive behavior by a lesser power is aimed at getting help in solving a problem. So, the key to good diplomacy, under such circumstances, is to be generous. This will help you in the long-run."

Seoul and Pyongyang

Both North and South Korea are taking steps to ease

tensions and regain the positive momentum toward cooperation of the 1990s. The U.S., under President Clinton, had signed an “Agreed Framework” with Pyongyang in 1994, under which North Korea had shut down its nuclear weapons program, under IAEA surveillance, in exchange for energy and food aid from the U.S., South Korea, and others (including promised construction of two modern light-water nuclear power plants). The abrogation of the Agreed Framework by the Bush/Cheney Administration led to North Korea’s renewal of its nuclear weapons program, and the subsequent testing of two nuclear weapons.

South Korean President Lee Myung-bak, although he campaigned for President on a hard-line posture toward the North’s restored nuclear weapons program, has always promoted economic development as the basis for reconciliation on the Korean Peninsula—but, only on the basis that the North give up its nuclear weapons program. Over the month of July, however, Lee took steps to moderate his position, and to work with the U.S. State Department to ease tensions.

North Korea, too, despite the serious health problems of head of state Kim Jong-il, and the complex maneuvering over possible successors, has eased its position towards the South. The government in Seoul reported this week that the number of media attacks from the North against the Lee government decreased by 40% in July, while also diminishing in ferocity.

Also, the North Korean representatives to the UN in New York took the unusual step of calling on U.S. news networks to express the nation’s willingness to meet in bilateral talks with the U.S., with everything on the table.

In his Aug. 1 webcast, LaRouche was asked by a Russian diplomat about the apparent conflict between the foreign policy initiatives of the Clinton State Department, and the increasing irrationality of President Obama and his economic team. In response, LaRouche proposed that “We recognize that we have interests in a good relationship with the people of another nation, and several other nations, and therefore, we base ourselves on that commitment to good relations.”

Later, regarding the Clinton mission to North Korea, LaRouche noted that it would also benefit U.S. relations with Russia and China, and that it exemplified the primacy of nation-to-nation relations, between the institutions, even when the head-of-state is insane, as in the case of Obama.

mobeir@aol.com

Italy Debates Return to Mezzogiorno Development

by Claudio Celani

At the European conference of the Schiller Institute Feb. 21-22 in Rüsselsheim, Germany, there was a lively exchange between the German economist, Prof. Wilhelm Hankel, and an Italian participant, on whether Italy’s finances were more vulnerable than Germany’s in the crisis, or vice versa, each insisting that the other nation was in worse shape. Hankel’s argument was based on Italy’s notoriously high public debt; his Italian counterpart argued that Italy’s low corporate and family indebtedness more than offset the national debt.

Lyndon LaRouche intervened in the discussion to point out that the real weakness or strength of an economy is not measured in financial figures, but in physical terms. Thus, Italy’s historic weakness lies in the fact that its southern regions (each region is the equivalent of a U.S. state), the Mezzogiorno—Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily, and Sardinia (see map)—are not sufficiently developed. Only when the Mezzogiorno is lifted to the level of the highly industrialized northern regions, will it become possible to say that Italy has lost its vulnerability.

LaRouche has fought for the industrial development of Italy’s Mezzogiorno, since his first involvement in the country’s politics, in 1976. In the early 1970s, Italy was forced by the International Monetary Fund to cease state-directed investments in Southern Italy, and adopt a free-market approach. This was the condition attached to IMF loans which Italy urgently needed to bridge a serious current account deficit, as a result of the first oil crisis.

In discussions with leading members of Italy’s Christian Democratic Party (DC), LaRouche backed the resistance against dismantling the Cassa per il Mezzogiorno (Development Fund for the South), the agency founded in 1950, based on the model of the Tennessee Valley Authority; the Cassa had successfully designed and built roads, aqueducts, railways, and dams in Southern Italy for more than a decade.

Unfortunately, especially after the assassination of DC leader Aldo Moro in 1978, the Cassa and other elements of Italy's dirigistic policy were progressively dismantled, so that the gap between Northern and Southern Italy grew again. Since Italy's governments have financed Southern incomes through public debt, this has seriously unbalanced state finances.

The Mezzogiorno has 35.6% of the national population, but produces only 23.9% of GDP. In per capita-figures, the richest northern region produces EU37,000 per annum more than the poorest southern region.

Under the euro system, this weakness is covered up by the fact that the currency value of all EU members, including Italy, is supported by the German economy. However, the vulnerability of Italy's state finances remains the main potential trigger of a crisis in the European Monetary Union.

LaRouche Intervenes

Italy's long-term participation in a future system of regulated and fair economic relationships among sovereign nations, depends on its ability to solve the Mezzogiorno problem. Thus, in his speech before the Finance Committee of the Italian Chamber of Deputies June 17-18, Lyndon LaRouche reiterated that Italy must revive the successful approach of the Cassa per il Mezzogiorno, from 1950 to the early 1970s.

A few weeks later, a national debate broke out on the Mezzogiorno issue, and the idea of reviving the Cassa was picked up and proposed by Economics and Finance Minister Giulio Tremonti. Currently, the government is drafting plans to set up a new agency, similar to the Cassa, which shall draft and implement infrastructure projects with a unified approach for the Mez-



NASA

Courtesy of Stretto di Messina SpA

The long-delayed Messina Bridge (shown here in an artist's conception), which will connect the island of Sicily with the Italian mainland, if integrated with high-speed transport networks, will help to uplift the entire Mezzogiorno. The satellite map shows the location of the Strait of Messina, where the bridge will be located.

zogiorno as a whole. Surprisingly, Tremonti's proposal has generated more support than opposition, marking a phase-change in Italian politics.

This has to do with the fact that the world crisis has not only shown the failure of globalization, but also the failure of domestic free-market policies.

Thus, the situation was ripe when, on July 16, a think tank called Svimez (Association for the Industrial Development of the Mezzogiorno) presented its yearly report. Among other things, Svimez exposed the fact that, whereas other underdeveloped regions in the European Union have had a nominal average growth rate of 3% in recent years, the Mezzogiorno has grown at a

pitiful nominal 0.3% rate; moreover, in recent years, 700,000 Italians have emigrated from the South to the North, in order to find jobs.

The Svimez report coincided with political turmoil among some Southern politicians, like Sicily’s Gov. Raffaele Lombardo, who threatened to split from the government majority and create an independent “Southern party.” All this created the opportunity for the government policy shift.

Nino Novacco, chairman of Svimez, who belongs to the group that founded the Cassa per il Mezzogiorno in 1950, told *EIR* that he agrees that there is a phase shift. Things that were demonized, e.g., state dirigism, are now looked at as the angel that can help solve Italy’s problems.

Novacco warns that if Italy fails to revive the Cassa per il Mezzogiorno policies, the country will be threatened with breakup. The reason is simple: Italy is moving towards a federalist system, i.e., more power will be shifted from the central government to regional authorities, including decision power over investment policies. If this is not countered by “extraordinary” action that places the central government in charge of large-scale infrastructure development, national unity will be threatened, Novacco says. A revival of the Cassa per il Mezzogiorno, in the form of an agency for “extraordinary” interventions, can prevent the breakup.

The Cassa per il Mezzogiorno was established precisely to carry out “extraordinary interventions,” which regional and local communities could not perform, either for lack of adequate funds, or for lack of a global overview.

The Cassa performed brilliantly, following this ap-



ITALY

The Mezzogiorno:
Abruzzo, Molise,
Campania,
Puglia, Basilicata,
Calabria, Sicily,
and Sardinia
regions.

The Mezzogiorno (shaded area) has remained underdeveloped, as the North of Italy became highly industrialized. Economics Minister Giulio Tremonti and Lyndon LaRouche have called for a crash program to develop the entire region.

proach, until, in the early 1970s, the decision was taken to abandon its unified approach, and instead, perform a myriad of “ordinary interventions,” i.e., build the local road, the local school, etc. The decision-making center moved to local authorities who “tended and still tend to operate not on the basis of an approach of voluntary geography,” Novacco says, “but, on the basis of the demand from the existing economy and markets.” This could work in a situation where there was already growth, such as in Northern Italy, but not in the Mezzogiorno.

Eventually, the Cassa became a synonym for “clien-

telism,”¹ and was dissolved in 1993, as part of the famous “Britannia coup” that destroyed the post-war political system.²

Infrastructure Corridors

Under a free-market regime, the Mezzogiorno was abandoned, and even the opportunity offered by the Trans-European Corridors was not promptly taken. The corridors are still valid, as guidelines for infrastructure corridors to integrate the Mezzogiorno with Northern Europe, and to become the bridge to Africa. “This project is consistent with LaRouche’s concept of the Eurasian Land-Bridge,” Novacco said. He then described the European corridors: “The vertical Corridor 1, from Berlin to Palermo, which means an historic opening to North African countries, and maybe towards the hypothesis of a tunnel under the Channel of Sicily,” i.e., between Sicily and Tunisia; “the horizontal Corridor 5, going from Spain to Lyon, to Budapest, and to Russia, which means a key opening toward eastern and north-eastern Europe; and the southern Corridor 8, planned to connect Italy to Albania and Bulgaria, which means an important opening, including in regard to oil, with the Balkans and towards Turkey and the Middle East, including the Islamic world.”

In this context, the Messina Bridge (to connect Sicily with mainland Italy) which the government is determined to build, makes sense, if integrated with high-speed transport networks that include Sicily itself. “It is not simply the fact that to cross a bridge is faster than taking a ferry: Everything changes.”

In this new phase, the momentum has been built for establishing new institutions for development in Italy. Tremonti’s collaborators have characterized the initiative as “a Marshall Plan” for Southern Italy and a “choice of very strong discontinuity with the past.”

Whereas the change of policy is clear (“First we talk about things, and then, we talk money”), the issue of credit has not yet been solved. The new agency, in fact,

shall manage EU funds which are allocated until 2013. After that, the EU establishes the new regime, by which an underdeveloped area is defined as such, if its income is less than 75% of the EU average. With the enlargement of the European Union to 27 members, the “average” standard has collapsed, so that the Mezzogiorno is no longer “underdeveloped.”

However, earthquakes are going to shake the world economy in the short term, and the EU might no longer even exist by next year. Sooner or later, a full return to a state-generated, sovereign credit system, is inevitable.

French-Italian Joint Venture for Nuclear Energy

Aug. 4—The French and Italian state companies, Areva and Enel respectively, yesterday signed a deal to establish a joint venture for nuclear energy development in Italy. The agency will be called Sviluppo Nucleare Italia (SNI), and will draft feasibility studies for four 1.6 GW plants to be built, starting as early as 2012. The technology used will be the French EPR reactor. The chairman and deputy chairman of SNI will be French; the CEO will be Italian. SNI will be based in Rome.

Italy is now one step closer to a nuclear energy revival, after the infamous 1987 decision to destroy its advanced nuclear energy system. The next step will be to choose the three sites for the four plants, but according to Enel engineers quoted in the media, “sites have already been chosen, but nobody will tell you [where], not even under torture.”

The government is seeking ways to prevent the program from being blocked by anti-nuclear hysteria induced by Prince Philip’s anti-nuclear mobs in the local communities, and has moved to put the whole nuclear program under control of the military. Thus, it is reported that a new commercial agency set up by the Defense Department will manage and lease the nuclear sites.

1. “Clientelism” refers to a form of social organization, especially common in developing regions, in which powerful, wealthy “patrons” promise to provide relatively powerless and poor “clients” with jobs, protection, infrastructure, and other benefits in exchange for votes and other forms of loyalty.

2. The “Britannia coup” refers to a secret meeting held on June 2, 1992 aboard Queen Elizabeth II’s yacht *Britannia*, during which leading Anglo-Dutch financial and banking executives met with their Italian counterparts to plot the privatization of Italian State-owned companies and their sale at rock-bottom prices.

India Seeks China's Help To Fight International Climate Change Mafia

by Ramtanu Maitra

Aug. 6—The Indian Minister of State for Environment, Jairam Ramesh, said on July 31 in New Delhi, that he was going to Beijing in the last week of August, to discuss the stand of developing countries on the UN Framework Convention on Climate Change (UNFCCC). He was releasing a booklet that puts together the submissions that India has recently made to the negotiations, in the run-up to the week-long 192-nation climate summit in December in Copenhagen. “India considers China its most important ally in the Copenhagen negotiations,” he added.

The visit will follow the next round of negotiations—to start in Bonn on Aug. 10—for a deal in Copenhagen. Ramesh said that he would also go to Brazil and South Africa, in an attempt to forge a common position of major developing countries.

It was evident from the outset that, like the proponents of the World Trade Organization's diktats, the international “climate change” mafia is using the climate change platform to undermine the sovereign rights of nations, by imposing a global monitoring outfit that would not only oversee what these nations do contextually, but would handcuff their domestic political and social processes. More than 75% of the world's population lives in developing countries where such basic amenities as clean water, electrical power, basic health care, and universal education are not available to many. In other words, the global mafia is trying to put into law a hoax that will exacerbate poverty, create social chaos, and lead to the deaths of millions in many developing nations.

It is understood in China and India, in particular, that application of advanced technology reduces many types of pollution. What the developing nations have needed for decades, and particularly now, is large-scale generation of electrical power, mostly based on nuclear fission. Large-scale infusion of clean nuclear power would not only meet the domestic commercial and industrial requirements, but it would help relieve the

water scarcity problems in coastal areas. Desalination of saline and brackish water, using the nuclear steam supply system, could meet the domestic commercial and industrial requirements of all coastal nations. High-density electrical power, which nuclear power plants supply, would allow electrification of railroads, and thus speed up transportation of bulk materials and passengers. Electrical power also plays a major role in the present agricultural technologies, as it enables bulk production of basic fertilizers. In addition, developing nations need high-yield seeds to enhance productivity. But, that requires adequate water, and the electrical power can ensure that water supply.

While the nuclear goal is not immediately reachable, what these two nations can do—for themselves and all other developing countries—is to block the environmentalist genocide agenda, which includes both the pseudo-scientific hoax of “global warming” and opposition to nuclear power. According to the gaggle of international “climate change” hysterics, the success or failure of the summit depends heavily on China and India—the two most populous nations now in the process of developing their domestic economies and bringing minimum relief to hundreds of millions of people, stricken with poverty and living without access to basic physical infrastructure.

Fear of China and India Bolting

But the fear of both China and India saying “no” to the climate change agenda has energized its proponents to attempt to split the potential alliance between the two nations. At the G8/G5 heads of state summits in L'Aquila, Italy in July, pressure was exerted by the U.K.-U.S.-led climate change gang on the heads of state of both India and China to play ball. However, the pressure failed to yield a consensus on climate change. The climate change gang made clear that they believe a breakthrough will be made before or during the cru-



U.S. State Department/Torrey Goad

Indian Minister of State for Environment Jairam Ramesh welcomes U.S. Secretary of State Hillary Clinton to India, July 19. He told her that India won't bend to foreign demands for caps on its carbon emissions.



Agencia Brazil

Indian Prime Minister Manmohan Singh, returning from the G8 summit in July, said that he would resist pressure on India regarding climate change. "I have put India's views on this before other countries'."

cial summit in Copenhagen.

During the flight back to India from L'Aquila, Indian Prime Minister Manmohan Singh told journalists: "There is a lot of pressure on India and China on the issue of climate change. We have to resist it. I have put India's views on this before other countries.

"We recognize our responsibilities by way of mitigation and adaptation. I presented India's climate action plan—national mission—and we are willing to do more if there is an arrangement to provide additional financial support as well as technology transfers from the developed to the developing countries, to ensure clean, sustainable development can really become an effective instrument for strengthening strategies for climate change."

Earlier, in L'Aquila, Manmohan Singh's special envoy on climate change, Shyam Saran, told reporters that "there is an important political message from the G5 to the developed countries, that they have to commit to reducing emission targets by 2020." The G5—India, China, Brazil, South Africa, and Mexico—is suggesting that at least 1% of the GDP of developed countries should go towards checking alleged climate change.

While the Indian Prime Minister and his envoy were diplomatic in not wishing to get their opponents too angry, Minister of State for Environment Ramesh came

out swinging when he told the visiting U.S. Secretary of State Hillary Clinton, in mid-July during a conference on climate change in Gurgaon, near New Delhi, that "India won't bend to demands from the Obama Administration or threats from the U.S. Congress to adopt legally binding caps on its carbon emissions."

"There is simply no case for the pressure" the U.S. is exerting, considering that India produces among the lowest per-capita emissions in the world, Ramesh told Clinton. "As if this pressure was not enough, we also face the threat of carbon tariffs on our exports to countries such as yours," Ramesh said, referring to a climate-change bill

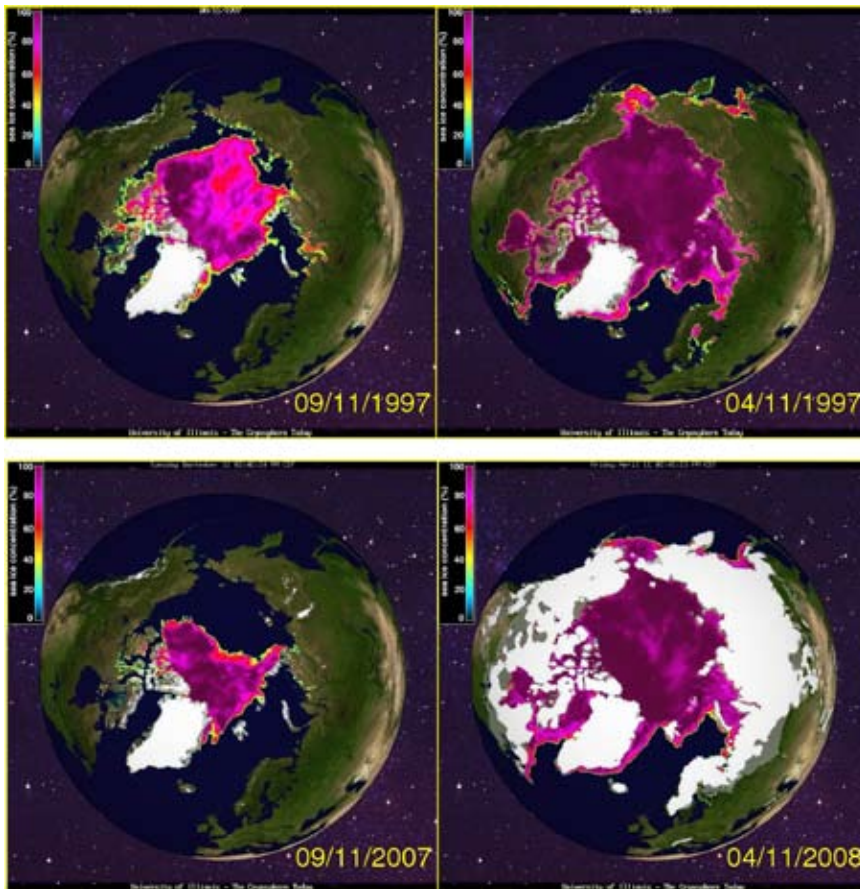
passed by the U.S. House of Representatives on June 26, which imposes tariffs on exports from countries that refuse to adopt greenhouse gas controls by 2020. Any such U.S. "legally binding" emissions targets won't be acceptable for India, Ramesh added. "It's going to be impossible to sell in our democratic system."

Ramesh also told Clinton that India's position on the climate talks has been misstated by some sections of the Western media: "We are not defensive, we are not obstructionist, and we want an international agreement in Copenhagen." But India "simply is not in a position to take on legally binding emissions reductions targets."

The Copenhagen Agenda

According to Yvo de Boer, executive secretary of the UNFCCC, the four essential elements of an international agreement in Copenhagen are:

1. How much are industrialized countries willing to reduce their emissions of greenhouse gases?
2. How much are major developing countries such as China and India willing to do to limit the growth of their emissions?
3. How is the help needed by developing countries to engage in reducing their emissions and adapting to the impacts of climate change going to be financed?
4. How is that money going to be managed?



<http://arctic.atmos.uiuc.edu/cryosphere/>

Source: National Center for Environmental Prediction/NOAA.

The fraud of the “climate change” mafia: These satellite images show the Arctic regions over the recent 11 years (on each image, North America is on the left, Eurasia on the right; Alaska and the Aleutian Islands, as well as Siberia and the Kamchatka Peninsula, are at the top). The white areas are solid ice cap; the black areas are ice-free ocean; the purple areas are sea ice of varying thicknesses. The images from 1997 show a much warmer climate than today, due to the effects of that year’s El Niño. The 2008 data shows very widespread ice pack. For daily images and animated graphics, see the website cited above.

Developing countries, including China and India, have made clear that it is the responsibility of wealthy industrialized nations, such as the U.K. and U.S., to set a clear example on cutting carbon emissions. In April, Secretary Clinton acknowledged the role the U.S. had played in past climate emissions, at a gathering of officials from the world’s 17 largest economies. She said the United States was “determined to make up for lost time both at home and abroad.” Denmark’s Minister for Climate and Energy, Connie Hedegaard, had warned on that occasion that American leadership on climate change would be undermined if the Obama Administration did not swiftly secure passage of laws to reduce carbon pollution. This could be one reason why in June,

the Obama Administration steamrolled the cap-and-trade bill through Congress.

Another sticky issue at Copenhagen will be burden-sharing by all nations on greenhouse gas emissions. Opposition to this has already been vocalized by New Delhi. The climate changers, and their backers within the scientific community, estimate that the “world must cut its emissions by 80% compared with 1990 levels to limit global warming to a 2°C average rise.” It is almost certain that very few nations will be willing to share what they consider an irrational burden. For instance, the Chinese government argues that it has a moral right to develop its economy, and carbon emissions will inevitably grow along with that. There is also the issue of industrialized nations effectively outsourcing their own carbon emissions to developing nations such as China. This is a consequence of huge quantities of carbon-intensive manufacturing taking place in China on behalf of buyers in the West. China wants consumer countries to take responsibility for the carbon. India’s position is not different from China’s on “burden-sharing.”

Undermining China-India Cooperation

In order to undercut a combined opposition against the climate change agenda at Copenhagen, the United States has kept China engaged in its efforts to secure a consensus on the climate change issue. During July 27-28 bilateral talks, the first round of the China-U.S. Strategic and Economic Dialogue, in Washington, the sides agreed to conduct more consultations on climate change in the future, so as to boost the overall relationship between the two nations.

“The two sides have further increased cooperation on the issue at the dialogue, which is very successful,” Xie Zhenhua, vice minister in charge of China’s National Development and Reform Commission (NDRC), the top economic planning agency, told Xinhua news service in

an interview at the sidelines of the dialogue. China and the United States signed a Memorandum of Understanding (MoU), which called for an ongoing climate policy dialogue and expanded cooperation in energy efficiency, renewable energy, smart grid technologies, electric vehicles, and carbon capture and sequestration.

During the talks, it was evident that neither China nor the United States was abandoning its position vis-à-vis the Copenhagen conference. “China indicated that the Copenhagen conference must stick to the basic framework of the Convention and its Protocol, strictly subject to the mandate of the Bali Roadmap, and intend to determine the key issue of the mid-term quantified substantial emission reduction targets for developed countries,” Xie told Xinhua.

Xie also pointed out that both the United States and China recognized that there are huge difference between the two countries in terms of national circumstances, stage of development, historic responsibility, and capabilities, and agreed that they should pursue active policies on climate change according to their respective responsibilities and capabilities.

Uneasiness in New Delhi

The China-U.S. bilateral dialogue on climate change has worried many in India. They are uneasy about the prospect that India could be isolated at Copenhagen. Jairam Ramesh’s statement that he would visit Brazil and Africa did not generate much hope. Brazil, eager to convert its vast sugar production capacity to the production of ethanol, will remain at best a weak supporter of India at the climate change conference, some say.

In New Delhi, Minister Ramesh was confronted by the local media, which pointed out that China and the United States have signed a bilateral treaty to combat climate change, and that this development will undermine India’s efforts to join up with China at the climate talks. But Ramesh dismissed such fears saying, “There is nothing to worry about in the China-U.S. deal. What countries do bilaterally has nothing to do with multilateral negotiations.” “And this [multilateral agreement] is quite apart from the bilateral agreements, which we may also have with the U.S.,” he added.

But senior Indian economists, such as Rajiv Kumar, director of the New Delhi-based Indian Council for Research on International Economic Relations (ICRIER), pointed out in a recent article that the Chinese “have signed an MoU that is long on bilateral cooperation, yet gives them sufficient freedom in the ongoing negotia-

Dr. Edward Teller was the first of thousands of American scientists to sign this petition on the fraud of global warming.

tions.” By contrast, without a written agreement, India’s expectation that China will lend support to its stance could prove unfounded, leading to isolation of India at Copenhagen.

Indicative is that U.K. Minister of Energy and Climate Change Ed Miliband was in Brazil recently. During Miliband’s visit to São Paulo, the president of the São Paulo Sugarcane Agroindustry Union (Unica), Marcos Jank, pointed out that the emission of approximately 600 million tons of carbon dioxide had been prevented since the implementation of the ethanol program in Brazil, in the mid-1970s. The figure is equivalent to the planting of 6 billion trees in 20 years.

Miliband showed particular interest in the possibility of energy co-generation (bioelectricity) during the production process, through the burning of cane straw and bagasse, as well as in the possibility of producing second-generation ethanol. The reduction of greenhouse gas emissions, alongside ethanol production and consumption, has been attracting increasing interest from the government of United Kingdom, Miliband added.

But despite the British efforts, the objective of both China and India at Copenhagen should be to expose the shenanigans put forth in any proposed multilateral document, and block ratification of any such miserable hoax. They should make clear that the developing nations are in dire need of economic improvement, and will not be tied down by any global monitoring agency trying to undermine their developmental efforts. Blocking this effort to stop developmental efforts under the pretext of climate change should be the sole agenda of both China and India.

Editorial

The Revolution Is Here!

Forget the polls, and all the media blather. The American people have begun to make the truth known in the streets: They no longer accept their Congress and their President. A period of revolutionary ferment has begun. The question of what kind of revolution will occur, has still to be determined.

The dynamic now being expressed in popular rage against Congress, and the President, is a true mass phenomenon, something which has not been seen in the United States for many decades. The American people are convinced that this government is *out to kill them* under its health-care policy—not to mention its economic policy. They have no trust or respect for any Member of Congress who votes for any of Obama's legislation—nor for him and his murderous advisors.

Most importantly, they are right.

And because they are right, Members of Congress—from all parties—are fleeing from this reality, out of their own sense of guilt and culpability. They are going into hiding from the constituents who elected them as recently as last Fall.

We have gone beyond a question of party, or formal organization. It's not just Democrats who are being roasted—all politicians are the target of hatred, because they have failed to defend the people. People are gathering to lambaste their Congressman if they happen to see him or her on the street. And the only way they are going to be satisfied, is if leadership takes over which addresses, and redresses, the actual cause of their rage.

There is only one source of that leadership today, and that is Lyndon LaRouche and his political movement. LaRouche is the living voice of the American Revolution, the only individual with the solution to the existential crisis which is now

feeding the revolt. On Aug. 8, he enunciated again what must be done:

“Cancel the bailout!! Give us back the \$25 trillion! Put this thing in bankruptcy, bankruptcy reorganization! Save the old style banking system, the commercial banking system. Go back to before Larry Summers. This is the action that must occur now!

“We want this action now. Stop the bullshit. Congress is in hiding. Members of Congress are a bunch of cowards, in hiding because they're conscious of the crimes they've committed against the people. The President is in hiding, because he can't be assured of any audience that wouldn't hate him! And he really deserves that.

“You've got to take these guys, the President's advisors on health care, get them out of here! Make them disappear! Make them go away! Get their resignations immediately. Restore the health-care policy of our previous period. Put this thing through bankruptcy reorganization. Cancel the bailout, save the commercial banks, even if we have to protect them in bankruptcy. Stop evicting people, put a freeze on evictions! Suspend evictions and foreclosures.”

There is an alternative to following LaRouche's leadership, one that the British imperial sponsors of the Obama Administration prefer. That would be to take the road of the French Revolution—paving the path to a bankers' dictatorship. Chaos, collapse, mayhem—these are the mix which British Empire used to bring Napoleon Bonaparte to power, and destroy their rival France—the same thing they would like to do against the U.S. today.

Our job is to escalate the true *American* revolutionary tradition by spelling out LaRouche's prescription for what must be done to save our nation. The time is ripe.

See LaRouche on Cable TV

INTERNET

- BCAT.TV/BCAT Click BCAT-2 Mon: 10 am (Eastern Time)
- LAROCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- MNN.ORG Click *Watch Ch.57* Fri: 2:30 a.m. (Eastern Time)
- QUOTE-UNQUOTE.COM Click on *Ch.27*. Tue. 6 pm (Mtn.)
- SCAN-TV.ORG Click *Scan on the Web (Pacific Time)*. Ch.23: Wed. 7 am Ch.77: Mon. 11 am
- WUWF.ORG Click *Watch WUWF-TV*. Last Mon 4:30-5 pm (Eastern)

INTERNATIONAL

THE PHILIPPINES

- MANILA Ch.3: Tue 9:30 pm

ALABAMA

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

ALASKA

- ANCHORAGE GCI Ch.9: Thu 10 pm

CALIFORNIA

- CONTRA COSTA CC Ch.26: 2nd Tue 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 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
- ORANGE COUNTY (N) TW Ch.95/97/98: Fri 4 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
- NORWICH CC Ch.14: Thu 7:30 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 CC Ch.99; FIOS Ch.42: Tue & Thu: 10 am; Fri & Sat: midnight
- P.G. COUNTY CC Ch.76 & FIOS Ch.42: Wed & Fri: 6 pm
- MONTGOMERY COUNTY CC/RCN/FIOS Ch.21: Tue 2 pm

MASSACHUSETTS

- 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
- SHELBY TOWNSHIP CC Ch.20 & WOW Ch.18: Mon/Wed 6:30 pm
- WAYNE COUNTY CC Ch.16/18: Mon 6-8 pm

MINNESOTA

- ALBANY AMTC Ch.13: Tue & Thu: 7:30 pm
- CAMBRIDGE US Ch.10: Wed 6 pm
- COLD SPRING US Ch. 10: Wed 6 pm
- COLUMBIA HEIGHTS CC Ch.15: Tue 9 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 6 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: Wed 9:30 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

- BOULDER CITY CH Ch.2: 2x/day: am & pm
- WASHOE COUNTY CH Ch.16: Thu 9 pm

NEW HAMPSHIRE

- CHESTERFIELD CC Ch.8: Wed 8 pm
- 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 Windsors Ch.27: Mon 5:30 pm
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY CV Ch.15: Thu 11:30 pm
- UNION CC Ch.26: Irregular

NEW MEXICO

- BERNALILLO COUNTY CC Ch.27: Tue 2 pm
- LOS ALAMOS CC Ch.8: Wed 10 pm
- SANTA FE CC Ch.16: Thu 9 pm; Sat 6:30 pm
- SILVER CITY CC Ch.17: Wed 8-10 pm
- TAOS CC Ch.2: Thu 7 pm

NEW YORK

- ALBANY TW Ch.18: Wed 5 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 RCN Ch.83: Mon 10 am FIOS Ch.43: Mon 10 am
- BUFFALO TW Ch.20: Wed & Fri 10:30-11pm
- CHEMUNG/STUEBEN 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.56: 4th Sat 2 pm RCN Ch.85: 4th Sat 2 pm
- QUEENSBURY TW Ch.71: Mon 7 pm
- ROCHESTER TW Ch.15: Sun 9 pm; Thu 8 pm
- ROCKLAND CV Ch.76: Tue 5 pm
- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Mon & Thu Midnite. TW Ch.34: Sat 8 am
- 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
- WEST SENECA TW Ch.20: Thu 10:35 pm

NORTH CAROLINA

- HICKORY CH Ch.6: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Sat/Sun 11 pm

OHIO

- AMHERST TW Ch.95: 3X Daily
- 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

PENNSYLVANIA

- PITTSBURGH CC Ch.21: Thu 6 am

RHODE ISLAND

- BRISTOL, BARRINGTON, WARREN Full Channel Ch.49: Tue: 10 am
- EAST PROVIDENCE CX Ch.18; FIOS Ch.25: Tue: 6 pm
- STATEWIDE RI INTERCONNECT CX Ch.13; FIOS Ch.32 Tue 10 am

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: Mon 6 pm, Tue 4:30 pm, 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.69 & FIOS Ch.38: Tue 9 am
- CHESTERFIELD COUNTY CC Ch.17; FIOS Ch.28: Mon 1 pm
- FAIRFAX CX & 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.77: Mon 11 am, Wed 7 am BS Ch.23: Mon 11 am, Wed 7 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

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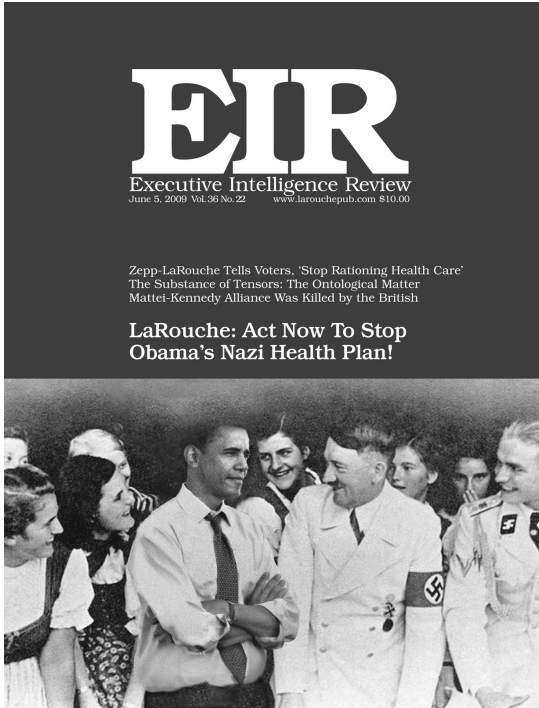
MC=MediaCom; TW=TimeWarner; US=US Cable. FIOS=Verizon FIOS-TV.

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