

# EIR

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Goldman Sachs Debacle Raises Questions About the BRIC  
Will Netanyahu Trigger World War III?  
Monetary Value Has Nothing To Do with Human Value

## LaRouche: Free Russia from The Pirates of the Caribbean!



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# The Banking System Has Already Collapsed!



**“There is no possibility of a non-collapse of the present financial system—none! It's finished, *now!*”**

**—Lyndon H. LaRouche, Jr.**, webcast, July 25, 2007

**Unless the Homeowners and Bank Protection Act “is enacted as a first order of business of the 110th Congress in September [2007], many millions of Americans will be evicted from their homes.... The foreclosure tsunami is occurring, not as a result of a mere housing or mortgage crisis, but a disintegration of the entire global financial system.”**

**—EIR Editorial**, Aug. 31, 2007

**“My view of the economy is that the fundamentals are strong.”**

**—President George W. Bush**, Dec. 20, 2007

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e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)

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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](mailto: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](mailto: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

Since March 2007, when Lyndon LaRouche first called for the formation of a Four-Power alliance of the world's largest nation-states—the United States, Russia, India, and China—to replace the bankrupt global monetary system, London has pulled out all the stops to make sure that *never* happens. Adam Smith's epistemological descendants know very well that if LaRouche's solution succeeds, the power of the British Empire will be wiped out.

In this issue, we present aspects of both the British long-term and shorter-term strategies.

With the United States being the British oligarchy's principal target, they made sure that a man they could control, Barack Obama, was elected President of the United States. He proceeded to implement London's policy of continuing Bush's Wall Street bailouts, and then the NICE British imitation of Hitler's euthanasia directive, otherwise known as "health-care reform."

Another new President was also elected in the Fall of 2007, Russia's Dmitri Medvedev, and he became an immediate target. Through the good auspices of their friends at Goldman Sachs, the British created the BRIC (Brazil, Russia, India, China), using Brazil to steer the other three powers away from potential collaboration with the United States (see *Economics*).

At the same time, as LaRouche demonstrates in his *Feature* on "The Pirates of the Caribbean," Britain activated its agents and agents of influence inside Russia—the same crowd of monetarists that grabbed control of the disintegrating U.S.S.R., looting it to the bone. Now, one member of this grouping—whether knowingly or not—has been deployed directly against LaRouche's growing influence among certain leading American economists.

Will the British strategists succeed? Promising signs are that Sen. Chris Dodd's phony bill for "regulating" Wall Street to the benefit of Wall Street is now a dead letter, and corrupt Goldman Sachs executives are being hauled before a modern equivalent of FDR's Pecora Commission. Our *Editorial* sets the agenda for what's required: a global Glass-Steagall.

LaRouche will address these and other matters at his next webcast, on May 8, at [www.larouchepac.com](http://www.larouchepac.com).



## Cover This Week

*The pirates of the Caribbean close in on Russia.*



EIRNS/Alan Yue

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By Lyndon H. LaRouche, Jr. Arkadi Dvorkovich, the chief advisor on economics to the President of Russia, Medvedev, is a British agent of London's Inter-Alpha Group, which has a death grip on Russia today. Dvorkovich came to United States to intervene against LaRouche's work with economists here. Dvorkovich represents the continuation of the British influence on Russian economic policy, going back to Marx and Engels, which today, is preventing Russia from playing a key role in the LaRouche-proposed Four-Powers alliance to rebuild the collapsed global economy.

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THE CASE OF ARKADI V. DVORKOVICH

## Free Russia from the Pirates of the Caribbean!

by Lyndon H. LaRouche, Jr.

*Lyndon LaRouche gave this briefing to associates on April 24.*

What I have to say about the subject of today's events, which pertain to our "dear friend" from Russia, Arkadi Dvorkovich, who visited California recently, is not to assume more about him, than I actually say. I am merely sticking to the facts of what he did, the essential facts, and to the implications of those facts, as they reveal a crisis which is building up, internationally, not only from Russia, but also, *in* Russia.

As I have often said, quoting a famous film, which I like very much, what I shall say here, should come under the heading, "Die Hauptsache ist der Effekt, 'tschicke, tschicke, tschicke, tschick'!"<sup>1</sup> And that's the way we should approach it.

Now, what we have on hand, as demonstrated by the remarks, the visit of the gentleman in question to the United States, recently, is what I'm basing this on, and what I know of the historical implications of that. As in most cases of this type, it is the historical implications, often going back several generations, or longer, which must be taken into consideration, to understand anything. In particular, you have to take into account the

history of Russia since Peter the Great. And if you're not looking at history against the comparable background, of the position of Russia in Europe, and in the world, since the reign of Peter the Great, you really don't have the background for understanding anything about what I'm going to say now.

### Strategic Incompetence

This gentleman came to California, to address the Stanford group, as we call them, and to present them with a load of bullshit. Not only is it a load of bullshit, which would not require much comment—simply to say it's there, or bury it, or something like that—but it has strategic implications, because he is, officially, a key advisor to the President of Russia. And what he says, in his writings, as in his activities here, shows a sheer incompetence of a type I understand—which is presently a threat to civilization coming from the corruption that his remarks represent, or typify, inside Russia's policy.

In other words, what he proposes, implicitly, by his arguments at Stanford and elsewhere, and by his record (not as a chess player, but on other grounds), is a threat to civilization today. Because if Russia were to continue with the policies which he advocates, and policies which are addressed to a kind of evil centered in the Caribbean, the Antilles, where all the Russian big industries are located, on small islands—and they don't

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1. "The main thing is the effect," a song from the 1960 musical comedy *Das Spukschloss im Spessart* (*The Haunted Castle in the Spessart Mountains*).

produce anything, therefore all they have is paper and electronics, and therefore they don't have any product. So, they manage a non-product, which is a surrogate for bullshit, which is what the basis of Russian foreign policy is, to a large degree, today.

Now, considering the significance of Russia, that together with China, and India, and the United States, it represents the only hope for the rescue of the United States, and the world, from the greatest crisis in modern history, which is now coming down: We're now at a point in history at which we can expect, within either weeks, or, at most, months, under the present trend, we can expect a collapse of the entire global civilization, which will start in the trans-Atlantic region, and will spread rapidly to a thus-made-vulnerable Pacific region.

In other words, if Europe and the United States go down, Russia will go down, immediately. If Russia goes down, then, in due process, China and India and other countries will also go down. And the whole planet will go into a dark age, which will extend for generations, under which conditions you may expect that the British ambition of reducing the world population from 6.8 billion people to less than 2, will be realized as a result of these developments.

These developments are *current* developments. They're currently ongoing developments. They're developments which will determine the history of mankind very soon, and for a long period



Presidential Press and Information Office  
*Presidential advisor Arkadi Dvorkovich (left) with Russian President Dmitri Medvedev, December 2009. Dvorkovich, said LaRouche, "is totally owned by the British, intellectually." He was spotted recently at Stanford University, counterorganizing against LaRouche.*

of time. So we have to approach these matters in this way.

## The Soviet Union Since the Death of FDR

The history of this goes way back, as I said. My history in this goes way back. It goes back to World War II, the end of World War II, and the death of Franklin Roosevelt. Look at the whole story I lay out here, from that standpoint of reference.

Roosevelt's intention, as he said repeatedly, and demonstrated otherwise repeatedly, was to complete the destruction of the Hitler dictatorship, as a temporary, nominal ally of the British, but determined to destroy the British Empire as quickly as possible, beginning immediately

at the end of the war. Roosevelt stated this policy; it was his policy, and so forth, and that's where it stood.

The moment that he died, many changes occurred simultaneously. Roosevelt had intended that he would build a postwar development, by using the very large productive potentiality, which had been mobilized largely for the war effort, as an industrial and related effort, a scientific effort. What happened is, with his death, beginning the morning of his death, instead of what Roosevelt had intended: to use the productive capability that we had mobilized for the war, by converting the war element of that to increase of the productive forces of the world, and in that process, to liberate all nations from colonial suppression; and to destroy,



*Peter the Great (1672-1725), although "not the greatest man that ever lived, morally," collaborated with German scientific genius Gottfried Leibniz to foster the development of Russia. Engraving by G. Dupont after the original painting by Hyppolyte Delaroché (1838).*



*Josef Stalin and Franklin Roosevelt at Yalta, February 1945. FDR was at pains to stress to his subordinates that the enormous amount of aid that the U.S. had been supplying to the U.S.S.R. during the war must continue on the same scale, to rebuild the devastated country after the peace.*

specifically, the British Empire and everything that resembled and was sympathetic to the British Empire. That was Roosevelt's policy.

On the day he died, there was a fundamental change.

On the day before he died, the Roosevelt policy was a policy of trying to build up China, and to work with Russia, as keystone allies of a project of recovery of the world, and the development of a world free of colonial and similar kinds of atrocities. There was never any intent, from Stalin's side, of a war against the interests of the United States, but quite the contrary. Stalin's government was depending upon cooperation with the United States, to rebuild a war-torn Russia, as well as other things.

FDR's intention was to create a United Nations which would be a process of liberating all colonial, and semi-colonial victimization of the world, as a form of world representation, as the United Nations, to create a world which was free of the vestiges of imperialism, specifically, British or Anglo-Dutch liberal imperialism.

On the day that Roosevelt died, this changed. Immediately, Truman, under the direction of Churchill, moved *toward war*. And took every policy of Roosevelt,

which had been to *free* nations which had been colonized, or semi-colonialized, to free them and assist them in economic development which would make that freedom real. On the day that Roosevelt died, or after he died, Truman submitted, almost sodomically, to Churchill, and the policy was changed. Immediately, the United States policy was a commitment to support the British and Churchill in restoring British and Anglo-Dutch imperialism worldwide.

At the same time, something was already steaming at that point, immediately after the death of Roosevelt: the intention of a *war posture* against the Soviet Union.

This was the cause of everything that happened since the death of Roosevelt, this change in policy.

So now, we have a problem. We have a problem inside Russia, which I refer to here, an intellectual problem, a political, moral, intellectual problem, which is typified, but not rooted, entirely, in Karl Marx. Marxism has two significances in history. It was created, of course, by the British. Marx was a product of British intelligence; he was brainwashed by British intelligence; all his arguments were British intelligence. He was a disciple of Adam Smith, as he avowed repeatedly. His economics were essentially incompetent.

The British had created Marxism—actually it was created by Engels after Marx died, and Engels was a British agent all the way through. He was never loyal to anybody, except the British Empire, and to his lust for money, as he showed later, in 1895. After that point, his latter period after Marx had died, he set out to create what became known as the Marxist movement.

Now, the British themselves organized Marxism, not as Marx had defined it, because Marx was much confused on this, but as Engels steered it for the purposes of the British Empire.



Once this had been unleashed, the British Empire organized a game. They had already become an empire. They organized a game where it used the Marxist movement as an opposition to, particularly, the British imperial movement, as a tool of conflict, to absorb the conflicts of the people with the British Empire. And therefore, instead of fighting the British Empire, *you had people fighting each other*, which is typical of the method which persists to the present day.

So, there are two Marxes. You have the Marx of this movement, which became a legitimate movement, as a social process, under these conditions. But it had a bomb built inside it, and the bomb built inside it was this ideology, which was especially designed by Frederick Engels, not Marx. Marx shared the confusion, but as he himself said, he was a disciple of Adam Smith in everything he said on economics. And that's the problem in the former Soviet Union, and in Russia today. *They still accept Adam Smith*, albeit in a different form, under different labels—as monetarism.

And this brings us to this gentleman here.

### **The American System vs. British Monetarism**

The problem is this, today: We in the United States, by virtue of our Constitution, and the history associated with our Constitution, are the source and the model of leadership required for civilization today. And it represents the model which has in fact existed since the Massachusetts Bay Colony in the 17th Century, where this conception was developed. It was actually rooted in Europe, but was hatched in New England, hatched in Massachusetts—we have fun about that, don't we?

So, we created in Massachusetts, we created for the first time, the model of the United States. And ev-



*The Massachusetts Bay Colony of the 17th Century created a model for what became the United States, under the leadership of the Winthrops and the Mathers—until the British destroyed it. Shown is Increase Mather, in a 1688 painting.*

everything that happened from that standpoint on, was the result of this process, was the result of what was—it wasn't *created* in Massachusetts, but it was expressed in Massachusetts, under special conditions, where Massachusetts had some degree of independence. Which was what the intention of the whole colonization was—to get sane people out of England and the Netherlands, in particular, and get them to North America, at what was presumed to be a relatively safe distance from Britain, and from European policy.

We find to the present day that European nations do not have a constitutional conception of statecraft, or of economy, which was inherent in the founding of the United States, and inherent to what happened in Massa-

chusetts in the 17th Century. We're the only nation on the planet, which has a heritage of this form. And therefore, in any time of crisis, as our history demonstrates, and demonstrates in particular in our Civil War, it demonstrates it in terms of world wars—but we were on the wrong side in World War I, because we were on the British side, which happened because the British had arranged the assassination of the President of the United States, McKinley, which put Theodore Roosevelt in power. And we went from the right side in history, to the wrong side in history. And remained on the wrong side in history, until Franklin Roosevelt became President.

After Roosevelt died, we went back to being on the wrong side, again, of history. President Kennedy attempted, steered in part by Eleanor Roosevelt, to restore the Franklin Roosevelt policy; then Kennedy was assassinated. The deep issues included the economic issue: Kennedy was trying to save the U.S. economy, and make it grow, as typified by his support for the space program. And he was also determined to



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*We have become a corrupted people, "who are easily led to useless wars."* Shown (left) is the evacuation of wounded Marines from Vietnam, July 1967; and (right) during the Korean War, a wounded soldier arriving in Japan for medical care, July 1950.

prevent the United States from being involved in long wars in Asia.

And his assassination was effected by British interests, to ensure that the United States would destroy itself, in a long war, which actually happened over a ten-year period in Indochina. And we have been conducting similar kinds of warfare, under various Presidents, ever since that time, this kind of long warfare.

In the process, there came a point where I played a role in history. I was still doing this, back in the middle of the 1950s, when I was working as an economist. I already had the policies, essentially, all the economic policies which I represent today. They were based on my 1953 conversion, shall we say, to the conceptions of Bernhard Riemann. Since that time, I've always been a physical economist, working from a Riemannian standpoint. Which, incidentally, corresponds to the standpoint of people like Albert Einstein, and also V.I. Vernadsky—same standpoint, Vernadskyian standpoint, which is the only competent standpoint in physical science today. And very few people support it—which explains some of our problems.

So, what happened to us, with the death of Roos-

velt—the intention we as the United States had, which is a continuation of what happened in Massachusetts under the leadership of the Winthrops and Mathers—that was crushed. And we became a tool of the British Empire, engaged like a fat, thick-headed fool in a war posture against China and the Soviet Union. And by that means, we were ultimately corrupted, and destroyed. The corruption which occurred politically inside the United States, was unspeakable under Truman, and this continued until the recent time. It still continues in one form or another.

So, we are a corrupted nation; we are easily led to useless wars, like the prospect of an Israeli attack on Iran today, or what's going on inside Afghanistan today, what is going on in general around the world. We are destroying ourselves, under our own existing governments. And Russia is returning the compliment, under the present Presidency, as expressed by the policies of this particular gentleman.

So, that's the issue.

Now, this particular gentleman came to California, went to the Stanford University institutes, the same place where our people were involved, and attempted to corrupt them, on behalf of what? What does he represent?

## Dirty Bertie Russell

Well, this gentleman, whatever he thinks his intentions are, is a dupe of something well known to us. He's a dupe of the heritage of, in particular, Bertrand Russell. And Bertrand Russell was, without doubt, the most evil man on this planet, during the entire 20th Century. Even after he was dead. He still stunk.

So, the Russians, in a sense, were corrupted. What happened?

Well, someone got rid of Stalin. And I believe the theory of the "Doctors' Plot" is correct, because the way the thing was orchestrated indicates that. It had a purpose, it had an intention, and it had an effect. And what happened very soon, under the notable successor of Stalin, Khrushchov, is, there was a meeting held by Bertrand Russell in London, for World Parliamentarians for World Government. Organized by Dirty Bertie

Russell himself. And to this notable event, there appeared four gentlemen from the Soviet Union, who spoke of themselves as being the official representatives to their great man, Bertrand Russell, at this particular World Parliamentarians for World Government. Which had always been Russell's intention. Back in the 1920s, and even earlier, the idea of world government, as a world empire, *which would keep the population down*, as Russell said. Reduce the population to comfortable limits. And reduce science to a limit, so that most people were limited in number, and stupid. And therefore, more malleable, manipulable, and, have them have sex fun, and then be killed. You know, just like some kind of a bug: Let the bugs have sex, and then kill them. Ah! Amusing, isn't it? British policy. Brutish policy.

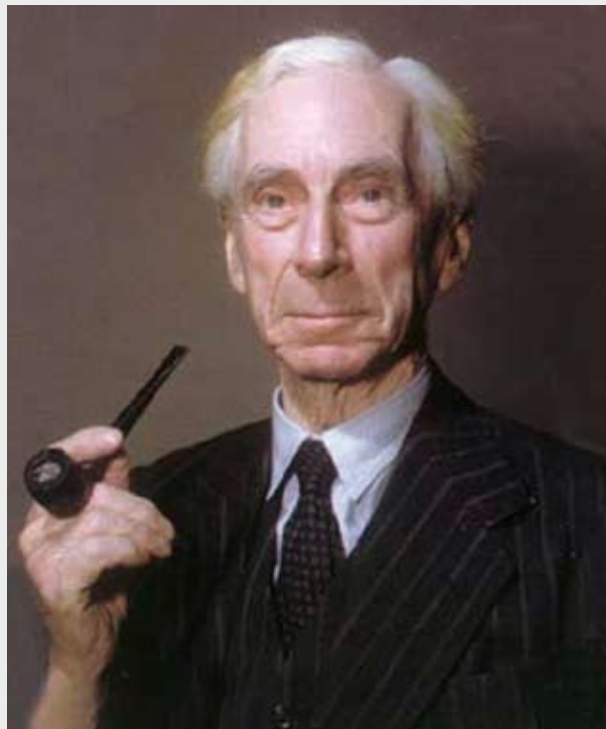
Well, that's what he represented. He represented the

## In His Own Words: Lord Bertrand Russell

[B]ad times, you may say, are exceptional, and can be dealt with by exceptional methods. This has been more or less true during the honeymoon period of industrialism, but it will not remain true unless the increase of population can be enormously diminished. At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no very great effect on this increase, which continued through each of the world wars. . . . War . . . has hitherto been disappointing in this respect . . . but perhaps bacteriological war may prove more effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. . . . The state of affairs might be somewhat unpleasant, but what of it? Really high-minded people are indifferent to happiness, especially other people's.

—*The Impact of Science on Society* (1953)

The white population of the world will soon cease to increase. The Asiatic races will be longer, and the negroes still longer, before their birth rate falls sufficiently to make their numbers stable without help



of war and pestilence. . . . Until that happens, the benefits aimed at by socialism can only be partially realized, and the less prolific races will have to defend themselves against the more prolific by methods which are disgusting even if they are necessary.

—*The Prospects of Industrial Civilization*  
(1923)



conception that the British Empire, which he loved, but as a particularly slime-like form, should live forever, as a system. He was speaking for the same people, as in ancient Greece, the authors of anti-Promethean policy: that mankind should not be allowed to use his brain. Mankind should not be allowed to use fire, which was the symbolic treatment of this subject, by Aeschylus, in the *Prometheus Trilogy*. Mankind should not have access to fire.

Now, this is a very interesting concept, and bears upon the subject today.

What has happened is that, with the use of fire, mankind increases his power in this universe, in various forms of what we call energy, or increased energy flux-density—which is the only form by which mankind is able to maintain and increase the human population. And mankind has always been like that. As far as we can determine, the way you distinguish between an ape and a man, in an archeological site, is, you'll find a fireplace, and wherever the hominid-looking type of thing lived at one time or another, if you find a fireplace there, a fireside, you know it's human. Because *no known non-human living form will promote fire. Only mankind promotes fire*. Only mankind promotes an increase of higher energy flux-densities. And those who are opposed to that are being inhuman, and should be treated accordingly.

So, that was the concept: That was the concept of the United States, under any decent President. It was the concept on which our nation was built, beginning with places like Massachusetts, the Commonwealth, in the 17th Century. It has always been the policy. It's always been the policy of civilization.

Whereas, the contrary policy is to keep the masses of the people stupid, and entertained, busy rutting. Keep them quiet, and then, when they become too numerous, you *kill* them, so they don't become too numerous for your comfort. Because, if they become numerous, they will demand the right to live! If they demand the right to live, they're going to require technology. But if they get technology, technological progress, they're not going to be monkeys any more. They're going to use *fire*! Especially *nuclear* fire. And *thermonuclear* fire, until we can increase the power of mankind in the universe, without limit, which, essentially, should be our purpose.

Now, Russia is divided between, essentially, since the time of the Soviet Union, between these two contrasting tendencies. On one side, you have the British

side, and it was well known at various periods in Russian history, that it was the British side. Because the British Empire was the chief threat to Russia.

On the other side, it was recognized that scientific progress was necessary. You get this from the 18th Century on, the resurgence of scientific progress. Powerful things under certain tsars, during the course of the 19th Century. And you had the opposite side, which was based on the large oligarchical formations, which wanted to treat human beings as serfs. And we have this conflict.

The expression of the conflict, in Russia in particular, from the time of Peter the Great, who was not the greatest man that ever lived, morally, but, from that time, the emphasis on scientific development, especially through mineral resources and so forth, was characteristic of Russian progress. It was a conflict between the tsar and the system of the tsar, and the great oligarchs, who owned estates which were as large as entire kingdoms in the rest of Europe. And who were brutal bastards. And who kept the peasants in an animal-like condition of life.

So, this was the characteristic of this.

### **The Fight in the Soviet Union**

So, we come into the time of the Bolshevik Revolution, and then you come later into the time when Roosevelt was still alive, and Stalin was meeting with Roosevelt, and an agreement was reached: that the Soviet Union, which had been decimated by the effects of war and similar conditions, would be re-created. And it had developed, at the same time, a significant scientific institution, or redeveloped it, and Vernadsky typifies that development in the 20th Century, in this kind of scientific institution, on the one side.

But, on the other side, you have the case of the conflict between Vernadsky and Alexander Oparin, on the question of life; you have a *fundamental systemic conflict*. There is no possibility of reconciling Oparin with Vernadsky! They're opposites. Scientifically, systemically, opposites. Oparin is a reductionist.

Now, although he only has a limited number of pieces published, which actually explicitly attack Vernadsky, he is anti-Vernadsky, and typifies the anti-Vernadsky reductionist movement in Soviet science all the way through.

For example, when I was in Russia back in the 1990s, I was a guest of a large meeting of the scientific community, and my subject was the defense of Leibniz,





German Federal Archive/Jakov Rjumkin

*Hardly a building in Stalingrad was left standing after the prolonged Nazi assault, launched in July 1942 and defeated in Feb. 2, 1943. Casualty estimates range from 1.7 to 2 million (military and civilian) from this one battleground. This photo is from August 1942.*

and Leibniz's contribution to science. *And there was no one who spoke up in the entire meeting, who was not an opponent of Leibniz.*

So, in Russia, on the one hand, you have a scientific commitment—and also in Ukraine, the same thing—a scientific commitment, which is associated specifically with Vernadsky. That doesn't mean that everyone who liked Vernadsky was associated with this, but the Vernadsky influence typified the scientific tradition of Russia back to the 17th and 18th centuries, especially the 18th Century on. And what had happened is, under British influence, this had been crushed, been crushed largely by the Marxists, who were the chief advocates of crushing science. They thought science was what the

reductionists think science is. And they were really clumsy fools.

But you had in Russia people who were creative—creative scientific thinkers. And they managed to survive; and with Stalin's promotion of the work of Vernadsky, they created quite a movement, and created some great achievements, which are the greatest achievements, and the greatest heritage, from the standpoint of humanity, that Russia has to contribute today. And you find that, that is a minority, in terms of power.

Also, these Russians are typified by an inclination to the kinds of social policies of science, which we experience in the United States and the best cases in Western Europe. No difference.

### **The British Influence**

So, therefore, what you have now, in the case of our subject here, is that we have a case of a force inside Russia, a continuation of the British influence, British control operation, in Russia, which is destroying Russia—despite other efforts in a different direction—and which has been a characteristic feature of British influence over Russia for a very long time, British imperial influence.

Now, for example, concretely.

What does this gentleman represent? He represents *British* interests. Now, he may think of himself as a Russian, but the thing you have to understand about Gorbachov, particularly, but also Andropov, and also earlier, Khrushchov—they're all inclined. . . . Khrushchov made a pact with Bertrand Russell.

You go back to 1945. The thing that was most hated in Russia, in Soviet Russia, was the British. Stalin hated them, because he knew they were the enemy. And most of Stalin's adversaries inside the Soviet Union were of this type. They were British—like Bukharin, for example. Whole groups of these people were British agents. Or agents of the Habsburg interest, which is the same thing. And therefore, you had this problem inside Russia of this cultural degeneracy, this pro-British cultural degeneracy, which is expressed neatly by the conflict between Oparin and Vernadsky on the question of life.

Oparin did not accept the idea of life. He defined it as a mechanical process, a mechanical molecular process, not as involving a principle. In other words, Oparin was *British*, in his ideology, as was Marx. And, as was Frederick Engels. And therefore, you have the contradiction between the socialist movement, which

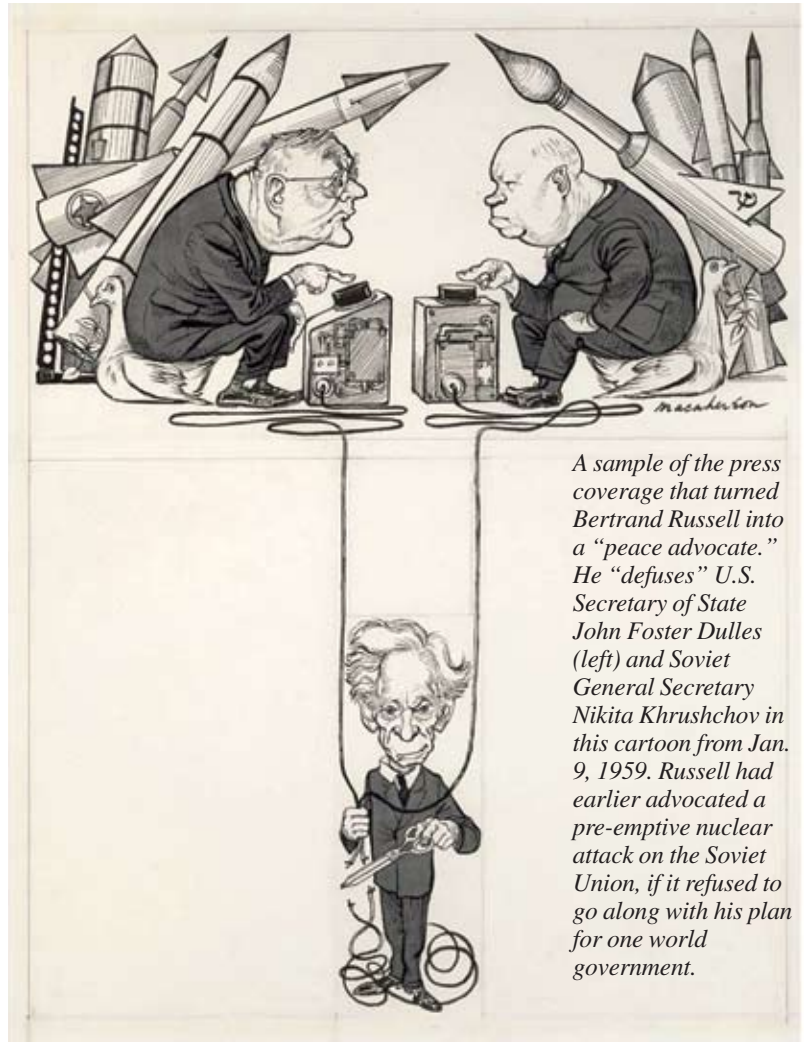
called itself Marxian, and the reality of what the movement often expressed. The movement was often positive, as Rosa Luxemburg typifies that, was often positive in respect to scientific progress, the commitment to scientific progress and the development of the human character and the human mind.

The other side, the British side, was crude and rude, like the typical Communists in the United States during the 1930s and 1940s. Crude and rude. And they didn't like *intellectuals!* They hated them. Because they thought! And you're going to spoil the party! "We want to get drunk, and you want to have a serious discussion. You're going to spoil our party! We want to have a sex romp in the back room, and you want to discuss a serious subject. We don't like you. You're not with *the people*. You don't have the *feeling of the people*. You don't want to meet my feeling of the people."

So, this has been the problem. And this carries on today.

The pessimism which hit the former Soviet Union, with the fall of the Soviet Union, is an example of this. This fellow would not be possible, but for the demoralization of what had been the Soviet Union. The whole crowd that he represents, represents a demoralization of the Russian people, the Russian intellectuals, by this effect. They all became whores. They became what their masters told them they were allowed to become.

And the whole crowd is run by the British. More specifically, this particular gentleman, who came to Stanford to try to wreck our organizing among economists in the United States, which I'm alluding to here—and we just spent a couple of weeks on this subject. It was an attempt to destroy the work of what we've referred to as the Stanford group. And this gentleman, who is the chief advisor on economics to the President of Russia, Medvedev, went to California with an open, overt attempt to influence the destruction of our work, in economics. And he himself is nothing but a British agent of the Inter-Alpha Group, which has a death grip on Russia today, who went on a mission. He's less than



*A sample of the press coverage that turned Bertrand Russell into a "peace advocate." He "defuses" U.S. Secretary of State John Foster Dulles (left) and Soviet General Secretary Nikita Khrushchov in this cartoon from Jan. 9, 1959. Russell had earlier advocated a pre-emptive nuclear attack on the Soviet Union, if it refused to go along with his plan for one world government.*

Toronto Star/Duncan Macpherson

40 years old; you can sort of say that he's a *Kriegspiel* player.

You know the game of *Kriegspiel*? I played this often back in my follies of my youth. You exhausted the potentiality of chess, so it was boring. So, now you played a German game, called *Kriegspiel*, which was developed by the German high command, as intellectual training for officers. And you sit back-to-back, in different chairs, and your pieces are there before you. You can make your moves—you have an umpire in between. You can ask a number of questions each time. It was a fun game when I first played it, because it was fun to play a full game of chess entirely in your own mind, against another guy who's playing the chess game in his own mind, and you have an umpire in between—there

are limited rules, so you have to create the entire chess game from beginning to end, in your own mind—which is a nice trick, when you're young. I enjoyed this trick very much.

And what is happening here—this gentleman, Dvorkovich, who is a chief advisor on economics to the President of Russia, Medvedev—his father was a leading chess umpire in Russia. He's the son of a leading chess umpire, which means he thinks like a chess piece. Not war, but chess piece.

And he is totally owned by the British, intellectually. The whole crowd is. How?

### **Russell and the IIASA**

Well, it goes back again to this visit of the representatives of Khrushchov, to the Bertrand Russell meeting of the World Parliamentarians for World Government. From that point on, the representative of Khrushchov presented to the representatives of Russell, that Khrushchov was an admirer of Russell, and wanted to work with Russell.

Now, you have to think about this. You have to think about what Stalin thought about the British, between the wartime and the end of his life. This was the dirtiest thing on the planet. Kill them all! He would get in these moods—kill them all! So, now suddenly you have a change—and this was a true enemy of Russia, a true enemy of the Soviet Union, the British Empire. They organized the war, they organized the conflict, the so-called Cold War, organized by Churchill and company. Completely a British operation.

And it was an operation aimed at the included purpose of destroying the United States, by getting us involved in wars by which our economic potential would be destroyed. And so, therefore, the beginning of the degeneration of the Soviet Union began thus, after the assassination, or whatever, of Stalin, and the rise of Khrushchov. Khrushchov revealed himself, adapted himself, to the British Empire, and British influence.

And that has a long history from that point, in the early 1950s. From that point on, there was a direction, more and more, toward what became later known as IIASA, the International Institute for Applied Systems Analysis, which is a part of the Club of Rome, same thing. Real degenerates. The Russellites in the extreme.

This is what the President of the United States represents today. He's in that tradition! Not as a Russian,



*Marshal Josef Stalin and Prime Minister Winston Churchill at Yalta, 1945. The smiles mask hatred on both sides. It was Churchill, after all, who had promoted the invasion of the Soviet Union in 1918, saying that Bolshevism "should be strangled in its cradle."*

but as the same thing on the American and British side. The same British tendency.

Then you get to a point where Andropov was already a British agent, at least from the time of the Hungarian revolt, where he changed his career, into the security forces. And he rose as a British agent, recruiting talented, young Russian intellectuals from scientific professions, into studying British methods, British economics. And that's the long process of Andropov.

Now, at the time—I'll go back to this, but at the time I dealt with Andropov, or had occasion to deal with Andropov, it was already settled, it already existed. I did not at that time refer to Andropov as a British agent, although I knew he was. But I didn't have all the facts



at that point—I just had what I had before me. So, he was a British agent. His successor, his notable successor, Gorbachov, was essentially a traitor to the Soviet Union, as well as a British agent. And the present crowd, this crowd that controls, today, which includes Gorbachov, who's a traitor to the Soviet Union, and a traitor to Russia, and a British agent: The whole pack, including this Arkadi Dvorkovich, are British agents! They're agents, and specifically, of the interests we're dealing with, in the United States, in the Americas.

And that's where the problem lies.

So, you have a Russian spokesman, advisor to the President of Russia, about 38 years of age, born of a chess board—probably somebody got rooked—and here he is, advisor of Medvedev, who is soft on the British, and becomes, in part, the instrument of a policy of people like Chubais and Gorbachov and so forth—these crumbums—who run Russia economically, from the Caribbean. With thieving operations, just like we have in the United States, from Wall Street—the same kind of thing—running a British operation under a Russian flag, in the Caribbean! And the Russians in Russia, don't have any control over this, on the international scale.

### **Russia's Mission**

The only way that Russia could become free and independent, is by crushing this thing in their own midst, and going back to a Russian interest. What's a Russian interest? Well, everybody knows, Putin knows what it is, others know what it is. Russia's a very large territory in Europe and Siberia. Its specific capability was demonstrated in the 19th Century, and even before. This vast territory, with vast mineral resources, for the people who know how to use that territory, which are the Academy of Sciences people—the *real* Academy of Sciences—know how to utilize one of the world's greatest concentrations of raw materials for the benefit of Russia, and the world. There's no one else, in terms of culture, who's prepared to deal with the tundra of Siberia, where a great concentration of these riches lies.

For China, for Mongolia, for India, these potentialities of Russia are highly significant, for the nations of Asia, which are underdeveloped—up to 70 to 80% of the population of Asia lives under miserable conditions, and miserable potential. Therefore, you have to introduce large-scale infrastructure projects, which require vast resources of materials, developed, to do this:

transportation systems, power systems, and so forth. Because 70 to 80% of the population of Asia is very poor, and *very unskilled*. The only way you could bring Asia up to something like a modern level is by large-scale, high-power, high-energy-flux-density systems of power. Because you compensate for the Indian, the 70% or so, who are very poor, very unskilled, by introducing nuclear power. There, the high-energy-flux-density power added to the situation, takes a poor, unskilled people, and increases their productivity, not by forcing them to become skilled—it will take more time. But by subjecting them to the benefits, in infrastructure, of high-energy-flux-density power sources.

Now, you find today, for example, the orientation by some people in Russia is exactly this: Take Russian territory, especially the Siberian and related territory, which has these resources; go to the Russian Academy of Sciences, as it should exist today; take the resources which are represented there, with the archives and so forth they have on this thing, and go to the areas they know, where the mineral resources are or can be found—which is often in the Arctic area, or the tundra area; develop those resources; and now supply products of those resources to China, which is very *poor* in terms of these resources, to India, which is very poor in these resources. How? Through large-scale infrastructure projects, such as mass power facilities, applied to a population which is largely highly unskilled, and very poor.

So, you use the factor of increased energy-flux-density, to create something where Russia's purpose now becomes, as a strategic purpose, a keystone for linking together—what? Eurasia, Africa, and the Americas. Through mass transportation systems and related systems, all requiring high-energy-flux-density development. Without that, there is no general hope for mankind as a whole today.

And Russia is a keystone in this process. The value of the existence of Russia, both as a nation and as a territory, is precisely that. What makes a nation indispensable? Its value not only to itself, but to its neighbors. And what is the value of Russia from this standpoint? The legacy of the Russian Academy of Sciences, since Peter the Great, whatever his other faults were, who intersected the Leibniz tradition, just north of what's called today, Czechia.

*This is Russia. This is Russia's mission. And Russia*  
*Continued on page 16*



## Arkadi V. Dvorkovich

Born, 1972; graduated from Moscow State University in Economic Cybernetics (1994); M.A., Duke University (1997).

Current posts: economics advisor to the President of Russia; chairman, Supervisory Board of the Russian Chess Federation.

Dvorkovich is too young to have been in the group of Russian economists who prepared, during the 1980s, at the International Institute of Applied Systems Analysis (IIASA), and in cooperation with London's Institute for Economic Affairs, to take over Soviet, and then, Russian economic policy (see "London's 'Our Men' in Moscow Keep Poisoning Russian Policy," *EIR*, March 26, 2010). He is a next-generation child of that process, which has made Russia hostage to the demands of the bankrupt, speculation-based, international financial system.

Son of chess grandmaster and referee Vladimir Dvorkovich, Arkadi Dvorkovich received a specialized high school education in applied mathematics. He continued into mathematical economics, majoring in "economic cybernetics" at Moscow State.

In 1994, Dvorkovich went to work as an economist for the Russian Ministry of Finance, where he remained until 2000, a period when former privatization chief Anatoli Chubais was Finance Minister (in 1997), and current Finance Minister Alexei Kudrin was First Deputy Minister (1997-2000). Dvorkovich took time off to get his masters degree in economics at Duke in 1997. He also co-authored a 2000 book, *An Economic Strategy for Russia in the First Decade of the 21st Century*, issued by the Liberal Mission foundation, a project of the kingpin of the London-IIASA group, former acting Prime Minister Yegor Gaidar, and Yevgeni Yasin, co-author of the 500 Days plan for a "shock" transition of the Soviet Union to a full market economy, in 1990. The 500 Days plan was cooked up largely at IIASA; Dvorkovich later wrote articles jointly with another of its authors, Sergei Alexashenko.

Dvorkovich later worked as an analyst for the Ministry of Economic Development, and as Deputy

Minister of Economic Development and Trade (2001-04). He helped design Russia's laws on land, customs procedures, labor, deposit insurance, and currency regulation. In 2004-07, he was an analyst on then-President Vladimir Putin's staff. In May 2008, incoming President Dmitri Medvedev named him his top aide for economic questions, and "sherpa" for G8 and related summit activities.

Travelling with Medvedev to the Nuclear Summit in Washington April 13-14, Dvorkovich went on to address a seminar at the Peterson Institute, then flew to California to keynote the first annual Stanford-U.S. Russia Forum (SURF) April 16. Dvorkovich presented to his U.S. audiences Medvedev's "modernization" policy, expressed purely in terms of money. For him, economic modernization through technological advance chiefly means IT company start-ups, to boost Russia's "investment climate" and "attract venture capital and private equity funds" to the country. For the near term, Dvorkovich said, his goal is to attract as much foreign capital as possible into Russia, along with management and other know-how to push ahead these mostly post-industrial start-ups. Physical infrastructure was barely mentioned, except for the push to bring broadband Internet access to more Russians.

Dvorkovich is currently in the news in connection with two additional high-profile stories. One is that mandatory income declarations by Kremlin officials revealed his family as one of the wealthiest in Russia. His wife, Zumrud Rustamova, a former Deputy Minister for Property Issues, received nearly \$1 million last year as deputy director of the metals company OAO Polymetall.

Secondly, in a scandal which broke April 23, just after Dvorkovich's return from the Western Hemisphere, former world chess champion Anatoli Karpov denounced Dvorkovich in an open letter. Dvorkovich had unilaterally announced the Royal Chess Federation's endorsement of Kirsan Ilyumzhinov, President of the southern Republic of Kalmykia, for reelection as head of the FIDE world chess federation. Karpov charged that Dvorkovich and Ilyumzhinov are "two senior Russian officials . . . ready to sacrifice the prestige of our country to achieve their disreputable goals," and himself pledged to "reform [FIDE] by putting intellectual modernization and a cleansing of corruption at the forefront."

A Soyuz spacecraft and launch vehicle at the Baikonur complex in Soviet Kazakhstan, 1975. The launch was part of the Apollo-Soyuz Test Project. Inset: Cosmonaut Yuri Gagarin, the first man in space, heading for the launch of the Vostok 1 rocket, April 12, 1961.



NASA credit for both

Continued from page 14  
 sia's mission is defined by nuclear power, its role in nuclear power, the resources for developing new sources of nuclear power, the space program that Russians used to have, the Soviet Union used to have, which is essential for the space program on which the existence of humanity depends, if we're serious about it.

And these twerps, sitting in the Caribbean, as grave robbers, are part of the British looting system, of what? Of the Inter-Alpha Group. This entire thing, including this Dvorkovich, are effectively *agents of the British Inter-Alpha Group—not Russia!* Their actions, as the actions define their interests, are not Russian, *they are British!* They are tools of the British Empire, whether they know it or not.

And as we say: "Die Hauptsache ist der Effekt, tschicke, tschicke, tschicke, tschick!" That's it. So, that's the problem we face.

### The Start of LaRouche's Political Career

Now, let's go back to the other part of the history, and take my particular role in this history. Well, I'm a product of World War II. I spent some time abroad during the

war, in Burma, and in the post-war period, in India, for some months. My views at the time that Roosevelt died, which I had the occasion to express at the camp in Kanchrapara, which was a training depot for U.S. troops who were there; and these young fellows came up to me on the day that Roosevelt died, and said, "We want to talk to you tonight." I knew, basically, what the subject was. And when we met at dusk, off in a corner of the base, they said, "We want to know what you think is going to happen to us, now that Roosevelt is dead and Truman is President." And I said, "Well, I'm not sure, but I do know that we had a great President, under Roosevelt. And we now have a poor excuse for a President, which is Truman. And therefore, I'm afraid for us, and for our nation."

And that was sort of the beginning of my political career, because the events that I experienced later—this was at the time of Roosevelt's death, but later, coming back from northern Burma, back into Kanchrapara, and then into Calcutta, this became a bigger question. You know, I did the obvious thing that anyone would do in intelligence. (I wasn't *in* intelligence, except myself.) So, I just got into Calcutta, and went to the relevant telephone directory, and pulled up the list of all the political parties, their addresses and names, and telephone numbers, I called them up, and said I wanted, as an American soldier, I was interested in the future of India, I would like to talk to them, basically about the future India from an American standpoint.

So, I talked to all these people. They greeted me, they entertained me nicely, and I was having a grand time in Calcutta at that time, as a soldier—just the grandest time, meeting all these people, getting mixed up in all this culture and this sort of thing.

So then, the British did what the British do. There

was a routine demonstration, coming down the street, which was then called Dharmatala, which led to the Governor General's palace across the other side of Chowringhee. And, I met some students; there was a great trolley car station right at that intersection, they were there, and I said, "What're you up to?" And they said, "We're going on to make this demonstration at the Governor General's palace for Indian independence." I said, "Fine." And shortly after that, after they'd gone there, they were attacked by a lathi charge—you know, brass tips on a bamboo stick, which is rather nasty, because it has a whip-like effect. And they killed a few people. It had not happened recently, at that point, so obviously, this was a British provocation.

And it resulted in a large demonstration, two days later, coming down Dharmatala. Now, for the large demonstration coming down Dharmatala, which is on the other side of Chowringhee, away from the Governor's palace, the British had stationed two heavy machine guns, aimed down the street of Dharmatala. And as the crowd moved up, abreast from sidewalk to sidewalk, from building to building—massive—angry people. Hindus, Muslims, no difference. And the British opened direct fire with heavy machine guns, directly into the crowd, and kept the fire going.

This resulted, two days later, in the breakout of what became the so-called "Calcutta riots." They were not riots; it was a revolution. And I was running around, calling people I knew, of these various political offices: "What's going on now? Is this going to mean a move for independence right now?"

The war was over. The Roosevelt policy was what it was, for India, even though Roosevelt was no longer there, and the intention was the development of industry. Because you had poor people, working for a few annas a day, as pay, as labor—not enough, really, to live on—working as coolies for the British Army. This kind of situation *begged* the creation of sovereign government, according to the Roosevelt policy. But, Truman was not Roosevelt, but quite the contrary.

And so, that was my experience. My association with these kinds processes was defined by these events abroad, during my military service, at the end of World War II, both in Burma and India—two times in India, and once in Burma.

And I came back to the United States, and it had changed, from what I had seen when I had lived there before, before going abroad.

So, my views and my political history has always

been based on that experience, that this is what's wrong with the world: That what happened after Roosevelt died, is what's *wrong* with the world! Not that there weren't errors, terrible errors before. But the point is, what direction are you *going* in? Are you going away from evil, or are you going toward it? And we had turned, suddenly reversed, from going *against evil*, which is Roosevelt—to *evil as such!*, which was typified by Truman. And that defined my entire history. I don't see any reason to consider myself a loyal part of anything that is contrary to what I consider moral, and particularly as it affects the future of humanity. And that's my history.

And therefore, I look at these things differently than many people do, also because of this process.

Because of my own personal history, I always *hated* fake science, which is what we were all taught. And therefore, I became a convinced follower of Bernhard Riemann—not convinced, but a *delighted, ecstatic follower*—"This is right! This is it! This is what I believe!" You know, like the first opening two paragraphs and the last sentence of his habilitation dissertation: This, to me, was perfection! This was wonderful, I had a wonderful experience.

And so, this wonderful experience, and these past experiences, have shaped my view on this thing. And since I have a great detail of knowledge of these matters, in Russia and the former Soviet Union, from that standpoint, I have a certain commitment. And a certain way of looking at things.

And Dvorkovich insults my intelligence. His existence, as he's behaved here, and as he's behaved as an advisor to Medvedev, insults my intelligence. He is an exemplar of bad taste, bad political taste, as just another Russian *who turned out to be a goddamned British agent!* An agent for British thieving, an agent for the Rothschilds, for the Inter-Alpha Group, and for every other kind of filth on this planet! Now, as I say, I'm not blaming this poor slob for anything except what he's done. As I said, "Die Hauptsache ist der Effekt": And the effect is, he's a skunk. I won't say that's his personal character, but that's his behavior, that's his role, that's his career! That's what he does. That's what he did in California, at Stanford. And what he represented when he came back to Washington, the same kind of thing.

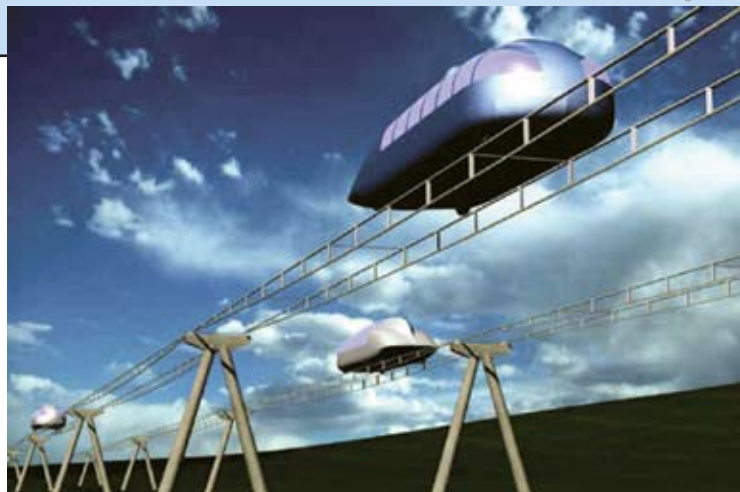
### **Defeat the British Agents!**

Therefore, you look at the list of the controllers of the economic policy of Russia today, as opposed to the



FIGURE 1

## The Eurasian Land-Bridge: Proposed Links to a Worldwide Rail Network



© Anatoly Unitsky

*With modern rail technology, like the high-speed passenger transport shown here in a Russian artist's rendition, the idea of a World Land-Bridge can become a reality.*

*planetary-wide, modern, rail magnetic-levitation system, which unites every major continent of the world, except Australia/New Zealand. United in one economy! You have a system that goes down into Africa, through the straits there. A system that goes through Alaska, into the Americas as a whole, down to Tierra del Fuego. And into all of Africa, throughout Eurasia.*

patriotic Russians, who are actually patriots, who want to develop their country, who understand *Russia's intrinsic role*—strategically, historically, today! Russia is a great nation, with a culture which has embedded in it, certain treasures of value to humanity as a whole. It has a role which is *immediately* essential to China, to Mongolia, to India, to other countries, to Korea, to Japan. And with the development of a railway system between Siberia and Alaska, you open up the development of a

Suddenly now, you have the extension of the idea of a transcontinental railway system, and a transcontinental power system. So these continents of the planet are now, while there are separate nations, they are united, properly, under a fixed-exchange-rate system, to become a world economy, of different languages, different cultures, different national sovereignties. But they are in a state of cooperation to a common purpose, which is united by, what? It's united by the



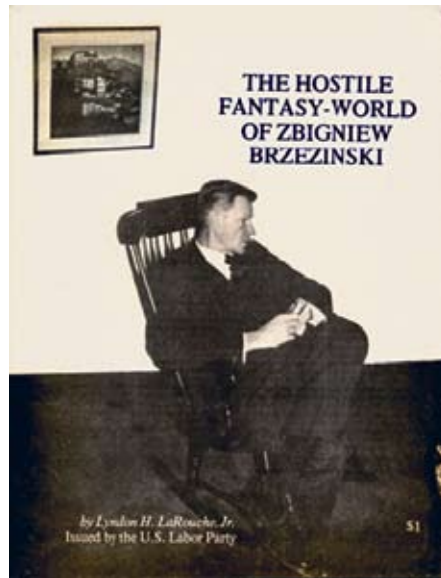
idea of a space program.

If mankind is going from Earth, to deal with the question of colonization and exploration of neighboring planets and beyond, mankind has a destiny *in the universe*, a mission in the universe, not just in some patch, on this planet. And the children today have, implicitly, an immortality in the purpose of their existence in that process. And you have people in Russia who represent, typically, the skills and the outlook which go with this, as some people in the United States, still; as some people in continental Europe; the ambitions of people in other places, for this idea: *Does mankind himself have a purpose in this universe?* Do the various nations, while different nations, have a commitment, implicit commitment, to cooperation *among nations*, to solve the problems of the planet, in the light of going into the future, to other planets, exploring the cosmos more completely? And conquering the problems of entering the cosmos more extensively?

That's our purpose. That's the only *decent* moral purpose for humanity today.

And what does this poor fellow do, poor Arkadi Dvorkovich? He has no conception, in what he said, in what he does, in his function! No conception of the actual, vital interest of Russia today! And yet, he's presumed to be the advisor to the President of Russia. He's incapable of expressing the interest, the actual interest of Russia, which should be obvious to anybody who understands the world at large! An interest which is not unknown to Russians themselves, and to leading Russians, who understand the importance of the cooperation with Mongolia, with China, with Korea, with Japan, with India, and the other Asian nations, and with the rest of the world, and with Europe: They understand this! They're committed to it.

Well, why do we allow the British Empire to control the Russian economy, from the top? Through the Roth-



*LaRouche's U.S. Labor Party campaigned hard against the war policies of Zbigniew Brzezinski (shown here in a 1972 pamphlet), and his role, along with others from the Trilateral Commission, in shaping the policy of what would become the Carter Administration. On the right is a USLP poster displayed at a Carter campaign rally in New York in 1976.*



EIRNS/Chris Strunk

schilds, who are nothing but British agents, and predators, and mass murderers?

That's our problem.

### **The Origins of LaRouche's SDI**

So, we ran into a big problem here. And what I did—I got around to doing something—when the fools in Washington and elsewhere, in general, Wall Street, brought about the collapse of the Bretton Woods system, in 1971, something which I'd forecast, and nobody else had. And that defined my position.

I had this debate, on Dec. 2, 1971, at Queens College, where I confronted these characters—the whole bunch of them were lined up there, from all around New York; they were all sitting there, in chairs, like objects, like fat penguins, arrayed in chairs—as I had this debate with Abba Lerner, who's a socialist, a Fabian socialist—and a fascist, which is what Fabian socialists really are. You shave them, or give them a

haircut; you find out what's behind there, what's behind that hair. And that was the case.

So, having settled that matter, I became rather more influential as a result of this process. So I ran for President on this basis, on this issue. And then, in the process of running for President, we received a carbon copy of a letter, written in Washington, D.C., on behalf of the incoming administration of Jimmy Carter. The letter pertained to a plan for a nuclear confrontation with the Soviet Union. I took this matter as a special responsibility I had to deal with. I couldn't reveal the letter, obviously, but I had the knowledge of what it was, and I had confirming evidence, independently, of the letter.

So, I proceeded to denounce this intention of the incoming Carter Administration, especially Brzezinski himself, publicly, and made that the key feature of my campaign, from that point on. And the key feature of a public national address I gave as a Presidential candidate on election eve, in that year.

That won me a lot of things, including trouble, because I had taken the bastards on. And so, Brzezinski returned the favor, by organizing a special committee, which was trying to organize my assassination. I was in Europe at that time, so the word came from high-level sources in the United States, that Brzezinski had organized this with a special committee—and, things began to get bloody at that point. So then, in the course of time, I said, "What do I do?" I had intervened and sabotaged the Brzezinski intention to make this nuclear confrontation.

But, they had gone ahead with this business in Afghanistan, as an alternative action. And I was on the "shit-list," as they say.

So, what do I do, next? This, by now, is 1977: And so, I reached out, to determine what are the alternatives for dealing with the threat of a new nuclear/thermonuclear crisis. And we had resources.

At this time, we had established the Fusion Energy Foundation, which was a fairly representative group of leading scientists in the United States and elsewhere, so we had capabilities, scientific capabilities. So, I went through this, and defined a program, which became the SDI, the Strategic Defense Initiative. And this I adopted and presented in '79, as a key feature of my Presidential campaign for the Democratic nomination.

Then, in the course of that time, in January-February of 1980, we got into a fight with George [H.W.] Bush—with the Carter Administration and George Bush. This got into a relationship with Reagan, who

was to become President. It happened in New Hampshire: We were sitting side by side on the same table at a general debate of the Presidential candidates, and this is how it happened.

During the same period, as a result of my activities, there were various people from the former OSS, who I had not known earlier than that, personally, but who had been my contemporaries during World War II. So, we began to "chat it up," as we say. And they were still functioning; for example, Bill Casey, who became the head of the CIA under Reagan, was part of this group, and he'd been sort of a friendly character toward me, for some time, just because he would see what I was doing from his position, and recognize what I was up to.

So, we proceeded from that. When Reagan was elected, I went to Washington, to meet with the outgoing National Committee crowd, who had run the campaign for Reagan. And that grew, and I was still working on this project. I began to get into extensive discussions, also with some Soviet representatives at the United Nations, and others, who were suggesting, "Can't we do something with the new President?" I said, "I think it's a good idea." So, I went to the officials in the U.S. security apparatus, and said, "Well, I think we should do something," and I indicated what I thought. And the message came back to me, "Why don't you do it? You know what the problem is, do it!" So, with that authorization, I did it.

And that was the beginning of what became known as the SDI.

### **LaRouche vs. Andropov/Gorbachov**

And then, we got to the point that, in the beginning of 1983, President Reagan, at a January meeting, had adopted the SDI. At that point, the Soviet representatives were working with us on this, on this project, it was an accepted project. But then, suddenly, a turn: Andropov was now head of the Soviet Union, and he was actually a British agent! And if you don't understand he's a British agent, you don't understand what happened. Because the Russian institutions, the Soviet institutions, *knew that this would work*, and they said so to me! "This will work!" This SDI is a solution to the crisis, and the threat to war. And it's also a solution to the economic crisis: It will work, we can do it!

Andropov said, "No." Reagan went on the horn, tacked it in over the objections of some Republicans—he slipped in a speech, the several-minute SDI speech—and that shook the world! It also got people,



EIRNS/Stuart Lewis

*LaRouche continues the fight for his antiballistic-missile defense policy, soon after President Reagan adopted it. Here he addresses a conference in Washington, D.C. on April 13, 1983. The policy would have ended the insane doctrine of “mutually assured destruction,” but was sabotaged from Moscow and by some in Washington.*

including Ted Kennedy, to go after my scalp. And that’s what happened to us.

We came very close to winning that fight for the SDI. And I warned the Soviets, that if they turned away from the SDI option, they would be destroyed within about five or six years. Because their economy would collapse under any such program that they had: the effort to maintain a military posture against the United States, under these conditions, would mean that within five to six years, the Soviet Union would collapse—and *it did collapse in six years.*

Now, what you’re talking about here—with Gorbachov, who, in my view, was a traitor to the Soviet Union, and is implicitly a traitor to Russia today, as a significant influence, and the whole crowd associated with

him—is largely a pack of traitors to Russia, today! And I know this, directly, because I’ve been involved enough in Russian affairs to know exactly what the interests of Russia are, in this respect. And what they’re doing, including Dvorkovich, is directly contrary to the vital interests of Russia, today, from an objective standpoint. And I presume it should also be seen so from a Russian standpoint.

But from a world standpoint, what he’s doing, this poor guy, who’s immature, throwing his chest out, shall we say—this immature character is babbling around, saying silly things, not seeming to recognize that he’s not a Russian patriot, he’s a British agent. He may not know it, but the British know it. And he acts like a British agent, he smells like a British agent, he talks like a British agent, he must be a British agent! And that’s the issue.

As I say, I’m not making any accusations against him personally, except: “Die Hauptsache ist der Effekt!” That’s my indictment of him.

### What Do We Do Now?

So, there’s a general scientific problem, and that is, we still have a society which believes in statistical economics. Most Americans are idiots when it comes to economics. Very few Americans have the slightest idea of what a sound economy is, or what the principles of an economy are. They think in terms of financial economy! And that’s what this poor guy, Dvorkovich, thinks. He thinks this is chess-playing, perhaps. He seems to believe that: It’s merely chess-playing. Well, what’s chess? It’s a board; it’s a zero-sum game, on a board: There’s no growth, there’s no progress, there’s no positive change. It’s the “same ol’, same ol.’” Hmm? Utter incompetence!

Where’s the secret for the world, or in the Russia in particular? Russia has no chance of survival, without having an economic system, of management, of national management and international management, which is based on the mobilization of high-technology, high-energy-flux-density technology, for the development of the resources of the vast area of Russia, in a way which is relevant to Russia’s relationship to Western Europe, which is crucial, and even more crucial, with respect to China, to Mongolia, to Korea, to Japan, to India, and to the South Asian nations. That’s Russia’s interest! It’s its *real* interest, which any objective thinker coming from Mars or someplace should be able to recognize! And then, certainly, Russians—who live closer to Russia than Martians do!—should



be also able to see this from their own experience. And there are many Russians, who I know *do* think that way.

But what's happened, is the British are controlling Russia! Russia has today been functioning, economically, financially, as a puppet of the British Empire. Specifically with this BRIC<sup>2</sup> thing, which was created by, guess who? Goldman Sucks created this: *Another crime of Goldman Sucks*. We'll have to put something in that soup that they suck on, and solve their problem ... and ours.

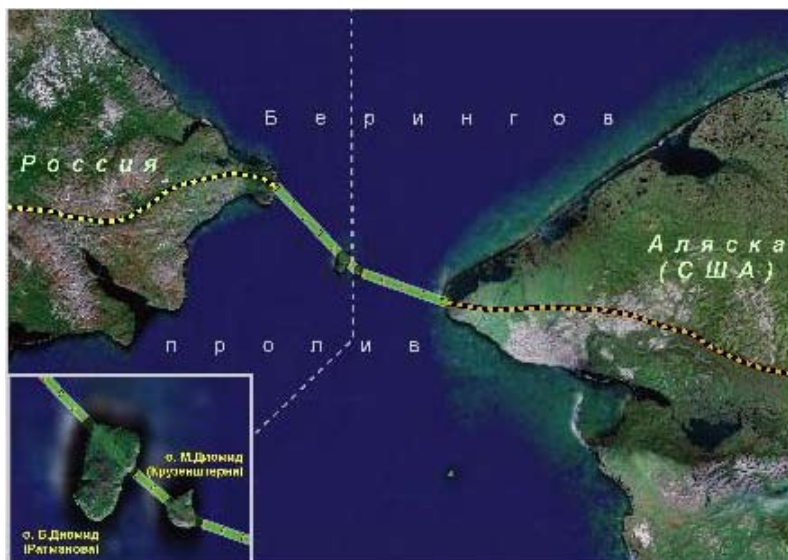
Anyway, that's the issue.

So therefore, this is the question: What do we do, now? What is our policy? My policy is exactly what I've been advocating, what I've been advocating to people associated with the Stanford group, which is not just limited to Stanford, but it's a more national group. They are moving, with a comprehension of what we've been talking about, in terms of economics. They're actually making significant contributions to my knowledge. That is, they have taken up areas of investigation, which I've referred to or alluded to, and they've gone into specific studies of these areas, and come up with results which are very valuable.

And this guy comes in, and he wants to screw them up? On behalf of the British Empire? On behalf of the Caribbean thieves, "The Pirates of the Caribbean," who control Russia, from offices in the Caribbean? Why don't we just clean that nest of pirates out? Go in there and clean 'em out! And just put 'em in packages, and ask Russia if they want them back. We'll deliver them back to them, for whatever their courts of justice decide is appropriate!

So therefore, this guy—whatever he *thinks* he is; whatever kind of chess play he thinks he's playing, whether *Kriegspiel*, or something else—is contributing to the destruction of Russia, and thus contributing to the destruction of the hopes of the world. And being a British ass-kisser on top of it! And therefore, that's his problem.

The only remedy is: We've got four nations on this planet which are actually crucial, because Europe is in trouble today, continental Europe. France, Germany, and possibly northern Italy, are areas which, intrinsi-



Courtesy of Dr. Victor N. Razbegin

*A satellite photo of the Bering Strait from space, showing the route of the proposed bridge-tunnel project. Russia is on the left and the U.S.A. (Alaska) is on the right. In the middle of the strait (inset), straddling the International Dateline, are Russia's Big Diomed Island, and, on the American side, Little Diomed Island.*

cally, are capable of being revived as economic areas of development. The British could probably do that, but they can't think. They don't know how to think any more, so they're kind of useless. But we have in France, we have in Germany, we have in northern Italy, in particular, we have people who do have some competence for making a vital contribution to this process of world development.

Russia is absolutely crucial in this, because it is the link between European culture and Asian culture. Russia is a *Eurasian nation, with a Eurasian culture* from its own history, which is reflected in many ways. It is the link, as it has shown itself to be, by the policies of Putin and so forth, in respect to China and India. It's a long-standing thing between Russia and India, in terms of this kind of relationship. China, because of the conflict between China and India, has been difficult. The relations since Khrushchov, the relations between Russia and China, have been difficult.

Now, we've come to a period, where the instinct, the impulse for cooperation among these nations of Eurasia, exists. It depends upon creating an international monetary system, financial system, a replacement for the monetary system, based on the American model. Therefore, the United States is *indispensable to these three nations and their associates* in Eurasia,

2. Brazil-Russia-India-China. See article in this issue.



for their success. The Bering Strait project, the rail project, is *crucial* for all humanity.

We can foresee, within a relatively short period of time, a generation or so of time, we can foresee a time, when a Bering Strait rail system or the equivalent, from Siberia to Alaska, down to Tierra del Fuego, exists; in which a similar kind of system, the type that was implicit in what the United States did, in the period of the Civil War and immediately following, that kind of system extended, throughout the Americas, extended from Europe, into Africa. Which means you essentially now have a world economy, based on high-speed transportation systems; a world economy based on nuclear and thermonuclear systems, which transforms the world in terms of the potential power per capita and per square kilometer, of the planet as a whole.

We have the same technology, the same technological drive, that brings us to the threshold of what can be, in a generation or two, a successful penetration of a Mars orbit. It brings us to the point where we can now understand the universe, better than it was ever understood before, through the concept of cosmic radiation—because there is no empty space. It's only a shortage of the faculties to see what's out there. There is no empty space in this universe, *none!* It is what is united by cosmic radiation. And we are working in the Basement now, on this question of how we can approach a higher standpoint of understanding—which we need for even understanding what the Mars landing program is, and mastering that—of cosmic radiation. We live in a universe which is defined for us, today, those of us who think, by the concept of cosmic radiation, not bodies bumping around in empty space.

And *this* is where we're going! And this is where the best tendencies in the Russian scientific community were headed, and *that's* where we have to go. And thus, on this account, as well, our relationship, between the United States and Russia, is crucial. Because we share a certain history, and certain common objectives, and certain complementary skills. And together with these other nations, we *can do that!* We can solve the Mars problem, which is enormous, but we can do it. And we're trying to do it, right here in the Basement, with our limited resources.

And therefore, we need a Four-Power understanding among representatives of the United States, which we are; representatives in Europe, especially of Russia; representatives of a different culture, China; representatives of another different culture, India; and other na-

tions, which are also other cultures. We have to bring these nations together around a common program, a common system of economy, a common system of *physical economy*, a fixed-exchange-rate system of physical economy, free of all this crap, all this British crap. And use that system of economy as a means of organizing cooperation for the long-term development of the planet's surface *itself*, and go onward, to reaching the solution for the challenge typified by the image of Mars out there. Go back to Kepler: Kepler's consideration of the problem posed by Mars, was the secret of his discovery of the principle of gravitation. Go back the same route.

And that's our destiny of mankind. Mankind must have a destiny. You can not have a sense of some purpose in life, and put it on your grave, that said, "I had a purpose in life, and it's on my tombstone," or whatever else there is to memorialize us. You can't do that! That's not real! That's no guarantee that humanity means anything. How do you prove to me, that humanity's not a dead-end? You say, you believe in the future, you believe in Creation, you have a religious belief—do you believe that mankind's going to continue to exist, in the universe? If you don't think as I do, you don't believe there's a chance out there. And therefore, our commitment to a purpose for mankind, which involves the conception of the future of mankind *in the universe*, despite the blowing up of the Sun into a large object which eats everything in its vicinity, and destroys the habitability of the Earth before then—where the hell are you gonna go, if you don't have a space program, of the type we're talking about?!

See, that's the actual, essential criminality, which has infected Arkadi Dvorkovich. Chess-playing is not the secret of civilization. I played chess, I can tell you. I played *Kriegspiel*, I enjoyed it—then I said, it was disgusting, because I realized it takes you no place. You're playing different games, you're getting different strategies for the board, different techniques for interpreting in *Kriegspiel*, how you infer what the other guy is intending to do. You do all this stuff. But in the end, what have you accomplished? You're playing in a zero-sum game. Like all other zero-sum games. And that's not a good profession!

And maybe you are going to find out, when you take into account friction, Arkadi Dvorkovich is playing less a than zero-sum game.

So I'm not accusing him of being a bad person—just an ignorant one. Thank you.

## Goldman Sachs Debacle Raises Overdue Questions About BRIC

by Rachel Douglas and Dennis Small

April 23—Current revelations about lurid, but typical, fraud on the part of investment bank Goldman Sachs, which stands accused of betting against the very derivatives it had marketed, are beginning to have potentially healthy repercussions in Russia and other parts of the world.

On April 19, the Russian-language official site of the Shanghai Cooperation Organization (SCO; it groups China, Russia, and Central Asian nations, with other Eurasian countries having observer status), published an article titled “It was economists who thought up the BRIC, as their own quartet.” The “economists” involved were identified, in the body of the article, as officials of Goldman Sachs.

BRIC stands for Brazil-Russia-India-China, but Lyndon LaRouche has pressed the point: The “B” in BRIC is really for “British,” because the Brazilian banking system is dominated by the Spanish Banco Santander, which is fused with the Royal Bank of Scotland as an integral component of the Rothschild-created Inter-Alpha Group. The function of Brazil within BRIC has been to divert the agenda onto slight modifications of a global financial system which in reality is utterly bankrupt, while boosting its own prowess in the speculative “carry trade” as exemplary of so-called emerging market growth. Russian officials nurturing

fantasies about a huge pool of foreign capital just waiting to be invested in their country, such as those at the Moscow stock exchange who openly advertise Russia’s own attractiveness for players in the carry trade, are supposed to take this bait and emulate Brazil in becoming a hub of international financial operations, within a doomed system.

Thus, the BRIC runs counter to the potential of an alliance of the four great powers—Russia, the U.S.A., China, and India—to initiate the replacement of the bankrupt British financial empire with a sovereign nation-based credit system for real economic development, which LaRouche has proposed as the *sine qua non* for averting a Dark Age.

Indeed, journalist Olga Kharolets wrote on the SCO’s Infoshos.ru site, “For there to be a summit of the BRIC [in June 2009], all it took was for the airplane of the President of Brazil to land in Yekaterinburg.” There was already a summit taking place there among the leading Eurasian nations Russia, China, and India at that time. Brazil was tacked on, a result for which Goldman Sachs had been lobbying over several years.

Infoshos.ru said that the very appearance of the BRIC on the world scene resulted from “a curious intrigue,” for this was “the only alliance in the world, whose name emerged before the organization itself



José Cruz/ABr

*The Second Summit of Heads of State and Government of the BRIC, Feb. 15, 2010. Left to right: Russian President Dmitri Medvedev, Brazilian President Luis Inácio Lula da Silva, Chinese President Hu Jintao, and Indian Prime Minister Manmohan Singh.*

did.” Kharolets quoted Brazilian Foreign Minister Celso Amorim, who boasted that the BRIC “existed first in the minds of analysts, and then turned into practical reality.”

The Russian author then named the name: “It is believed that the father of the term ‘BRIC’ was Goldman Sachs analyst Jim O’Neill,” in 2001.

### **‘Markets,’ Not Nations**

O’Neill’s role in promoting the creation of the BRIC, in fact, is no secret. Even Prime Minister of India Manmohan Singh, quoted by *The Hindu* during the mid-April BRIC summit in Brazil, noted that the project was an idea from Goldman Sachs, but “We are now trying to give it some shape, flesh it out.” In 2007, still before the BRIC had been officially constituted, O’Neill put out a 272-page book on the need for it to exist. Goldman Sachs devotes a page on its website to “the BRICs,” as it has dubbed these nations, featuring some 20 reports on the BRIC and videos in which O’Neill introduces himself, in his thick English accent: “I am Jim O’Neill. I am head of Global Economic Research for Goldman Sachs, and I am the creator of the acronym BRIC.”

O’Neill, who hails from Manchester, England, joined Goldman Sachs in 1995 after stints at Bank of America, Marine Midland, and Swiss Bank Corporation. He has also positioned himself on the board of the U.K.-Indian Business Council, where he sits alongside Sir Evelyn Rothschild and other City of London figures.

Such functionaries of the London-centered financial oligarchy love to posture as visionaries of an era dominated by “emerging markets”: not developing nations, but expressly—“markets.” It is the old Venetian technique of making the victim think he is doing something bold and new, while in reality he is being manipulated and prevented from doing what would truly be in his own interest. Another notorious case is the hyperactive advocacy of “multiple reserve currencies” in state finances, on the part of Ashmore Investments, a London-based outfit which got its start in “emerging market debt trading” during the Mexico debt crisis on 1982. (“London Pushes Big Powers To Dump the Dollar,” *EIR*, June 9, 2009.)

Still, it is striking, what scant attention Russian observers have paid to the the scandalous Goldman Sachs origin of the BRIC configuration, which is promoted





Brazil's currency, the real: The basis for the looting of the later carry trade was established by the 1994 Real Plan of President Fernando Henrique Cardoso.

heavily within Russia as representing a way for its members to be independent of the U.S. and European economies and finance. After all, Goldman Sachs is not exactly unknown in Russia, especially in connection with the looting of the Russian economy under the Yegor Gaidar-Anatoli Chubais government during the 1990s.

In his 1998 book *Genocide* (English edition, *EIR*, 1999), Russian Academician Sergei Glazyev gave some details, referring to the crash of the pyramid of Russian short-term government bonds (GKO) in the Summer of 1998. "As soon as the first signs appeared of an irreversible approaching crash, the firm of Goldman Sachs, which is close to the U.S. Treasury, secured the assistance of Mr. Chubais in organizing the conversion of its clients' devalued GKO ... into dollar-denominated Russian government bonds worth approximately \$4 billion, which were subsequently exempted from the forced restructuring." At the time, the U.S. Treasury official dealing with Russia was Goldman Sachs man Larry Summers, who today heads Barack Obama's National Economic Council.

### Chronology of Paternity

Not only did Goldman Sachs operatives create the term BRIC in 2001, but they fostered the establishment of the diplomatic grouping as such, and began to deploy it actively and heavily *in direct opposition to Lyndon LaRouche's early 2007 proposal for a Four Power alliance to bring the world out of the economic breakdown crisis, which exploded, as LaRouche forecast it would, in mid-2007.*

The contrast could not be clearer. LaRouche's designation of the Four Powers is based on their real stature. China and India have the largest populations and

among the oldest cultures on the planet, while Russia and the United States are transcontinental nations, each with a history of acting independently as a global power, amplified in the U.S. case by our unique republican tradition. Key to joint action by the Four Powers are a U.S. resumption of its historical orientation toward a community of principle among sovereign nations, and the emergence of cooperation among Russia, China, and India as what former Russian Prime Minister Yevgeni Privakov named a "strategic triangle" in Eurasia. What unites

the BRIC, on the other hand, is that Goldman Sachs identified its members as four markets where international speculators could make money.

Because of the thorough infection of the Brazilian economy by the Inter-Alpha Group, and its carry-trade fixation, the involvement of Brazil with the R-I-C strategic triangle countries is perfectly designed to disrupt the latter, and their potential joint action with the United States. At first, BRIC ministerial and summit meetings were held in conjunction with R-I-C meetings, but at the latest BRIC summit, this month, there was not even a separate triangular conference among the Eurasian powers.

Not only the acronym, but the entire concept and organization of the BRIC as a grouping came from Goldman Sachs and O'Neill, as did its policy direction, including the discussion of establishing regional currencies and/or replacing the dollar with a new international reserve currency. Its deeper policy origins go back to the 1971 creation of the Inter-Alpha Group by the British Empire's Rothschilds, including the establishment of the outrageously "profitable" Brazilian carry trade.

Consider the following brief chronology of the critical 2007-08 period:

**March 7, 2007:** LaRouche delivered an international webcast, in which he first publicly proposed the idea of a Four Power alliance of the United States, Russia, India, and China to destroy and replace the British Empire's dying system.

**May 15, 2007:** Visiting Moscow as an honored foreign guest at the celebration of Prof. Stanislav Menshikov's 80th birthday, LaRouche addressed the economic division of the Russian Academy of Sciences. Noting

then-President Vladimir Putin's repeated invocation of the legacy of Franklin Roosevelt, LaRouche told them that the United States must approach Russia, India, and China with a Rooseveltian agenda for economic cooperation, subsequently bringing in smaller nations. LaRouche also set forth the Four Powers idea in Russian TV and Internet interviews.

**July 25, 2007:** LaRouche presented a webcast, forecasting the imminent explosion of the international financial crisis, which in fact followed only days later.

**Nov. 23, 2007:** Goldman Sachs's Jim O'Neill issued his book, *The BRICs and Beyond*.

**March 10-11, 2008:** BRIC held its first formal meeting as an organization, at the vice ministerial level, in Rio de Janeiro.

**May 14, 2008:** Yekaterinburg, Russia hosted a meeting of the foreign ministers of Russia, China, and India, which LaRouche welcomed as the emergence of what he had long anticipated—the strategic triangle as a Eurasian alliance, determined to defeat the attacks by the British Empire on its member nations. Tacked on was a separate meeting between these three representatives and their Brazilian counterpart.

**July 9, 2008:** BRIC heads of state and government met on the sidelines of the G-8 summit in Hokkaido, Japan.

**September 2008:** BRIC foreign ministers met in New York City.

**Nov. 7, 2008:** BRIC finance ministers met in São Paulo.

Over the course of 2008-09, as the battle over LaRouche's policy proposals was raging internationally, Goldman Sachs issued *five* additional studies on the BRIC, packed with their London-designed policy proposals, crafted to counter LaRouche's Four Powers plan.

To that same end, and in that time frame, two international conferences were held which prominently featured European and Brazilian renegades from the LaRouche movement, at which the BRIC policy-line was promoted, with special efforts to make it attractive to



Goldman Sachs

*Jim O'Neill of Goldman Sachs came up with the BRIC acronym, which rightly should be known to stand for Britain (not Brazil)-Russia-India-China, the speculators' looting gimmick to counter Lyndon LaRouche's Four Powers alliance of sovereign nations for development.*

Russian participants. The first of these was held in Modena, Italy in July 2008; the second in Parana, Brazil in December 2008.

### Baiting the Hook

The Goldman Sachs contraband of trying to jam Brazil into an existing strategic Russia-India-China relationship has pivoted on one central issue: the creation of the Brazilian carry trade by the London-run Inter-Alpha group of banks, in particular through the activities of its Spanish-based asset, Banco Santander (see "The 'Banco Santander Syndrome': City of London's Sucker Game," *EIR*, Feb. 19, 2010; and "London's Brazil Carry Trade: Smoke, Mirrors—and Genocide," *EIR*, March 5, 2010).

Going back to the early 1990s, London and Wall Street made Brazil a destination of substantial international speculative capital flows, coming from

financial predators borrowing cheaply—first in Japan, today in the Eurozone and the U.S.—and placing those funds in highly lucrative Brazilian government treasury bonds, which pay the highest real interest rate in the world, and additionally offer the predators huge exchange-rate advantages. As Goldman Sachs put it in its December 2006 study, "The 'B' in BRICs: Unlocking Brazil's Growth Potential:"

"[Brazil] will be an important destination for fixed income and equity inflows, given the high carry trade, the embedded growth option for equities and the reassurance of stable macro policies and sound external credit fundamentals."

The platform for the later carry trade was established by the 1994 Real Plan of the incoming Fernando Henrique Cardoso government, which set up a one-to-one parity between the real, the Brazilian currency, and the U.S. dollar, and began to issue Brazilian treasury bonds denominated in dollars, the infamous NTN-D series, which had first appeared in 1991. These bonds then grew dramatically in the 2000-02 period of the Cardoso Administration, rising to constitute 45% of total public debt by 2002, the year Luis Inácio Lula da Silva took office as President. *EIR* warned about this at the time, writing in its Oct. 18, 2002 issue:

"Brazil, under pressure from the IMF and 'the mar-

kets,' began to issue domestic bonds denominated in dollars. This foolishness really took off over the last two years, in order to 'attract' foreign investors who were worried that a devaluation would catch them holding real-denominated bonds. So the proportion of Brazil's bonds that is dollarized has grown to over 45% today. That means that every time the real is devalued vis-à-vis the dollar, the government debt automatically rises—without borrowing a single additional penny....

"Speculators have also driven up the interest rate they are demanding the Brazilian government pay on its new bonds.... Brazil must now pay 25% interest rates, or higher, on any new bonds it issues. But about 40% of its old bonds are also linked to market interest rates, which means that they too rise along with the 'country' risk and other usurious charlatany.

"In sum, 45% of Brazil's 700 billion real government debt is dollarized. Another 40% is interest-linked."

With such attractive looting conditions, Brazil became a prize destination of the international carry trade, and is prominently so today under Santander/Inter-Alpha group supervision.

The Goldman Sachs maneuvers in Russia in the Summer of 1998, involving the conversion of a portion of the GKO bonds into dollar-denominated instruments, took advantage of the Russian government's frantic fundraising efforts in the weeks before the Aug. 17, 1998 collapse of the GKO pyramid, when GKO yields were in triple digits. The scheme didn't have a chance to take hold at that time, only because the bubble popped, and the subsequent Primakov and Putin governments attempted to steer clear of such operations.

And then there is the classic case of the Mexico debt blowout of December 1994, triggered by the issuance of precisely such dollar-denominated public bonds—the first time that such a "globalization" measure was foisted on a developing country.

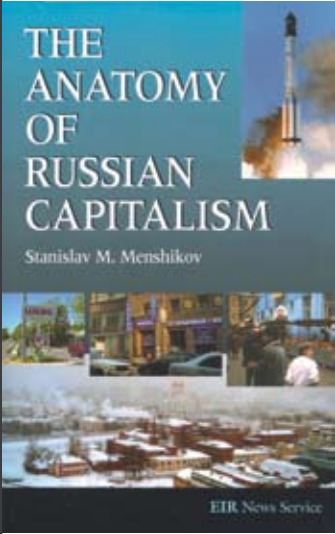
Under pressure of its international creditors—including the Fidelity Group and Goldman Sachs—the Mexican government of Carlos Salinas de Gortari carried out a gigantic switch out of peso-denominated Cetes bonds, and into dollar-denominated Tesobono bonds, beginning in April-May 2004. This "switcheroo," as it came to be known in Mexico, created some \$30 billion in additional foreign obligations within months. This led to the total blowout of the Mexican system in December, encouraged by a London and Wall Street-orchestrated run on the country.

Goldman Sachs played a leading role in this looting operation as well, first investing heavily in short-term dollar-denominated Mexican bonds during 1994; then participating in the organized run on the country; and finally ensuring that these bonds were fully repaid by the Mexican government, out of funds received from the 1995 "bailout" package arranged by the U.S. government and others.

At the time, *EIR's* Jan. 27 1995 issue covered the explosion of the Mexican debt bomb and how it would spread elsewhere, and even warned that Brazil had embarked on a similarly insane policy with its NTN-D's:

"So far, the Cardoso government has pledged its allegiance to maintaining the speculative cancer. And they have already worsened matters by meeting bankers' demands to issue what are effectively dollar-denominated treasury bills, known as NTN-Ds. This is exactly what Mexico did beginning in the Spring of 1994 with their Tesobonos, which have now blown up in their faces."

As more and more of Goldman Sachs's corrupt dealings are revealed, the question will naturally be asked in Russia, China, and India: Was the BRIC invented as a way to loot us ... again?



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# Restore Nation-States To Create New ‘Man-Made’ Water Resources

by Marcia Merry Baker

April 24—This week, a panoply of events was staged in Washington, D.C. on the eve of the annual IMF/World Bank meetings, to decry the extensive food and water deprivation in the world, while calling for so-called solutions of the type that created the crisis to begin with. The World Health Organization (WHO) released its Annual Assessment of Sanitation and Drinking Water (GLAAS), with a Washington presentation April 23, hosted by UNICEF, of the first annual High-Level Meeting of Sanitation and Water for All. On April 22, a new “Global Agriculture and Food Security Program” multi-donor fund was announced.

The picture is stark:

- 900 million people have no access to “improved” water supply (defined as including even just a neighborhood pipe or hose)
- 2.6 billion people have no sanitation facilities at all, not even primitive ones.
- 1.02 billion people lack sufficient food. Water for agriculture is depleting.

But behind all the fanfare in Washington, at which depopulation philanthropist Bill Gates participated prominently, alongside top Obama Administration officials, the premises and explanations being offered for the crisis are all falsehoods. The lying assertions are: 1) resources of land and water are fixed and running down; 2) population growth is a “pressure”; 3) global warming is intensifying, causing harsh climate change; 4) nation-states are an outmoded structure for caring for “people and the planet.”

The reality is, that the London-centered financial interests behind all this orchestration of concern and set-up of new “initiatives” for global water, health, food, and science, are those who perpetrated practices over the past 40 years that today have brought the world to the brink of an epic Dark Age: in particular, subversion of national economies under the WTO-era globalized “markets,” and monetarism; obstruction of science and infrastructure; and imposition of cultural degradation.

Now, the various new water and anti-hunger “initiatives” are calling for yet more of the same. They want

“market-based” ways to manage scarce resources, for mega-companies to “partner” with smallholder farmers and poor people, and for more cartel domination of basic science. It’s criminal.

## Natural Resources Are ‘Man-Made’

There are two principles to understand: First, natural resources are “man-made”; and second, well-functioning nation-states foster the ingenuity, productivity, and process of betterment of populations, that lead to dominion over resources—even beyond our planet, to the rest of the universe. Consider the situation with water.

Over the ages, man has augmented the apparent “natural” available freshwater by organizing increased supplies, through wells, impoundments, aqueducts, catchment vessels, etc., all the while, going from a hunting-and-gathering population of a few millions, to the 6.8 billions today.

Only a relatively small amount of freshwater—perhaps just 0.3% of Earth’s total water volume, or 100,000 km<sup>3</sup>, is accessible, in rivers, lakes, reservoirs, and underground sources at accessible depths. Over time, more and more of this has been brought into use.

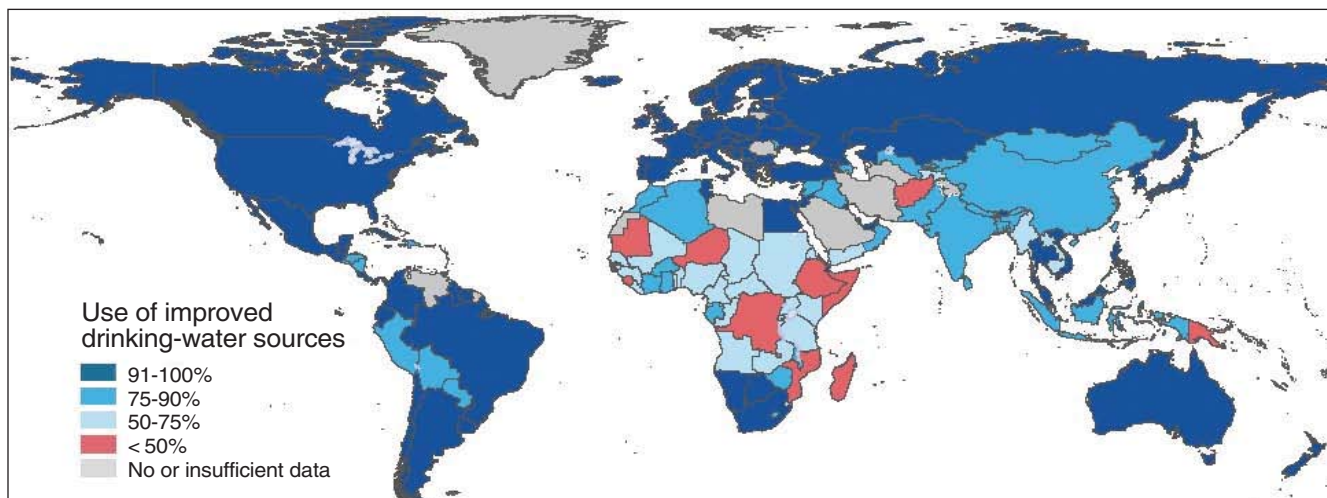
(Total freshwater on Earth is estimated to constitute 3% of all the planet’s water, the rest being saline water of varying degrees. The volume of this freshwater is in the range of 35 million km<sup>3</sup>, and most all of it lies in underground aquifers, iceflows, and soil moisture.)

As of the 20th Century, after thousands of years of increasing drawdown of surface and underground water, many parts of the world have experienced shortages. However, projects were devised to continue to expand water supplies. For example, the Franklin Roosevelt-era harnessing of the Colorado River Basin, to manage and increase the flow for maximum use in the Southwest.

Following World War II, there were similar projects envisioned for priority river basins on all continents, of three types: large-scale diversion of water from bountiful areas, to water-scarce regions; second, large-scale, nuclear-powered, desalination of saltwater; and third, high-energy purification of brackish or waste water, for re-use.

Take the example of the Jordan River Basin, already

FIGURE 1  
**Use OF Improved Drinking Water Source, 2008**



WHO/UNICEF, UN-Water Global Annual Assessment of Sanitation and Drinking-Water, April 2010

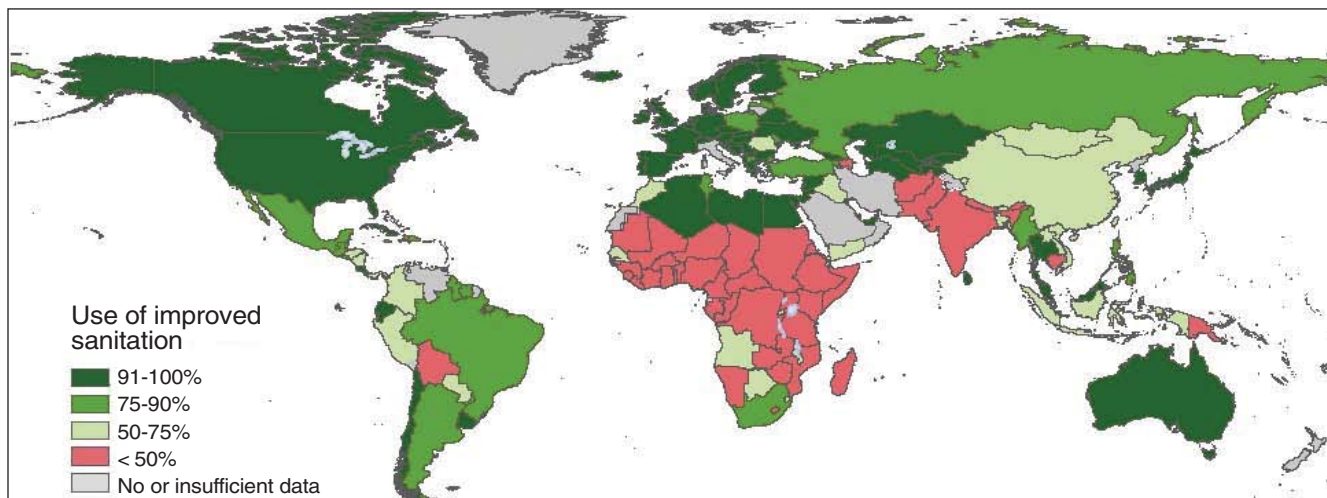
water-short as of the 1920s. Officials from the 1930s Tennessee Valley Authority, offered hydrological plans in the 1950s, for how to maximize water availability in the Trans-Jordan, through selected dams, channels, and other management. Moreover, with nuclear-powered desalination, it was calculated that only 22 desalination plants sited throughout the region *would create an annual volume of water equal to the 3,500 million cubic meters of renewable water in the Jordan River Basin*; in other words, a new Jordan River!

With the advent of the world Casino Economy, and GATT/WTO era, all of these projects were shelved, in-

cluding even nuclear power. Today, we have an urgent need to resume these nation-building projects, and the principles and outlook behind them.

The two maps (**Figures 1 and 2**) provide the background to the consequences of staying the course with today's collapse policies. Diarrhea, from unsafe water and lack of sanitation, is the second leading cause of death in the world today, after respiratory illnesses. Every year, 2.2 million children, under the age of five, die from diarrhea, or diarrhea-related malnutrition. For children under age 15, the disease-burden of diarrhea is greater than that of HIV/AIDS, malaria, or tuberculosis.

FIGURE 2  
**Use of Improved Sanitation, 2008**



WHO/UNICEF, UN-Water Global Annual Assessment of Sanitation and Drinking-Water, April 2010

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# Economics in Brief

## Finance

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### German Banker Warns of New Crash

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April 27—In an interview with *Börsen-Zeitung*, Herbert Haasis, president of the German banking association, warned against a new round of Lehman Bros.-style crashes, because the banks and investment funds are making the same kind of speculative deals that were done before the 2007 crisis, and they are even doing worse now, with additional wild speculation in raw materials.

Since *Börsen-Zeitung* is read by only a limited number of people, who are more interested financial market news, it is important to note that *Bildzeitung's* mass-circulation front-page reporting on Haasis's remarks April 26 helps to circulate the warning nationally.

## Nuclear

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### Russian-Indian Deal for Nuclear Fuel Plant

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April 26—Russia's government-owned nuclear fuel major, TVEL, has announced that it is in discussion with Indian authorities to set up a nuclear fuel fabrication plant in Greater Mumbai, to supply fuel for the 8-10 Russian VVER-1000 and 4 Russian VVER 1250-type reactors to be built in India. Ivan Dybov, TVEL's executive director for communications and public affairs, also told the Indian media that the fabrication plant could serve the fuel requirements of the new-generation European Pressurized Reactors (EPR) of 1,650 megawatts each to be built by the French state-owned nuclear company, Areva SA, in Jaitapur in the western state of Maharashtra. TVEL is part of Rosatom.

Areva SA has signed an initial pact with Nuclear Power Corp. of India Ltd. for building up to six nuclear reactors in India, getting a foothold in this potential growth market for nuclear energy. Dybov said TVEL has an understanding

with Areva for fuel fabrication and has already fabricated 2,000 fuel bundles for them.

TVEL, which holds 17% of the world's nuclear fuel market, already has a contract with India's Department of Atomic Energy to supply 2,000 metric tons of fuel to the country's pressurized heavy water reactors over the next five years. The company already supplies two units of the U.S.-built Tarapur Atomic plant, as the U.S. stopped supplying fuel after India's Pokhran-I nuclear tests in 1974.

## Austerity

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### Obama Commission Prepares 'Bloodletting'

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April 25—Interviewed by Fox News today, the two co-chairmen of President Obama's newly appointed debt commission made it known in no uncertain terms that their intention is to kill Americans by massively cutting entitlement programs, including Social Security and Medicare. The interview took place two days before the first meeting of the commission scheduled for April 27.

Commission co-chair Erskine Bowles started out by saying: "If you look at where we are today and you just look at the mandatory payments, they equal the entire revenue that comes into the U.S. government. That means every dollar we spend today on the military, on homeland security, on education, infrastructure, transportation, it's all borrowed, half borrowed from foreign countries."

Co-chair Alan Simpson stated explicitly that the commission intends to start a bloodletting of the American population: "We are using only the actuaries of Social Security. We are using only the actuaries of health care. We're using only CBO figures. We're not going to go by our own figures. We're not going to say we're going to grow our way out of this. Hell, we could have double growth for 30 years and never grow our way out of this. And hopefully we can all say, this is where we are. Then if we can do

that—and that's my naive objective—then we can start letting blood."

Simpson also made it clear that the commission would consider further cuts in Medicare, beyond those already included in Obama's Hitlerian death bill: "Somebody said, 'well, is the new health care bill off the table?' I said, 'nothing is off the table, absolutely nothing.'"

## Labor

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### European Unions Protest Iron Ore Price Hikes

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April 22—In the wake of a recent hike in steel prices based on a decision of the iron ore cartel to spike prices, the German metalworkers union IG Metall, one of the largest unions in Europe, held two demonstrations today to protest speculation, because it's destroying industries' ability to keep their employees. One demonstration was in Duisburg, the headquarters of Thyssen-Krupp Steel, and the other in Brussels, at the European Parliament, which was joined by other Western European steel workers. The idea was to mobilize against raw material speculation; to support a regulated market and consequences for cartels; and to secure the industrial locations in Europe and jobs in this industry (these are the three demands of the Duisburg Call).

The demonstration site—which the organizers had planned for 10,000 people just from the trade unions, only to find buses arriving from everywhere in Germany that has anything to do with steel—was in the middle of nowhere, in the ruins of old steel-producing areas.

The speakers, most of them labor council leaders, blasted that policy, along with those who are pushing it, after the big financial crisis that was caused by the same methods. But they limited themselves to making appeals to Chancellor Angela Merkel and EU official José Manuel Barroso for more regulation.

Many left the rally early, apparently demoralized by its leaders' political impotence.



# Will Netanyahu Trigger London's World War III?

by Jeffrey Steinberg

April 26—Despite the best efforts of some leading U.S. government officials to both threaten and cajole Israeli Prime Minister Benjamin Netanyahu into firmly pledging that Israel will not launch a preventive military strike on Iran, there is no guarantee whatsoever that Israel will submit to that pressure. In fact, for reasons that will be presented below, the likelihood of just such an Israeli attack on Iran is increasing by the day. In the words of American statesman Lyndon LaRouche, “The present Netanyahu government in Israel is more dangerous than Iran. This Israeli government could start World War III.”

The fact is that an Israeli “breakaway ally” attack on Iran would bring Israel, itself, one step closer to extinction. There is no legitimate Israeli national security interest served by any such strikes on Iran. Israel’s own inflated claims about Iran being one year away from a deployable nuclear weapon are not even taken seriously within the Israeli military establishment, a reality implicitly acknowledged by Defense Minister Ehud Barak in an April 19 interview with *Ha’aretz*.

“Right now, Iran does not pose an existential threat to Israel,” Barak admitted. “If Iran becomes nuclear, it will spark an arms race in the Middle East. This region is very sensitive because of the oil flow. The region is important to the entire world. The fact that Iran is not an immediate threat, but could evolve into one, means

that we can’t let ourselves fall asleep,” Barak explained.

U.S. intelligence estimates are that, if Iran is, in fact, pursuing a nuclear weapons capability, it is, under the best case, at least two to five years away from a deployable bomb. At a recent U.S. Senate Armed Services Committee hearing, top officials from the Defense Intelligence Agency and the Joint Chiefs of Staff delivered a precise message to that effect, and committee chairman Carl Levin (D-Mich.) warned reporters in the audience against mis-reporting those estimates, in favor of scare stories about Iran’s imminent atomic bomb breakout. Several days later, Undersecretary of Defense for Policy Michele Flournoy told reporters in Singapore that U.S. military action against Iran “is not on the table in the near term.”

## **Serious Flaws in Iran’s Nuclear Program**

Senior U.S. intelligence sources, furthermore, have told *EIR* that Western security services, including the CIA, have received significant new operational intelligence on Iran, from recent defectors, including Iranian scientists directly involved in its nuclear programs. These sources report on serious flaws in the Iranian nuclear work, and on successful sabotage operations, that have further disrupted the program. As the result of this new flow of intelligence, the long-expected National



White House/Pete Souza

*British tools Benjamin Netanyahu, the Israeli Prime Minister, and President Obama, shown here in the Oval Office last May, could trigger World War III, with a potential attack on Iran.*

Intelligence Estimate on Iran's nuclear program has been delayed until August, at the earliest.

Why, then, does the cloud of war hang over the Persian Gulf, and the extended Southwest Asia region, at this moment? Diplomats and journalists from Saudi Arabia, Bahrain, and Kuwait have confirmed that top officials from all of the Gulf Cooperation Council (GCC) states are bracing for a war before Autumn.

According to the sources, Saudi Arabia is pressing for early completion of a new hospital complex in Bahrain, in expectation of heavy casualties, in the likely event of an Israeli strike upon Iran, and a harsh Iranian asymmetric retaliation. And, in anticipation of the shutdown of the Strait of Hormuz, Saudi Arabia and the United Arab Emirates have been speeding ahead with the construction of oil pipelines to bypass that choke point. Saudi Arabia has also accelerated work on three oil ports on its Red Sea coast, as another means of bypassing the Hormuz Strait.

While Iranian-linked organizations, like Hamas and Hezbollah, would be expected to conduct attacks on Israeli targets, in retaliation for an Israeli strike on Iran, the more certain reality is that Iran's own, direct asymmetric warfare capabilities, long developed by the Iranian Revolutionary Guard Corp's al-Quds Brigade, would be unleashed against Iran's Persian Gulf neighbors, including the oil fields of the Eastern Province of Saudi Arabia, and other Gulf states like Bahrain and Kuwait, which have large Shi'ite populations.

And, while Gen. Ray Odierno, commander of U.S. forces in Iraq, has confirmed plans to draw down the American troop strength to 50,000 by the end of August, both Iraq and Afghanistan remain prime targets for Iranian retaliation against U.S. military personnel and contractors, should there be an Israeli strike.

In a recent report, prepared for a Swedish defense think tank, retired U.S. Air Force strategic planner, Col. Sam Gardiner, presented a detailed analysis of how an Israeli attack on Iran would almost certainly draw the United States into a war to "finish the job" provoked by the Israeli action—whether or not it was cleared in advance in Washington.

The nightmare triggered by an Israeli hit on Iran would extend far beyond the borders of the Persian Gulf. The most conservative estimates, presented at an April 22 Capitol

Hill seminar, sponsored by the Middle East Policy Council, are that any military confrontation in the Gulf would instantly shoot up oil prices to above \$200 per barrel. Under the present conditions of global financial collapse and economic breakdown, even a short-lived oil price spike would mean global chaos. A prolonged cutback in oil flows would have devastating consequences for China and other Asia-Pacific nations that are heavily dependent on the Persian Gulf.

### **Look to London**

It is precisely for that reason that some factions within the City of London financial oligarchy are contemplating war. For these circles, facing a loss of their global political power through the imminent final disintegration of their post-Bretton Woods floating-exchange-rate system, a global conflagration, triggered by an Israeli strike on Iran, would unleash a new dark age, like that which overtook Western Europe during the 14th Century.

It is their deluded belief that, under circumstances of a global asymmetric permanent war, their political survival would be assured. The nation-state system, which they detest, would be destroyed by such a perpetual conflict, beginning with the demise of the United States—a demise virtually guaranteed by the continued presence of London's own asset, President Barack Obama, in the Oval Office. Under conditions of an Israeli military strike against Iran, Obama would,

## Southwest Asia



in Britain's estimate, order American military support to "finish the job," drawing the United States into yet another British-engineered war in Asia.

LaRouche has warned that the very British oligarchy that owns President Obama, and helped engineer his election, could very well move to assassinate him, particularly once he drew the United States into such a perpetual war in the Persian Gulf.

The faction in London that is contemplating this madness is long on record in favor of a radical reduction in world population, from the present 6.8 billion people to under 2 billion, in the span of one or two generations. They are followers of the late Lord Bertrand Russell, who called for the launching of preemptive nuclear strikes against the Soviet Union in 1946, and who wrote, in his infamous 1953 book, *The Impact of Science on Society*, that scientists should develop biological weapons that could cause a Black Death once in every generation, so that "high-minded people" could freely procreate without causing an overall increase in population.

The descendants of Russell, today, are the leading advocates of an Israeli preemptive strike against Iran. And through the historical British control over the

Sykes-Picot-dominated region, they have the ability to deploy their Jabotinskyite asset, Benjamin Netanyahu, to spark World War III, on a moment's notice. The bogus idea that Iran is months away from a deployable nuclear bomb is the pretext for such a war. But, it is not the true cause.

The true cause is that a London faction, which sees itself as the heirs of the Venetian bankers who provoked the 14th Century New Dark Age, are contemplating the same thing today.

### Bernard Lewis

One of the most important British propagandists for such an Israel-triggered global war is Dr. Bernard

Lewis, the British intelligence operative who was deployed to the United States in the mid-1970s to engineer a new Thirty Years War along the entire southern tier of the Soviet Union, using Trilateral Commission head and National Security Advisor to President Jimmy Carter, Zbigniew Brzezinski, as his chief asset.

In an Aug. 8, 2006 *Wall Street Journal* op-ed, Lewis argued that the Cold War-era doctrine of Mutually Assured Destruction—MAD—would not work with Iran, because the Iranian leadership were messianic cultists, who believed that an attack on Israel with nuclear weapons would bring about the return of the 12th Imam, and the End Times, in which all true Muslims would ascend to Heaven and all non-believers would burn in Hell.

"In this context," Lewis wrote, "mutual assured destruction, the deterrent that worked so well during the Cold War, would have no meaning. At the end of time, there will be general destruction anyway. What will matter will be the final destination of the dead—hell for the infidels, and heaven for the believers. For people with this mindset, MAD is not a constraint; it is an inducement."

Lewis's wacky argument was revived in an interview published today in the *Jerusalem Post*, by one of his



leading U.S. Pentagon protégés, Harold Rhode. Rhode, just retired from a long career in the Pentagon's Office of Net Assessments, where he was an instrumental player in the Tony Blair/Dick Cheney U.S. invasion of Iraq. Asked, point blank, if the United States could contain an Iran with a proven nuclear weapon capability, Rhode said, "The people running the country are the crazies and they believe that if they can bring about a conflagration that will bring them the mahdi. . . . Again, I'm not privy to information about what Israel or America knows about how close or how far [Iran is from possessing a nuclear weapon], but there has been one Holocaust. That's enough, and I would hope that the leaders of this country, Israel, understand, and I'm sure they do understand that there should not be another Holocaust. This is their job, they were elected to make this happen."

### **Blair's Post-Westphalian World**

On April 22, 2009, former British Prime Minister Tony Blair, the architect of the Iraq War, who enjoys a close personal relationship with President Obama, traveled to Chicago to deliver a tenth anniversary address before the Chicago Global Affairs Council. In April 1999, in the midst of the Kosovo War, Blair had spoken at the same venue, and presented a vision of a post-Westphalian world, in which national sovereignty no longer counted, and a doctrine of "humanitarian interventionism" was to replace the previous system of nation-states.

In his 2009 speech, Blair not only reiterated his deep commitment to the end of sovereignty. He issued a declaration of war against what he called "an extreme and misguided form of Islam."

"My argument," Blair said, "is that the case for the doctrine I advocated ten years ago, remains as strong now as it was then; and that what has really changed is the context in which the doctrine has to be applied. . . . The struggle faced by the world, including the majority of Muslims, is posed by an extreme and misguided form of Islam. Our job is simple: It is to support and partner those Muslims who believe deeply in Islam but also who believe in peaceful co-existence, in taking on and defeating the extremists who don't. But it can't be done without our active and wholehearted participation."

Blair singled out Iran, declaring "there are elements in the leadership of a major country, namely Iran, that can support and succour its [extremist Islam] practitio-

ners." While supporting "engagement" with Iran, Blair stated, bluntly: "The purpose of such engagement should, however, be clear. It is to prevent Iran acquiring nuclear weapons capability; but it is more than that, it is to put a stop to the Iranian regime's policy of de-stabilisation and support of terrorism."

Blair went on to press the case for war, warning that, "In the use of hard power, we have to understand one very simple thing: where we are called upon to fight, we have to do it. If we are defeated anywhere, we are at risk of being defeated everywhere."

Blair's clarion call for perpetual war against Islam, starting with the targeting of Iran, has echoes inside the Obama White House, despite the best efforts of Defense Secretary Robert Gates, Secretary of State Hillary Clinton, and others on the national security team, to avoid another unjustified war. In an article in today's *Politico*, former national security officials Flynt Leverett and Hillary Mann Leverett warned, "There is a serious risk that President Barack Obama may eventually be maneuvered into ordering military strikes against Iranian nuclear targets."

"The reality is," they continued, "that a cadre of senior National Security Council officials—including Deputy National Security Adviser Tom Donilon and Dennis Ross, senior director for the central region (including Iran)—is resisting the adoption of containment as the administration's Iran strategy. . . . As Ross told us before he returned to government service in the Obama administration, President George W. Bush's successor would probably need to order military strikes against Iranian nuclear targets. Pursuing diplomatic initiatives early in Obama's tenure, Ross said, would be necessary to justify potential military action to domestic and international constituencies."

As far as they go, the Leveretts' warnings are correct. But they leave out the two most critical strategic factors: the London faction's true motives for detonating what could easily careen into a global asymmetric Third World War; and the Obama factor. President Obama is controlled by the very London circles typified by Tony Blair's "humanitarian interventionism" doctrine of permanent war/permanent chaos. What too few people care to admit or state publicly is that, so long as Obama remains in office, and Jabotinskyite Netanyahu remains in power in Israel, the threat of world war and a new 14th-Century Dark Age will hang, like a Sword of Damocles, over the planet.

# Implement the Four Powers!

by Summer Shields

*The author, a leading member of the LaRouche Youth Movement, is running for Congress in California's 8th C.D., challenging House Speaker Nancy Pelosi, in the Democratic Primary election to be held June 8.*

April 22—We have a dying world system today. This is no recession, no depression—it is a collapse, a failure, of the entire present economic system, globally. I am proposing that we immediately take up Lyndon LaRouche's Four Powers initiative to replace the currently failed system. It is only through the action of the United States, Russia, China, and India, teaming up as sovereign nations to get rid of monetarism and globalization, that society could ever survive, presently.

In order to understand the origins of the current collapse and the necessary remedy to save civilization, we must understand the history that has brought us to this point today.

In the late 1970s, the United States was engaged in a Cold War with the Soviet Union, operating under the fraudulent doctrine of Mutually Assured Destruction, otherwise known as MAD. Within that environment, no collaboration between sovereign nations for joint economic development could take place. LaRouche, through a series of Presidential campaigns, beginning in 1976, as through the Fusion Energy Foundation, and with the collaboration of scientific and political leaders internationally, worked on a strategy to eliminate the doctrine of mutual destruction. He proposed to replace it with a policy that would bring together the best of the United States with the best of the Soviet Union for mutual defense and economic cooperation.

That doctrine became known as the Strategic Defense Initiative, or SDI. This Apollo-style science-driver program would not only mean the end of the Cold War; it would mean the end of the British imperial policies of globalization and free trade. Through the SDI, we would build up the industrial and productive capacities of the developed and developing nations, by

surrounding the Soviet Union with a “wall of steel” and industry, and creating millions of new jobs in manufacturing, energy production, mining, and agriculture.

In a famous televised address to the American people in 1983, President Ronald Reagan proposed the SDI to the Soviets. That same year, LaRouche forecast that, were the Soviets to reject the SDI proposal, the Soviet economy would crash within five years. The government of Yuri Andropov, in a rejection of the SDI offer, led the U.S.S.R. into the collapse of 1989. So, the world experienced the fall of the Soviet system—just as LaRouche had foreseen, just six years earlier.

At that point, the free-trade system that dominated the West, a system that rejected physical productive development, was blowing out as well. What kept that world system afloat, was the intentional policy of resource-looting of the former Soviet Union, and the creation of Alan Greenspan's bubble economy.

So, Russia, under traitorous governments led by Yegor Gaidar and Victor Chernomyrdin, with Anatoli Chubais holding top positions throughout, underwent “shock therapy”: Russia was subsequently privatized and looted of its resources by free-trade companies such as Goldman Sachs, and infiltrated by networks associated with the International Institute of Applied Systems Analysis (IIASA). From then on, Russia was steered down the path of economic self-destruction, zero growth, and the looting of the creative minds of its population.

That traitorous factor still exists in Russia today.

## The Fraud of the BRIC

Once again, to combat the demise of the present world system, LaRouche has put forward the Four Powers initiative: to take the few remaining sovereign nations on the planet, the United States, Russia, China, and India, and bring together the best of these cultures for the creation of a new world credit system, the elimination of the present globalized monetary system, and the rebuilding of economies across the planet in a series of science-driver, international infrastructure projects, including a 50-year mission to land the first man or woman on Mars.

In opposition to LaRouche's Four Powers approach, ironically enough, Jim O'Neill, head of Global Economic Research at Goldman Sachs, a company that formerly looted Russia, put forward a new economic proposal—the BRIC (see p. 24). Rather than bringing the United States into cooperation with Russia, China, and



*Summer Shields' campaign for Congress, against the hated Speaker of the House Nancy Pelosi, is centered on rallying the voters in California's 8th C.D. to fight for Lyndon LaRouche's Four Powers solution to the global economic crisis, which requires the soonest-possible eviction from the White House of Barack Obama. Shields is shown in these two photos (above: center; below: left), organizing in the district.*



EIRNS

its own populations, to sustain the existence of Wall Street and London's usurious speculative practices.

Therefore, I am campaigning to carry out La-

Rouche's Four Power initiative—to eliminate the current world system entirely. We currently have, in both Russia and the United States, treasonous factions, including President Obama & Company in the United States, who have seized control of these nations for the moment. We have the Gorbachov-Chubais faction controlling Russia's finances. We must foster cooperation according to the patriotic traditions within both of these nations. We must bring them together with those traditions in the world which would: 1) collaborate for mutual economic development in the footsteps of LaRouche's SDI proposal; 2) usher in a global Glass Steagall; and, 3) create a new world credit system to fund the necessary rebuilding of the entire world.

I urge you to join my campaign to impeach Obama and implement the Four Powers solution today!

EIRNS

India, as LaRouche had proposed, Brazil was put forward as the up-and-coming power to replace the United States in the BRIC "new world system."

The BRIC proposal is a complete fraud. Look at Brazil: What are the assets that Brazil supposedly holds? Recall, the only income flowing in and out of Brazil is the looting of its population through the carry trade, run by the Rothschild-controlled Inter-Alpha Group of banks. As LaRouche has pointed out, the "B" in BRIC really stands for the British Empire, rather than lowly, little, Brazil.

The BRIC proposal represents no shift in the world system. It represents the continuation of the 40-year-old system of globalization which is currently collapsed, and the only role that the BRIC would play would be as the instrument for the financial looting of



# EIR LPAC-TV Weekly Report

LAROUCHE ANALYZES THE GLOBAL CRISIS

## Monetary Value Has Nothing To Do with Real, Human Value

*This special edition of the LaRouche PAC-TV Weekly Update, featuring guest Lyndon LaRouche, aired on April 21. The program, hosted by LPAC Economics Editor John Hoefle and LPAC West Coast coordinator Harley Schlanger, is archived at <http://archive.larouchepac.com/lpactv?nid=14240>.*

**LaRouche:** We're in a period of great lies. There is talk about a so-called "recovery" in progress in the U.S. economy. It's a complete lie. There's no truth whatsoever. You might call it the kind of lie you would expect from AIG, or from similar kinds of entities.

The U.S. economy has actually been in almost a free-fall, since the Summer of 2007: That's the fact of the matter, which most people out there, who live in houses (or used to live in houses), who used to have jobs, who used to have communities, who used to have functioning schools, functioning medical care, know: This economy, the U.S. economy in particular, has been in a free-fall collapse, at an accelerating rate, since the Summer of 2007. And you can't blame it all on Barney Frank (but you can blame a lot of it on Barney Frank!). He has, maybe, not the brains, but he has the malice, to go with the situation.

There's a deeper problem, here, however. Not only is everything being said about the economy under the present administration, and the Bush Administration beforehand, a complete lie—it's not a mistake, it's not

a misjudgment, it's a lie! As we see with the case of this Goldman Sachs operation, it's a complete lie: The world is headed right now, toward a total breakdown crisis, comparable to, but worse than, what happened to Europe, in the 14th Century. That's the situation: a breakdown crisis of the whole planet. And if this breakdown crisis occurs, it will occur first in the trans-Atlantic area, because the trans-Atlantic area is the most rotten part of the world system right now. The Asian side, the Pacific Coast side of Asia, and [the eastern side] of Africa, is actually in better condition, than the Atlantic side.

What we're looking at now, is a general collapse of the trans-Atlantic section of the world financial economy, which will be followed by a pull-down, by the collapse of the Atlantic system, of the Asian system. China, India, for example, and the programs for Russia, for development, represent a commitment to nuclear power and similar kinds of things, [which will bring] progress in productive powers of labor. Unfortunately, their productivity is not sufficient to prop up a collapsing trans-Atlantic economy. The entire trans-Atlantic world is now in a state of terminal collapse, a general breakdown crisis, comparable to, but worse than, what happened in Europe in the 14th Century.

Now, there are reasons for this, and there are also cures for it. As some people know, during the period since the inauguration of President Obama, we have a



LPAC-TV

*Lyndon LaRouche, host John Hoefle, and Harley Schlanger discuss the difference between monetarism and real economics, on LPAC-TV, April 21.*

group largely from the West Coast, but tied to other parts of the United States, who have been studying economics from a fresh standpoint, my standpoint, since about March/April of last year. And they have shown, that academic economists, or people with academic foundations but international kinds of activity, that these economists are perfectly capable of understanding at least the essentials of what I'm teaching them—which, if implemented, would assure a general recovery of the U.S. economy.

The fact that they've done that, and made that progress, so their remarks on various things are accurate, means that there is a possibility of educating the United States to come out of this thing alive. That's the situation.

### **The Concept of a Credit System**

But it goes back to a deeper thing: European civilization in general, with the exception of the United States, and the exception of what happened in Massachusetts during the 17th Century, the beginning of an economy—before it was crushed by the Andros revolution—which had already the seeds of the American System of political-economy fully established in it, under the leadership of the Winthrops and Mathers. This conception of economy, of a *physical economy*, of a credit system, not an international monetary system, already existed. All the achievements of the United

States, in terms of economy, during the times we've had achievements, have been based on an economic conception *which is totally alien* to Europe, totally alien to all monetary systems, which is the American credit system. And it was already established in the Commonwealth of Massachusetts, in the 16th Century-17th Century.

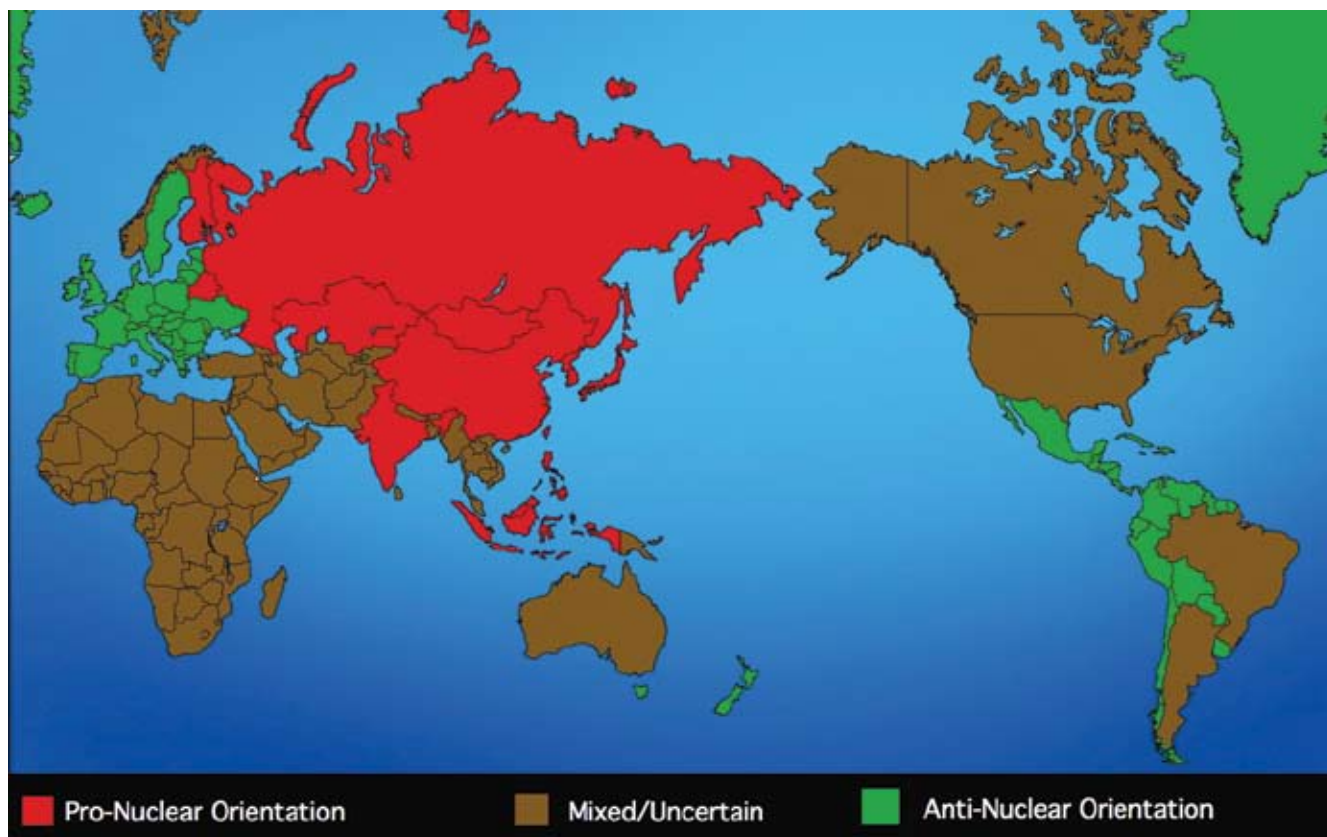
So, it's feasible to know the truth. The problem has been, that European civilization, since the Peloponnesian War, has been in a process of various forms of decay, over the entire period. That is, a culture has risen for a short time, by looting other peoples. Then it collapsed. Then another one came up. It proceeded to progress for a while, by looting other people—and collapsed.

And so, Europe has a long history of collapses. With the exception of Charlemagne, the general tendency in European economy is toward collapse. There's an exception for Bismarck, in Germany, from the 1870s till 1890, as a case of a nation that actually progressed. There was a movement for progress in Russia, in the same period, both under the influence of the United States. The Philadelphia Centennial was the prompting of a tendency toward revival in Europe.

The British reacted to this, by getting Bismarck fired, and getting a foolish Kaiser satisfied, working under his uncle, who owned him. This recovery in Europe, which had been organized by the effect of the

FIGURE 1

**Asia Goes for a Nuclear Future; the West Heads for a Dark Age**



LPAC

*China, India, Russia, South Korea, and other Eurasian countries are going for development, as represented by their commitment to nuclear power; whereas the trans-Atlantic world is not. But Eurasian productivity is not sufficient to prop up a collapsing trans-Atlantic economy.*

American Revolution, as under Lincoln, the Lincoln revolution, the recovery of the U.S. economy—set the pace for a recovery of the world. France went through a recovery under this influence; Germany went through its recovery, the so-called “economic miracle of Germany,” happened then, under the influence of the United States, and under the direction of Bismarck. That was shut down somewhat, with Bismarck’s ouster.

Then the British organized, the Prince of Wales organized what became known as World War I, with the assassination of the President of France, Sadi Carnot; similar kinds of things. The British organized Japan for a war, against, later the United States, but first against China and Russia, which was organized in the 1890s, about 1894-95. That war continued until August 1945, against China, Russia, and the United States. Pearl Harbor was a British plot: Because we were getting too strong; and so, the British, in a treaty in the 1920s, with

Japan, conspired to the attack on Pearl Harbor by Japan.

So the Roosevelt era was a reversal of the trend downward in the United States, and in 1945 we emerged as the greatest power this planet had ever seen, in terms of economic power! It was done under Roosevelt’s instigation, his leadership. From the moment he entered office, even experimentally, when he was Governor of New York State, the same program.

So we’ve had repeated instances, as initially in Massachusetts, in the formation of Massachusetts; in developments under the leadership of people like Benjamin Franklin, Lincoln’s revolution in defeating the British attack on us in the form of the Confederacy; in terms of the recovery under Roosevelt, from the tyranny of these crazy Presidents we had after the assassination of McKinley.

So we now are at the point of the general collapse



of civilization. The cause of the general collapse is two things: First of all, the incompetence of the British policy, and the British policy has dominated the world in terms of economic policy—*British monetarist thinking*. Wall Street and British thinking are the same thing, and we will never have a secure United States, until we get rid of Wall Street! What we should do, is shut it down, eliminate it totally; go back to a national banking system of the type that Hamilton had set up, use our credit system, and organize the world around our type of credit system. The problem is, that most people in the United States, even economists, have no notion of it!

Fortunately, on the other side, we've had people who have come up, through their work with us, over the period since about March/April of last year, and they have shown themselves, now, to my satisfaction, to be essentially competent economists. And they've proved it. They've conducted independent work, which I've looked at—this is *very* good work. They're competent. We have, also, other economists, who are not in that group but who are competent economists—and if turned loose, would be useful.

If we could take the Obama Administration, and all the chunks that are Obama Administration, especially this bunch of freak shows, like Geithner and the rest of them—get rid of them, dump them, and get Obama out! I'm convinced, now, that unless Obama is impeached or removed by his retirement, we don't have a chance of surviving as a nation. There are people who are trying to adapt to Obama. If you adapt to Obama, you're signing the death certificate of the United States! Because, everything he is trying to do, everything he is doing, including the extension of this war, the support of drugs in Afghanistan, the war he's doing, is all the worst thing you could possibly do.

The only solution, now, is, the United States has to get a new President, to replace Obama: Without that, we're not going to have a nation. We're at the end of the rope for this nation. The next round of another Obama incident, like the extended war in Asia, like the Israeli attack on Iran, can set into motion something that will destroy the United States permanently. Therefore, no patriot will support Obama! Unless he's an idiot, of which we have a large number in the Congress—especially in the Democratic Party. And the Republicans are really no better. The only thing about the Republicans that makes them better, is they're not Democrats. Otherwise they'd be as bad, or worse, than the Democrats.

## How the System Unraveled

**Schlanger:** This gets to the question that you raised about the fakery and the fraud in the economy. Because if you look at what you said, back in 1971—you were alone in identifying the break with the Bretton Woods system as a turning point in history, away from the FDR system. And then, especially with the emergence of Alan Greenspan as Federal Reserve chairman, the whole system has been based on a fraud. And I think it's important, this idea of physical versus monetary policy, the idea that Morgan Stanley today reported profits, and Goldman Sachs has profits. Now, all of these profits come from manipulating financial instruments that have *no connection* to anything real!

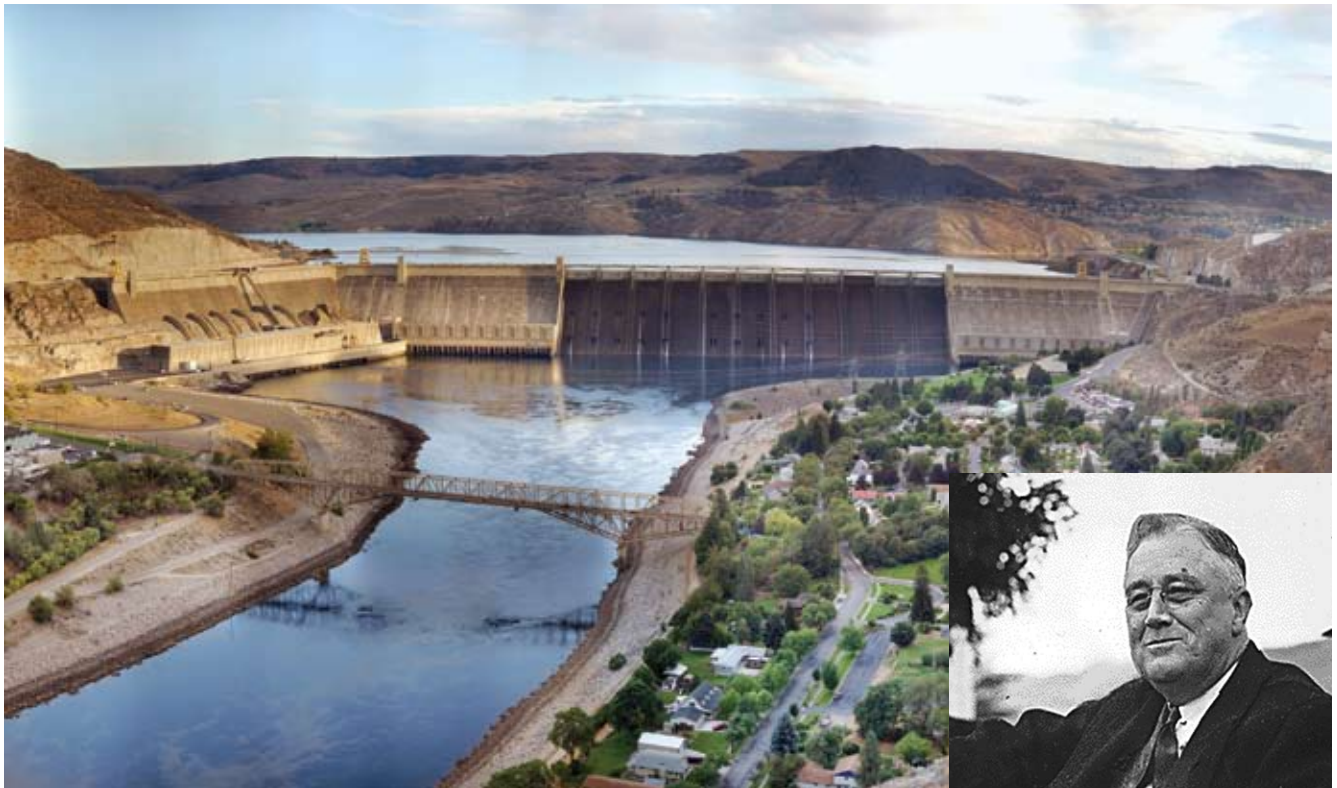
**LaRouche:** That's right. It's this monetarist system we're running, which is Greenspan's initiative. Enron is an example of this—you make money out of stealing. And remember that the operation, which was set up, actually before Greenspan, which was run, these swindles—organized crime! This came from organized crime's trying to set up this so-called new market.

**Schlanger:** Michael Milken and the junk bond operation.

**LaRouche:** Exactly. And this was a complete, organized crime-organized swindle! And Greenspan just put it on that basis.

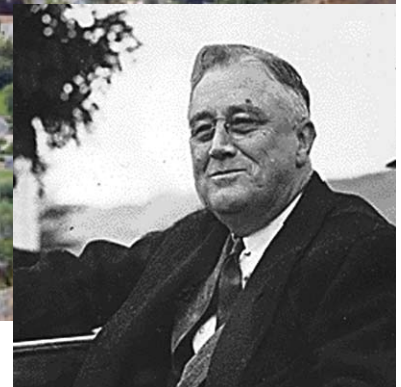
But the process of our destruction began the moment that Roosevelt died. Now, for example, we had a physical production capability which we developed during the war, in particular, for wartime needs. Roosevelt's intention was, that the moment the war ended, we should take our productive power, which had been war-economy power—don't shut it down. Rebuild the internal U.S. economy, which had been run raw by the efforts of the war effort, debt and everything else, but take the rest of the economy, which was the productive economy we'd used for military production and logistics, and use that to free the nations which had been the colonized of the world, and free them from the British Empire. Roosevelt had been explicit: The post-war intention of the United States was to destroy the British Empire! And the intention of the British Empire was to return the favor to the United States.

And Truman liked Churchill. So the minute Truman became President, we were on the way down. Actually, the U.S. economy, measured in *physical terms*, has been in a rate of net decline, since that day, because Truman shut down large sections of the economy, which had



Creative Commons/Gregg M. Erickson

*President Franklin D. Roosevelt visits the site of the Grand Coulee Dam in 1937. The dam (shown here as it looks today), in Washington State, was begun in 1933 and completed in 1942; it was one of the most ambitious infrastructure projects of the New Deal.*



FDR Library

been war-economy production, which should have been converted into production for world peace, for the freeing of nations which had been colonized, like India and other countries, free them, help them develop, give them the credit for acquiring modern technology—which was going to take a generation or two at that time, anyway. But do it! And eliminate the British Empire, by shutting it down!

Truman did the opposite: He did exactly as Churchill wanted. We shut down the United States, from that point on. And actually, from that point under the Truman Administration, *we have declined*, in physical economic terms, ever since, in net physical economic terms.

**Schlanger:** You made the point, in 1971, again at this turning point, that the collapse of the physical economy would mean the implementation of fascist austerity measures. And what we're seeing with the way the financial system is organized, this British imperial system, is that the money that's going into the so-called financial instruments, the derivatives and everything

else, comes directly, not just out of the physical economy in terms of no money for innovating in industry, technology, infrastructure, but is now coming out of the hides of the people. It happened with the British system, of course, with the developing sector, but now it's happening to the American people, increasingly. And this fascist austerity budget commission that Obama's setting up, and these discussions in Congress about budget cuts, are precisely that: looting the last bit of real wealth, to feed this bubble.

**LaRouche:** Well, let's take a couple of steps in this process, to get to exactly how this happened.

Eisenhower replaced this crazy Truman: Harry S Truman—middle initial, no middle name. His mother never got around to filling out the S as a full name. So, we call him an S: He's a perfect S of a President.

But Eisenhower was limited, however, in what he could do as President. He did a number of things which are typical Eisenhower, and were brilliant. *But*, by and large, on the economy, he did not act.

**Schlanger:** He had Arthur Burns in there.

**LaRouche:** That's right—Arthur Burns was bad news. Everything Burns. I despised the guy; and as a matter of fact, I made my career as a forecaster at the expense of Arthur Burns. I just mention that, because it's relevant to our discussion here.

I was, at that point, an executive for a consulting firm. And one of my areas of investigation, a prominent one, was the automobile industry and related kinds of industries, particularly hard-goods industries which were in the credit markets. People would buy things like automobiles on credit; they would buy deep freezers on credit, other things on credit. This part of the economy was very significant, because it was praised as being the great growth-driver of the economy, apart from the military expenditures, for military development.

So what happened was, in my investigation of this sort of thing, by the early part of 1956, it was apparent to me, that we were headed toward a collapse, because the entire hard-goods things, General Motors, the auto industry, so forth, was a complete fake, a complete fraud. The quality of the automobile deteriorated—that is, the important thing to consider is the physical life, when you're talking about long-term investments. You have to be concerned with the physical life-span of the particular object which is an investment. So anything in the credit market has to be looked at from that standpoint.

What would happen is, the automobiles were being made more quickly, in greater abundance. Gas stations were being recruited as automobile dealerships! And

you can imagine what a gas station is trying to do with a full-spectrum automobile dealership operation, where they actually have to repair the car that comes out of Detroit—because you would have tin cans, and Coca-Cola bottles, and everything else in these things, and you had to open things up, and replace missing pistons—this kind of thing.

So, the quality became poorer and poorer, and the ability of the dealerships to handle the quality, because of all these gas stations turned into dealerships; and I'd look at the contracts, and the contracts done by the auto industry with the dealerships were a fraud. So now, you had automobiles which had a physical life of somewhere around 18 months or so, and with that deterioration, would have a 36 months' loan. And the 36th monthly payment was a balloon note. All right?

So therefore, on the basis of looking at this characteristic of these industries, where the credit factor in hard-goods, was crucial—housing and so forth—it was obvious to me, that as of the beginning of the fiscal year, in the following year of '57, we were going to have a major crash. And we did.

So, I forecast this, in the Summer of 1956, from my position of responsibility, and I said, "This is going to happen." And people came at me with, "Well, what's your statistical forecast?" I said, "It has nothing to do with statistics, it has to do with economy!" And if you're a competent economist, you don't believe in statistics. Statistics are one of the inherent frauds of the whole idea of economic systems, today.



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*LaRouche said that he made his career as a forecaster at the expense of Arthur Burns (shown). LaRouche's early work involved the auto industry in the 1950s, which was already "a complete fake, a complete fraud." Shown is a Studebaker dealership in Michigan during the 1950s.*



## What Is Physical Economic Value?

**Schlanger:** I think it would be important for you to talk a little bit about this, because the idea of the physical economy that you have, is based on real science. But we have these people now, called “quants,” the quantitative analysts, who take reams of statistics, put them through fast computers, and then come up with financial instruments, where they’re looking for a marginal gain, a tiny crack between a value today and what might be tomorrow, and they put a lot of money into that, and they’re considered the geniuses, the rocket scientists. But this is based on an absolute attack on any connection of science to real physical value.

**LaRouche:** Well, this goes to the core of the issue we’re discussing here, today. Because there has never been, in the post-war period, a statistical forecast that was competent—never! It’s inherently incompetent. Because the notion of value associated with monetary value, is not real, when you compare it with the question of physical value. Physical value meaning, what’s the improvement of the productive powers of labor of human beings, per capita and per square kilometer? What’s the rate of improvement of those conditions of life? Or, what is the deterioration of those conditions of life?

Now, under this, put the Joseph Schumpeter (whom I call *Schaum*\* Peter) policy, of destructive production, destructive economy. What we’re doing, we’re destroying whole sections of the economy by wasting them, under *Schaum* Peter’s rule, as the British did in the 1970s.

**Schlanger:** They call it “creative destruction”!

**LaRouche:** Right! *Schaum* Peter, huh? So, this ignored the fact we were destroying—for example, we used to have, in most towns and cities in the United States, particularly on the Western coast, you could get a drink of water out of the faucet safely. That was characteristic; you can’t today. We lost it. So therefore, this is your “creative destruction” factor—we’re losing it.

And so therefore, from a *physical* standpoint—which is what our friends on the West Coast realized in their own studies—from a physical standpoint, the United States has been decaying *since the end of the war*, since the arrival of Truman as President. Because we didn’t realize, that financial values, nominal mone-

tary values, have no relationship whatsoever, to value. Value is physical; it’s the ability of the human being, to have a physical standard of living, and productivity necessary to maintain the human population and maintain the nation. They go by the financial thing: If the financial corporations on Wall Street, or London, are making a nominal profit, even as today where you have this vast amount of so-called profit—it’s all worthless! With one stroke of the pen as President, I would eliminate the whole thing!

**Schlanger:** On this question of getting rid of Wall Street, I think this idea of the investment banks used to be, they’d take loans from clients, and put it into physical production, building new companies and businesses. It’s almost now entirely trading, trading these worthless financial instruments.

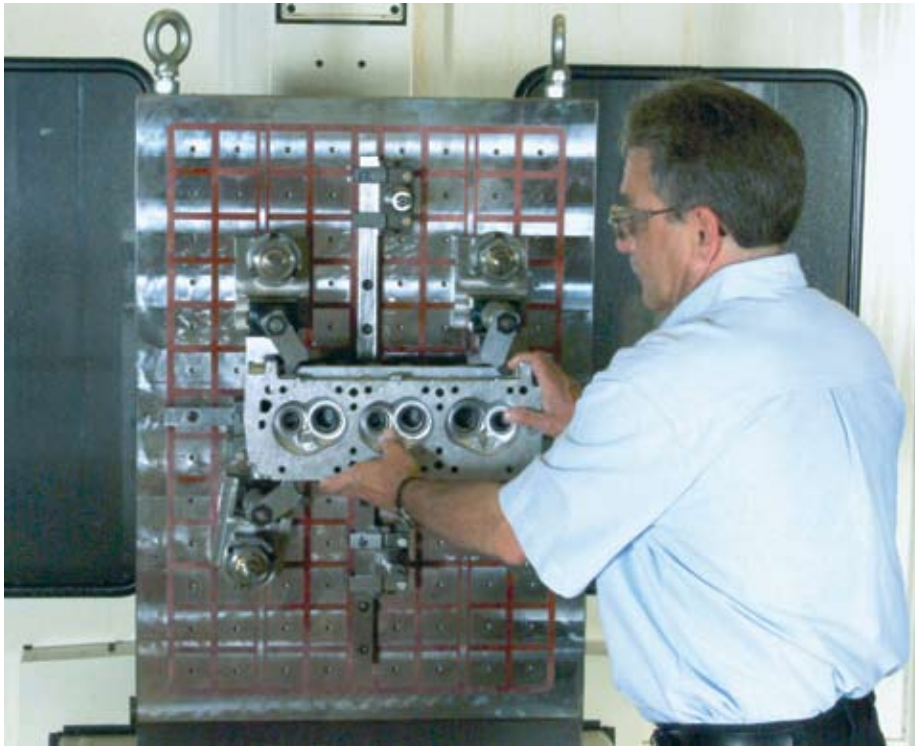
**LaRouche:** It’s a swindle! It’s an outright, fully conscious swindle. And it’s based on a policy—it’s not a mistake, it’s a deliberate crime against humanity. The purpose is, if human beings are well educated—aha! What happened to that? If they believe in physical production, if they believe in physical science, if they invest in that; if you have machine-tool shops all over the place, you have these machine-tool firms, which are generally small, closely held firms, or relatively closely held firms. And you’re starting up a manufacturing firm, or something similar, in an area, there’s always some machine-tool industry nearby that you can call upon, for your needs in terms of developing a product, and perfecting it. That’s what we destroyed.

We have destroyed the machine-tool basis of the U.S. economy. We have destroyed agriculture. What we’re doing has destroyed the agriculture productivity of the nation. We’ve destroyed our industrial productivity; we’ve destroyed the level of income of our people. We’ve now reached the point, we’re negative: The U.S. economy is physically in negative breakdown.

And the only thing we can do, that will save us, is to get rid of this stuff, do a Glass-Steagall clarification of the nations of the world: Because otherwise, right now, in these weeks, and not longer than months, if this continues this way, *the world is going into a dark age, planet-wide*. It will hit the trans-Atlantic nations *first*. And when the trans-Atlantic nations go down, as you can imagine the effect on China of a collapse of the trans-Atlantic economy, China’s market would be destroyed. Therefore, China would go down. Russia

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\*German: scum.



*A society that believes in physical economy invests in machine-tool production, said LaRouche. “[If] you’re starting up a manufacturing firm . . . there’s always some machine-tool industry nearby that you can call upon, for your needs in terms of developing a product, and perfecting it. That’s what we destroyed.” Shown is a research engineer demonstrating a new machine tool at GM.*

ably 12%. A popularity of the head of the Senate of less than *any* percent—and precipitously falling! And you have Democrats, in particular, as demonstrated in California this past week, who think that this President, and this system, is worth something, that they have to be loyal to it. They’re fools! And they are *hated!* The members of the Congress are more hated, by everything we’ve been able to determine—more hated than Obama himself. Obama is the source of the policy which is destroying the United States, but these guys are kissing his butt, and they are the ones who are hated because they are treated as *traitors*. They were elected to represent their people, and they *don’t* represent their people.

Schools are closing, hospitals are closing, medical care is collapsing, jobs are collapsing,

would be obliterated. India would go down. The world would go down!

And therefore, what we have, in terms of the members of Congress right now, we have certifiable idiots—except for those who are going after this new scandal. But, they’re all idiots, they’re all criminals, in effect! Those who are opposed to my opposition to Obama, are essentially, as politicians, *criminals*, opportunists, who have no regard for humanity, for our own people or those of other nations. And the problem here, is that we don’t believe in physical economy. We believe in monetary economy. And the world is run by monetarists.

**Schlanger:** And you see the problem in the population, which gave up on physical economy, because they thought they might get a little piece of the action, by putting some money in an investment bank or here or there. It’s like the whole mass insanity of believing in lotteries to run an economy.

**LaRouche:** But, remember, look at our population today: You have a popularity of Pelosi of less than prob-

ably 12%. Desperation has taken over in the majority of the population, and these guys are saying, “We like Obama!”

**Schlanger:** “And Goldman Sachs made a profit.”

**LaRouche:** Yeah, sure. It was a profit by stealing.

### Legacy of the Vietnam War

So therefore, the problem here, is, we are ruled by a British system, which dominates the world, since Roosevelt’s death—with some exceptions. Kennedy tried to change things, and they killed him. They killed him, because he blocked going into the Vietnam War. The Vietnam War destroyed us, destroyed our economy. They killed him, because he was opposed to the Vietnam War; he and Douglas MacArthur said this was a mistake. We went into the Vietnam War—and we never returned. We were destroyed by it.

Other things: Johnson was terrified. He knew the assassination was an operation. The whole story was a lie, of the Warren Commission. He knew it! And he said,



National Archives

*A demonstration at the Pentagon against the Vietnam War, Oct. 21, 1967. That war was a turning point, destroying the morale of the American people.*

later, he thought the guns were aimed at his neck. And I knew who the assassins were—not personally, but I knew where they came from. Other people knew where they came from: They came from Spain, by way of Mexico, into Texas—across the border from Texas, to return to Mexico, back to Europe. Professional assassins, the same assassins that had been used for trying to assassinate Charles de Gaulle, same crowd.

So, this was what happened to us. Then we had Nixon. Nixon was—there was nothing innocent about Nixon. I mean, there was nothing said against him which was an exaggeration. He was rotten from the beginning and all the way through! He got off lightly, because we were relieved to be able to be rid of him, by his consenting to get out of there, without having to impeach him. But effectively he was impeached, because the threat of impeachment was so imminent, that he decided the smartest thing he could do, was resign.

**Schlanger:** He left, but George Shultz remained.

**LaRouche:** Well, Shultz was not that significant, initially. Shultz is a bad piece of work, but Burns was the guy who actually, by shutting down the last remnant of the fixed-exchange-rate system, opened the door for what happened after that. That was the purpose. This actually began to happen, in 1968, in February, the beginning of March 1968, we took down the system. Once we did that, we lost the world's fixed-exchange-rate system, and chaos was easily orchestrated by the Brit-

ish. Nixon was part of that process.

But it was possible, because of the Vietnam War. The Vietnam War, which was a ten-year-long operation, destroyed the morale of the American people. And therefore, the hatred against the war, caused a change from the attitude of the American population when Kennedy was still President, to the time Nixon became President. And we saw people who had been sane, as children, or adolescents, earlier, under Kennedy, became monsters under Nixon and what he represented.

So, the point is, people don't understand economy, because political power is mobilized behind monetarism. And the people actually believe they're cattle; they don't think they believe themselves as cattle, but they act as if

they believe they were cattle.

For example, right now: The great majority of the population hates Obama, and hates the Congress more. And for good reason. Because Obama's a stranger. It's hard to blame him, because there's nothing there you can really latch onto as being substantial. But they hate him, because they've been betrayed. Now, how many people hate him? Well, you're talking about 70, 80% of the population, really despises this government. I mean, look at the lack of popularity of Pelosi—with that kind of popularity, she's Speaker of the House! It means there's something wrong here! There no reason why she should be Speaker of the House—there's less than no reason should she be Speaker of the House.

The point is, people are conditioned to believe that they are sheep. They believe that. You have two layers; you have the financial tyrants, and you have the politicians, the upper layer of the politicians. That's on the national level and to some degree on the state level. They're corrupt! They kiss the butt of what they see as superior authority, financial authority. They're easily bought; they're bought up and down, all the time. And the average person sits out there, hoping that the system works, and thinking that, somehow, they're going to get a fair deal.

## A Process of Change

What has happened now, is they have gone through an experience, through this bailout process, which was



the breaking point for them. 2008 was the breaking point, where they now realize, that they have been betrayed by their government. But they've been accustomed to be—people out there, hoping that the rules that they thought they existed, the rules for fair play, were in play. Now, they've discovered the rules for fair play, for them, are not in play!

They're losing their schools, they're losing their health care, they're losing everything! And they find, they were being *looted*, and they find out, *trillions* of dollars are being looted from them. They're being starved, not because it's just taken out of their pockets, but somebody says, "No: The trillions of dollars we want to give, as bonuses, to these thieves, come first. And you, poor guy, you have to wait in line. I'm sorry, we have nothing for you this week."

**Schlanger:** And Geithner says, "Once we stabilize the financial system, *then* you'll get the benefits."

**LaRouche:** Yeah, well, that's the point.

So, the popular belief that the system is built to take care of them, and they're angry because it's not doing what they think it *should* do, then goes over to the point where they decided that they have to *do something*, to replace those who have betrayed them.

Now, you have a case like that in the French Revolution, which is the model for what we're looking at now. In 1782-83, France, Russia—Catherine the Great—and Spain, were allied with the cause of the United States. We had a peace. Then Lord Shelburne took over; he set up the Foreign Office—as an agency of the British East India Company. And they began to run revolutions all over the world, in favor of the British East India Company. So, under these kinds of conditions, we were weakened, because we suddenly were isolated.

Here we had, formally, 1782-83, Russia, again, for our independence, the League of Armed Neutrality. We had France, a powerful nation, on our side. We had



*The storming of the Tuileries Palace in Paris, 1792. When the King, who was being manipulated by the British Foreign Office, turned against the people, the result was the Jacobin uprising that became the Terror, the French Revolution.*

Spain on our side, under the King at that time. And so we came out, having won our independence, with these assets. And suddenly, over the course of the 1780s, this was all taken away from us. By the time we had adopted the Federal Constitution, all the assets we had had internationally, had been taken away from us, by these British operations.

And the case of the French Revolution: What did they do in the French Revolution? Well, the King was intimidated, so he backed down. He was a clockmaker, and his wife was the sister of the Emperor of Austria. He wasn't such a bad guy in some ways. But they ran the fraud against the Queen. The case of the Queen's Necklace, in '87, turned the King and his brother-in-law, the Emperor, against the French people. Meanwhile, an austerity program was being run by the British monarchy, under British direction, against the French people.

So, then, you had armies of the Austrian Empire, Habsburg empire, posted around Paris, to protect the King and Queen, against the French population. Lafayette, who was strongly attached emotionally to loyalty to the King, failed to act, to tell the King, "C'mon, cut the crap out. You're doomed if you don't change." It's like an impeachment operation: Tell the King, look, you're going to be slaughtered, if you don't make this change. Get wise, buddy!

So, Lafayette backs down; the in-law of the King, the so-called brother-in-law, ran this Bastille thing—it was a complete fraud. But the issue was, the French people were caused to believe that the Austrian and related foreign troops encircling Paris to protect the King, were the cause of their misery. And therefore, you had the immediate process which became the French Terror, the French Revolution.

We are in a similar kind of thing, in the United States, now. We're at a point where you have a population which realizes it's been betrayed, realizes that the members of Congress have betrayed it, that the Federal government is its enemy at present—there are some people in there who are not the enemy, but, as long as Obama's there, the Federal government is the enemy of the people. They're becoming *angry, desperate*, like the French people in 1786, 1787, 1789.

We're turning against them! We're about to put a dictatorship over the American people, which is what this new legislation amounts to; it's what this war, this attack on Iran, is all about.

We are about to be destroyed, and destroyed by ourselves, by this President, and this government. And the problem is, ideology: These *idiots believe* in the monetary system, when we have demonstrated, that competent economists know this is a fraud, and has to be changed!

### The 'Wall of Money'

**Schlanger:** I want to bring up one other question on the current monetary system, because, a major factor in this has been the Greenspan "wall of money," or consistent turn to low interest rates, and Bernanke's continuing this. And you've been insisting that this is hyperinflationary. Now, a lot of economists say, "Where's the hyperinflation?" And again, they don't see the destruction of the physical economy—

**LaRouche:** It's corruption. It's not that they don't see; they're corrupt. They're corrupt, because they believe that by being with the system, the system is going to be favorable to them. It's a matter of butt-kissing. When you're kissing a butt, you don't see what's in front of you. It's that simple: They're cowards.

And also, you have corruption: The Baby Boomer generation in particular, was corrupt. They betrayed Roosevelt. We were taken out of all this mess by Roosevelt, given the chance to have a real nation again, that was betrayed under Truman. It was betrayed after that:

lies, lies, lies, lies! And then corruption, more and more corruption. So we developed a system that was totally corrupt. It was atomized: Everybody's in it for themselves. They all say, "I've got to go along to get along. This is the system, I got to go with the system, I got to go with the system." No principles. And that's the problem.

### A Hunger for Ideas

Now, the only chance, from my standpoint, is, I can tell the truth about this. I know this stuff; I'm an expert. I've lived long enough to become a real expert. When all my contemporaries died off on me and deserted me by dying—it's one of my big complaints: If they hadn't died, we'd have a different world than we have now. But, it's to do what's necessary, and what we can do, and hope that the shock of the collapsing that's ongoing, will prompt people to come forward and overwhelm this virtual treason coming out of the members of Congress, and other institutions. It's the only chance we have.

But in order to do that, we have to find people who are capable of thinking, who are capable of understanding what I'm telling them. I mean, I can't explain everything to them, unless there's a little bit of intelligence inside them, too. I can explain things to people, *if* they are willing to consider them.

**Schlanger:** You talked about this process that's happening within the population. What I see, from the work I do, is that there's an increasing hunger for real ideas. Not with everyone, but the people you're talking about—some economists, trade union leaders, former civil rights activists. There are people who are beginning to say, "How did this happen? Who did this to us? And what's the solution?"

**LaRouche:** Yeah, I've got a lot of that out there. It increases, but it's not a majority. It's only a cadre, not a majority.

Now, the advantage I have, the only weapon I have, in net effect, to win this change, is the enemies' *fear* of what is happening to them: that they are doomed, too. And therefore, out of sheer terror, of what's about to come on *them*, they suddenly discover a broader "self-interest." They begin to care about their neighbors; they begin to care about things. When the mobs are gathering about the eviction site and things like that, they begin to react.

**Schlanger:** That's why some are pointing at Goldman Sachs and saying, "Look what you just did!"

**LaRouche:** Well, this is what happened. The Goldman Sachs crisis is that.

Now, take another case. Take the Russian crisis: Russia has been under control of the British for some time. Gorbachov is actually a traitor to Russia, as he was to the Soviet Union. Chubais, the same thing. Other people. You know, the headquarters of the Russian leading firms are not in Russia; they're in the Cayman Islands, the Antilles, they're the offshore swindles! The worst type of swindlers. So, Russia, as long as it stays within its present monetary system, is a prisoner of the British system. And that's what this BRIC [Brazil-Russia-India-China] formation is—which Goldman Sachs is part of. Goldman Sachs is an architect of what controls Russia today.

**Schlanger:** They claim to be the author of the BRIC.

**LaRouche:** Yes, they are. They are! But it's really not the BRIC—it's Rothschild and the British monarchy. Because Rothschild is nothing but an agent of the British Royal Household. Evil old Jacob, huh? And they set this thing up, in 1971, at the same time that Nixon took the dollar off the fixed-exchange-rate system: It was a British operation to destroy the United States at that point. And it is, now.

When we recognize that the British Empire *is our enemy, our chief enemy on this planet*—Tony Blair, for example, is an enemy of the human race! And he was a significant prime minister in London. His successor also represents the enemies of the human race. Not the British people—they're just the poor fools, like our poor fools.

But, we're at the point that only



Lord Jacob Rothschild, an agent of the British Royal Household.

rage against the evil represented by the British Empire and its policies, will provoke the nations of the world to free themselves from this, knowing that if we conspire to do it together—if I were President, I could do it easily. Under these conditions, if I were President, I would have no problem: We would simply, one night, a bunch of us of various governments would meet, and in the morning, the British Empire would be gone!

### A Global Glass-Steagall

**Schlanger:** We have a simple Constitutional tool, known as the global Glass-Steagall.

**LaRouche:** Exactly. So, you just use a Glass-Steagall rule, a bunch of major governments agree, "We've been screwed too long. We're going to stop it. We're going to impose a global Glass-Steagall."

**Schlanger:** And, good-bye, Wall Street.

**LaRouche:** And we just say, well, the trash is written off. And Wall Street would vanish, and it would be a good thing to have a plaque there, saying, "Wall Street Doesn't Live Here Any More."

**Hoefle:** As would Jacob Rothschild, and the Inter-Alpha Group, and globalization and the whole gang.





**LaRouche:** They're all bankrupt anyway! All you have to do, is pull the string on this thing. They're all bankrupt! All that's needed is the political will.

That's why they put such a jerk like this in the Presidency. They needed a jerk who'd be complicit with the London crowd, and he's totally British owned. I don't know about his birth—I've heard conflicting stories about his birth, including what the paperwork means, and what it doesn't mean. But that's not important: In principle, he's not an American. Wherever he was born, physically—

**Schlanger:** He still needs to be impeached!

**LaRouche:** Because he's not an American; that is, nothing about him is American. Physically he may be an American, hmm? Legally, physically, he may be an American, but functionally, he's not. He's a British agent, against the United States! He's like Aaron Burr! Less intelligent than Aaron Burr, by far, who was quite clever in what he did—but he's a traitor, just like Aaron Burr, in effect. And without this factor, and people kissing the butt of this President, as they're doing, even though they despise him, we become prisoners of this, prisoners of the lack of leadership. And the lack of leadership, is not only the lack of the leaders who can provide leadership, but it's the lack of attention to the *ideas* which must rule.

We must give up forever, the idea of money as an intrinsic value, and realize that money can only exist, as it was created to exist in the Massachusetts Bay Colony, under the direction of the Winthrops and the Mathers, as a *credit system*, not as a negotiable currency system, a *credit system*. And to have a fixed-exchange-rate credit-system among the nations of the world, to engage in those large-scale projects, which are needed, and which can be done, to start to rebuild the world economy; to stabilize it at first: *basic economic infrastructure*, high-speed rail transportation and similar kinds of transportation; power, nuclear power galore! Everything to emphasize nuclear power. Because with high energy-flux-density power, we can increase the rate of productivity, with infrastructure. The infrastructure investments, water systems, transportation systems, and so forth, these systems will then be the source of the stimulus for the industries which now service these constructions, and become

## World Wildlife Fund



Prince Philip wants you to give him a hand.

EIRNS

*The British policy is Malthusianism: Reduce the world's population to less than 2 billion. WWF founder Royal Consort Prince Philip is its principal spokesman.*

the new industries, and the new farms, to replace what we've lost.

With that kind of cooperation, over a 60-year period of treaty agreements among leading nations of the world, we could, as of this minute, as of tomorrow morning!—we could strike agreements which would save this nation and would save the world.

The problem here, again, is where the question of economy becomes crucial: *because people don't have the slightest idea of what the principle of economy is, but believe in a financial system, not an economic system, not a credit system.* For that reason, this *stupidity* in the marketplace, about what's "real," is our problem. Otherwise, people would say, "This isn't working. Would somebody please tell us what *will* work?" Then we could tell them what will work, and they would go for it.

**Schlanger:** And in this sense, the Goldman Sachs,

so-called scandal, gives us an insight into the systemic fraud of what we've accepted as economic policy.

**LaRouche:** It's a shortage of meat at a cannibal picnic, that's moving along. And therefore, the cannibals are getting out to eat each other! And this is what happened with Goldman Sucks! Goldman Sachs is what? It's AIG. AIG is the key fraud, here. AIG was what? The insurance business. Now, go back to Nixon: What is AIG?

**Schlanger:** The HMO system.

**LaRouche:** Right! We replaced the Hill-Burton system by an HMO system. In other words, we put the destiny of the health care of the nation, through the physician, in the hands of these swindlers, these bankers and financiers! And then, we went further. We said, "Now we're going to kill the nation, we're going to reduce the world's population," which is the British policy. The British policy is to reduce the world's population, presently—and *rapidly*—from 6.7 billion to less than 2. That's the stated policy of the British monarchy. It's the policy that Obama is carrying out. Obama is worse than Adolf Hitler on this question! And damned fools won't admit it!

And that's the kind of problem. Therefore, you have to have a population which comes to an understanding of what a *physical economy* is: It's based on technological progress. It's based on increase in energy flux-density of power supplies. It's based on a revolution of going into space! As one of our people, in California, reminded people last week: "Five billion years from now, there's not going to be a Sun. So we better do something about it, now. Better get started, now." We're not going to have a habitable Earth, long before 5 billion years! The Earth in its present form, is not going to be habitable. Well, where ya going, buddy?

### **Immortality and Real Economics**

**Schlanger:** And therefore, your life has no meaning, what you do now, unless you're addressing that very problem.

**LaRouche:** Exactly! You have to think as an immortal. You have to think that your life is a contribution—your mortal life—is an immortal contribution to the future of mankind, in the universe. And that we're going to make the universe a better place, as humanity, as we get the power to do so.

And we have to have that kind of dedication. Because otherwise, the idea of a heritage—meaning, somebody says, "I'm going to my grave, I'm going to be uplifted afterward." They're never going to be uplifted.

**Schlanger:** Actually, this immortality question is at the heart of real economics.

**LaRouche:** Exactly. If you do not understand, in what sense the human being, unlike the animals, is immortal ... the human being is immortal, because they have the potential of making discoveries of universal physical principle. The universe is creative in itself. But only mankind, only the individual person, is capable of immortality through the mind, through discovering universal principles to *improve* the universe. And that's the difference.

And we have to get that picture, because people are living through a fake. And when you say, "Everything is going to be fine, after I'm dead, my grandchildren are going to have this," and so forth, that kind of thing—it's not true! There's no guarantee! There's only the guarantee that you *make* come true. You have to think about the future. At my age, I can do that more easily, because I have a longer past, and therefore, I have a sense of what the span is, what happens in the course of a lifetime, through the various phases of one's existence, from infancy to childhood and so forth.

You want to assess, what is really important, *for you*. You're going to die; first of all, accept that you're going to die. Now, what is going to be the consequence of your having lived? And will the ideas, and the goals that you represent live in the future population? If they do, and if they solve the problem of humanity's life in the universe for times to come, you're a success. That's as good as you can do.

But if you have some fake value, the assumption that everything is going to be all right, without your doing something to make it possible—that's what the problem we have is, today. People assume, "Well, I do the right thing, I'm good to my children, I only beat them on odd Tuesdays," hmm? This sort of thing? It's a nice feeling, but it's a false one. It's false to reality.

And so therefore, my job is, to get this idea, of what society is—not just economics, not just physical economy, not just physical science. But we have to think in terms like was said in California: 5 billion years from



NASA/Pat Rawlings (SAIC)

*If we show we can make Mars habitable for man, then we know we can go on to further achievements. Shown is an artist's rendition of astronauts looking for fossils on Mars.*

now, the Sun is gone—and the Earth is gone a lot sooner than that. So, we'd better get up, and think about this! And think about what a voyage to Mars is going to be and how're we going to live there, and how're we going to live elsewhere in the Solar System and beyond, how we're going to live in the galaxy? Now, you can not take a slow boat to your friends in some other part of this galaxy—you won't make it. But you can think about getting to other parts of our galaxy, and beyond. We can think about the future of mankind in the universe. Which is the way we ought to think. And we can have a grand time of fun, in knowing that we're contributing to that.

**Schlanger:** And that kind of thinking has an immediate physical effect, because you're applying these physical principles, to what we call "real economics."

**LaRouche:** Yes. I find that when discussing this with some of these people who've been involved with us, in this forecasting business, in the recent more than a year now, their enthusiasm, their sense of confidence, is obvious to me. When they start to think in these terms,

they become much more optimistic people, because they know that what they believe is true.

**Schlanger:** That's helpful.

**LaRouche:** Yeah, well, the point is, most people are going through a phony belief. They believe in something which they think is there for them, but it's not, it doesn't exist! But they will say to you, "Don't take away my dream!" As long as they can fool themselves, into thinking they're getting something coming to them, in this life or afterward, they're fooled by their dream, because they have no basis for believing that.

When we say, "We're going to Mars," and we discuss how the Solar System is organized, and begin to get down to drawing on the drafting board how we're going to do this, maybe in a couple of generations or more to come, then we no longer are peddling empty dreams. We are saying that we have a commitment; if we can do this, if we can say that by the end of this century, we can find a way of making man's presence on Mars habitable, significantly, even temporarily, then we know that we can go further, with the same type of progress in discovery, to go to further achievements.



And therefore, you can say to your grandchildren, “Well, you’re going to die. But you’re going to do better than we did. You’re going to do something we didn’t achieve.” And therefore the idea of immortality, then becomes real.

And only a human being can enjoy immortality, because no animal can do it, only a human being. And the object of people is to become that kind of human being. To know that whatever the miseries and problems of life, that their part in this process is essential for the future of humanity, and that there *is* a reward for it! There is a future in humanity, because of what you’re doing now, and what you’re insisting on doing now, the principles you’re adopting now, the commitment you’re adopting now.

It’s like, you used to have the grandfather who would take his grandchild out to see some large construction done, under Roosevelt, for example, like a big dam or something. And the grandfather would say to the grandson, “I helped build this.” And the morality in a human being, the basis for true morality in a human being, is a sense like that: a sense that you’re going to become a grandfather, and your grandchild will know what you’ve done to make possible what *they’re* about to accomplish! And you know, as long as that commitment exists within the human species, the human species has a future in the universe. And has some purpose which may become revealed to you at some later point.

If you don’t have that conception, in my experience, without that conception, all the promises, all the beliefs, and good things, and so forth, are largely wishful thinking. And at the first threat to it, people turn nasty: They no longer believe in the future, and they turn nasty and corrupt. They become practically a member of Goldman Sachs—nasty, corrupt, and worse than useless.

**Schlanger:** And they turn themselves into slaves for that system.

**LaRouche:** They turn themselves into subhuman degenerates. But, now they’re going to be fried, because the other degenerates are angry at them, and they’re going to be fried. The best thing they can do, is try to find a spaceship that’s going to take them a safe distance from Earth!

But that’s why I do this work on physical economy: I’m an expert in this area, because I did not swallow

some of the things I was being taught in school. And so, I stuck to it, and it had a good benefit, and pleasant rewards from it, and I enjoy life greatly!

**Schlanger:** And it gives the younger generations a chance now, because you did stick to your guns over all these years.

**LaRouche:** Yeah, I stick to my guns. I’m a stubborn old coot! It’s fun. Life is fun: I enjoy life greatly. I enjoy people greatly. I enjoy young people, greatly, especially because they’re the future. And if you want to make a good investment, make the investment in a young adult. Because the investment in the young adult is going to be the future, and they’re capable of understanding it, and they’re capable of carrying it on, so you can actually rest in peace, at the end, if they’re functioning. I don’t know how the President’s going to do in this matter, but I don’t think he’s going to be very successful. I think he’s a miserable creature.

**Schlanger:** And hopefully he won’t be in the White House much longer.

**LaRouche:** Yes. I hope he can find a nice resting place, where he’s calm and calmed down, and given the right drugs to be calm. And sit on the porch someplace and be serene, and have his daughters not look upon him with absolute disgust.

**Schlanger:** And to make sure there aren’t too many mirrors in the house.

## The Human Side of Physical Economy

**LaRouche:** Exactly. So, that’s why I wanted to keep emphasizing this thing about physical economy, to get the *human side* of what we mean by physical economy: to get to what is the real human values which people generally have not latched into yet, shall we say.

**Schlanger:** See, that’s one of the things I’ve always emphasized: that physical economy is the only basis for morality, because it is based on the future, it is based on the immortal nature of man. And anything else is really a fraud.

**LaRouche:** I can say another thing on that, Harley: When you think about religious bodies, . . . you know, in a certain period of my life, I had a very active relationship to the Vatican, especially in Italy on the SDI project, and I know various religious bodies. They fail, be-



UN/Evan Schneider

*The papacies of Paul VI (left) and John Paul II were a high point in the Catholic Church. They found their identity in the sense of the simultaneity of eternity.*

cause they substitute an artificial goal for humanity, as the purpose of immortal life. And since they don't have a real sense of what that goal should be, they just "preach it."

And then, the people who are believers, run up against something where they lose their belief, because they've been given a story, like a nice story, in place of really knowing what they should believe in. And therefore, when the corruption comes, like the hit of this sex scandal in terms of the Church, you realize that the vulnerability of the believers is the fact that they don't really have the real story. They have what's given to them, instead. People say, "Well, we have to do something to give them the right spirit about their life, the right feeling about their life." But sometimes it has to be the truth.

And you have the concept in Christianity, for example, the idea of the simultaneity of eternity, which is what I believe in. And if you can find an identity in the sense of the simultaneity of eternity, then you have it, you have the objective of religious belief there. And this is what I get from—well, for example, these various great Popes, of that period of my life: they all represented that, that was their power; that was their influence. And it included, up toward the end of his terminal state, John Paul II. And all his Polish collection he had around him in Rome, which I used to know. And there was the famous John XXIII, and Paul VI, and he had a very special role in this process, some

people know about. I happened to be informed about it.

But I mean, you had a high point, and you realize today, that that high point, which I knew in the 1970s and 1980s, is no longer there. It's gone. Because the myth, telling the myth, is not the solution. You've got to tell the truth; you've got to talk about the simultaneity of eternity. Don't give them pabulum; give them the truth.

### Science and Classical Culture

**Schlanger:** And that's why you also emphasize the importance of Classical culture, in music: because you have the same principle, with a Bach, or a Mozart, or a Beethoven, in musical culture.

**LaRouche:** It's even more than that. We've got a project now, which is the Einstein Project, which some people are working on. Einstein is the best example of the moral type of scientific mind, who was often almost an outcast, but who made singular contributions to science, and to other things. And you have the image of Einstein and his violin. He was a competent amateur violinist. For example, he used to perform in *Shul* in Berlin, before the Hitler period, on various days when he was there. Einstein is the example of this, and one of the best models of this. And if people would understand him, and what he did, and what was wrong with the opposition to his influence, particularly from the positivists and so forth, you get a sense that creativity is not located in mathematics. And that's where the idiocy comes in.

Creativity is located in Classical, artistic composition. It's located in the relationship between Classical poetry and music; it's located in great painting, which has this double meaning to it, the irony of painting. And therefore, creativity as we know it in scientific work, is a product of a state of mind, which is induced by Classical artistic composition, as by Bach.

What we have now, in so-called popular music—the popular music in the United States destroys the mind. It



EIRNS/Ali Sharaf

*The LaRouche Youth Movement in Germany records the Choral movement of Beethoven's Ninth Symphony in Berlin, March 19, 2010. We have to treat Classical musical composition "as an essential part of our intellectual diet," LaRouche said, "because without that, we can not develop moral power."*

destroys the creative potential of the citizens. And the reason we have such terrible conditions, psychologically in life in the United States, today, is because of the postwar period, the imposition of this wild, crazy, existentialist thing, in place of Classical musical composition. And I know, and I work on this with people—I insist on this—that we have to treat Classical poetry and Classical musical composition as an essential part of our intellectual diet, because without that, we can not develop moral power.

Moral power lies in the power of creativity. And only Classical artistic composition, actually, directly presents creativity. For example, Shelley—which I often cite—Shelley's *A Defence of Poetry*, the concluding section, is a demonstration of what creativity is, and how creativity affects a mass of a population. And the problem today, is we have people who *don't have that moral sense*; and the problem with our popular culture today, [is that it] destroys that moral sense. And therefore, you find you want to get them into science—they're weak, they're not competent scientifically. Whereas, people who are in a Classical musical culture, and related culture, *do* show a potential for creativity in physical science.

**Schlanger:** What kind of moral sense can you get

from a song like, "If you wanna beer real cold, put it next to my ex-wife's heart"?"

**LaRouche:** Yeah, I know, but that's just bad stuff. But the point is, without the positive factor—mathematics is not the source of creativity. Mathematics can be the death of creativity, as positivism demonstrates.

**Schlanger:** As Wall Street demonstrates, today!

**LaRouche:** Yeah. Totally immoral degenerates. Wall Street is a bunch of degenerates. And they're not going to Heaven!

**Schlanger:** And they won't be able to buy their way in, with derivatives!

**LaRouche:** Right!!

**Hoefle:** All right. Well, thank you, Lyn, Harley. Very entertaining show, very useful.

I suggest that, as last time—watch this repeatedly, but not only that: Get all of your friends and associates to watch it. Because the survival of this nation depends upon enough of us grasping these ideas so that we can turn things around. This is really the fight. Forget about the scandals and all these other things: This is the fight! These ideas are the fight. This is the way we will win!

So, spread the word. Thank you.



### *The Issue Is Glass-Steagall*

Back in 1932-33, the famous prosecutor Ferdinand Pecora both stunned and aroused the American people, with his hearings into the gory details of the fraud and corruption of Wall Street banking institutions. With the light of “pitiless publicity” focussed on arrogant bastards such as J.P. Morgan and Thomas Lamont, President Franklin Roosevelt was able to ram through the raft of banking regulation, led by the Glass-Steagall Act, which kept the U.S. banking system functioning for the next 50 years.

It’s no surprise that many people are today comparing the relentless prosecution by Pecora, with the drive by the senior Senator from Michigan, Carl Levin, to get to the bottom of the criminality of Wall Street institutions such as Goldman Sachs, in creating the current financial breakdown crisis. Levin is systematically building his case against Goldman for its ripoffs of its clients, but it is crystal clear to everyone that the abuses he is discussing, riddle the deregulated financial system as a whole.

While it would be satisfying, and just, for individuals like Goldman Sachs CEO Lloyd “I’m doing God’s work” Blankfein to go to jail for their crimes, the larger issue is whether Congress will finally get the guts to junk the *system* that created this mess, and go back to the Roosevelt regime which worked so well.

One major problem arises immediately: While Pecora had the blessing of FDR, Senator Levin has a President whose philosophy is the very antithesis of FDR’s, the philosophy that the way to prosperity of Main Street leads through Wall Street. The American people see through such sophisms, but so far, the Congress has submitted shamelessly to a President who is owned lock, stock, and barrel by the British and their Wall

Street tools (including Goldman Sachs).

One conclusion is inescapable, and that is that President Obama must be gotten out of office, by impeachment or resignation.

The next step is that the Administration, and the Congress, move immediately to put the financial system in order through a Glass-Steagall reform, of the form that Lyndon LaRouche has repeatedly outlined. Let us repeat the principles again:

- First, there must be a sorting out of legitimate debt (related to the requirements of the physical economy’s functioning), as against the hundreds of trillions of dollars in casino betting debts. The latter claims should be deemed illegitimate, and sent into the deep freeze, if not cancelled outright.

- Second, the Glass-Steagall rule separating the operations of commercial banking (linked to the physical economy) from investment banking (speculation), must be put into effect, with protections from the Federal government reserved for transactions of the first type.

- Third, the U.S. government must get together with the other three most powerful nation-states—Russia, China, and India—to cast off the entire British globalized financial system, and establish joint Glass Steagall-style rules for cooperation among them, including fixed currency exchange rates, and arrangements for long-term, low-interest investments in infrastructure development, in order to start a real industrial recovery.

Nervous Nellies who have, up until now, been afraid to acknowledge that LaRouche’s Glass-Steagall approach is right, are finally beginning to speak up. Now we have to take it the next step: Impeach Obama and ram through Glass-Steagall now.

# See LaRouche on Cable TV

## INTERNET

- BCAT.TV/BCAT Click BCAT-2 4<sup>th</sup> Fri: 10 am (Eastern Time)
- LAROCHEPUB.COM Click *LaRouche's Writings*. (Avail. 24/7)
- LA36.ORG Click on The LaRouche Connection. Select desired show.
- 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: Wed, Thu, Fri: 6 am

### ALASKA

- ANCHORAGE GCI Ch.12: Thu 10 pm

### CALIFORNIA

- CONTRA COSTA CC Ch.26: 2<sup>nd</sup> Tue 7 pm
- COSTA MESA TW Ch.35: Thu 5:30 pm
- LANCASTER/PALMDALE TW Ch.36: Sun 1 pm
- ORANGE COUNTY TW Ch.95/97/98: Mon 3 pm
- SAN FRANCISCO CC Ch.29: 2<sup>nd</sup> & 4<sup>th</sup> Sat 9 pm

### COLORADO

- DENVER CC Ch.56 Sun 10 am

### CONNECTICUT

- GROTON CC Ch.12: Mon 5 pm
- NEW HAVEN CC Ch.27: Mon & Wed: 6 am; Sat: 6 pm
- NEWTOWN CH Ch.21: Mon 12:30 pm; Tue: 6 pm
- NORWICH CC Ch.14: Tue 8 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 & Tue: Midnight
- JEFFERSON COUNTY IN Ch.98: Fri 2-2:30 pm

## LOUISIANA

- ORLEANS PARISH CX Ch.78: Sun 11 pm; Mon 5 pm; Tue 4 pm; Thu 12:30 pm; Fri 12:30 am

## MAINE

- PORTLAND TW Ch.2: Tue 10 pm; Thu 1 am; Sat Noon

## MARYLAND

- ANNE ARUNDEL CC Ch.99; FIOS Ch.42: Tue & Thu: 10 am; Fri & Sat: midnight
- P.G. COUNTY CC Ch.76 & FIOS Ch.42: Mon 10:30 pm, Thu 11:30 am

## MASSACHUSETTS

- 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
- GREAT FALLS CC Ch.17: Irregular
- QUINCY CC Ch.8: Pop-ins.
- WALPOLE CC Ch.8: Tue 1 pm

## MICHIGAN

- BYRON CENTER CC Ch.25: Mon 1 & 6 pm
- KENT COUNTY CC Ch.25: Mon 6:30 am
- KENT COUNTY (South) CC Ch.25: Wed 9:30 am
- LAKE ORION CC Ch.10: Irregular
- LANSING CC Ch.16: Fri Noon
- LIVONIA BH Ch.12: Thu 3 pm
- MT. PLEASANT CH Ch.3: Tue 7 am
- SHELBY TWP CC Ch.20, WOW Ch.18, UV Ch.99: Mon 11 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.16: Irregular. Ch.29: Wed Midnight; Fri 1 pm
- MARSHALL Knology Ch.67: & CH Ch.35/8: Sat. 8:30 am
- MINNEAPOLIS CC Ch.16: Tue 11 pm
- MINNEAPOLIS (N. Burbs) CC Ch.15: Thu 11 am & 6 pm
- NEW ULM CC Ch.14 & NUT Ch.3: Sun 6 am, Tue 9 pm
- PROCTOR MC Ch.7: Tue after 5 pm.
- ST. CLOUD CH Ch.12: Mon 5 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. PAUL CC Ch.15: Wed 9:30 pm
- ST. PUAL (N.Burbs) CC Ch.21: Mon 7 pm, Tue 3 am & 11 am.

- ST. PAUL (S&W Burbs) CC Ch.15: Mon, Wed, Fri 9 am
- 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: Irregular
- WINDSOR Ch.27: Irregular
- MONTVALE/MAHWAH CV Ch.76: Mon 5 pm
- PISCATAWAY FIOS TV Ch.40, 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: Daily 8-10 pm
- TAOS CC Ch.2: Sat: 10 pm

## NEW YORK

- ALBANY TW Ch.18: Wed 5 pm.
- BETHLEHEM TW Ch.18: Tue 6 am
- BRONX CV Ch.70: Wed 7:30 am
- BROOKLYN 4<sup>th</sup> Friday: CV Ch.67: 10-10:30 am TW Ch.34: 10-10:30 am RCN Ch.82:10-10:30 am FIOS Ch.42:10-10:30 am
- BUFFALO TW Ch.20: Wed & Fri 10:30-11pm
- CHEMUNG/STEUEN TW Ch.1/99: Tue 7:30 pm
- ERIE COUNTY TW Ch.20: Thu 10:35 pm
- IRONDEQUOIT TW Ch.15: Sun 10 am
- JEFFERSON/LEWIS COUNTIES TW Ch.99: Irregular
- MANHATTAN TW, RCN Ch.57/85, Verizon FIOS-TV Ch.35: Fri 2:30 am
- ONEIDA COUNTY TW Ch.99: Thu 8 or 9 pm
- PENFIELD TW Ch.15: Sun & Tue
- QUEENS: 4<sup>th</sup> Sat monthly 2 pm TW Ch.56, RCN Ch.85, Verizon FIOS-TV Ch.36
- QUEENSBURY TW Ch.18: Mon 7 pm
- ROCHESTER TW Ch.15: Irregular
- ROCKLAND CV Ch.76: Mon 6 pm

- SCHENECTADY TW Ch.16: Fri 1 pm; Sat 1:30 am
- STATEN ISLAND TW Ch.35: Tue 8:30 am & Midnight
- 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 10:30 pm

## NORTH CAROLINA

- HICKORY CH Ch.6: Tue 10 pm
- MECKLENBURG COUNTY TW Ch.22: Fri 12:30 am

## OHIO

- AMHERST TW Ch.95: Daily Noon & 2 pm
- OBERLIN Cable Co-Op Ch.9: Thu 8 pm

## PENNSYLVANIA

- PITTSBURGH CC Ch.21: Irregular

## RHODE ISLAND

- BRISTOL, BARRINGTON, WARREN Full Channel Ch.49: Tue: 10 am
- EAST PROVIDENCE CX Ch.18; FIOS Ch.24: 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 & SVC Ch.8: Mon 6 pm, Tue 4:30 pm, Wed 8 pm
- GREATER FALLS CC Ch.10: Mon/Wed/Fri 1 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.27: Mon 1 pm
- FAIRFAX CX & FIOS Ch.10: 1<sup>st</sup> & 2<sup>nd</sup> Wed 1 pm; Fri 10 am; 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 Noon BS Ch.23: Mon Noon
- TRI CITIES CH Ch.13/99: Mon 7 pm; Thu 9 pm

## WISCONSIN

- MARATHON COUNTY CH Ch.98: Thu 9:30 pm; Fri Noon
- MUSKEGO TW Ch.14: Sun 7 am, Mon & Thu: 5:30 pm
- SUPERIOR CH & MC Ch.7: Tue after 5 pm.

## WYOMING

- GILLETTE BR Ch.31: Tue 7

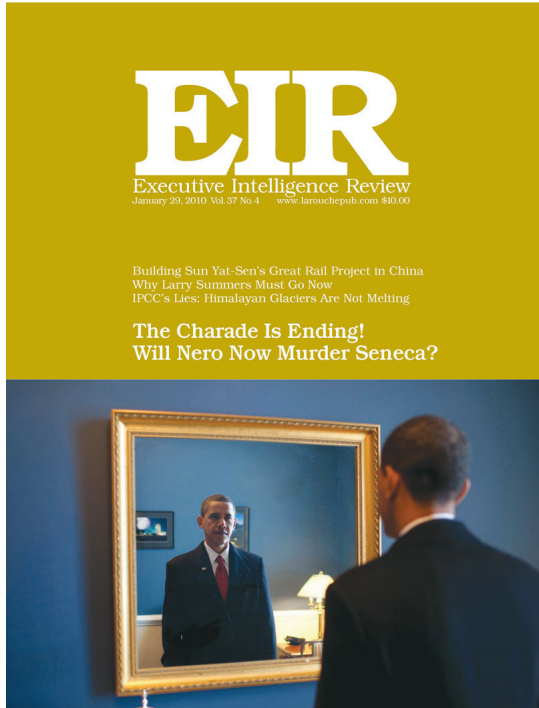
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