

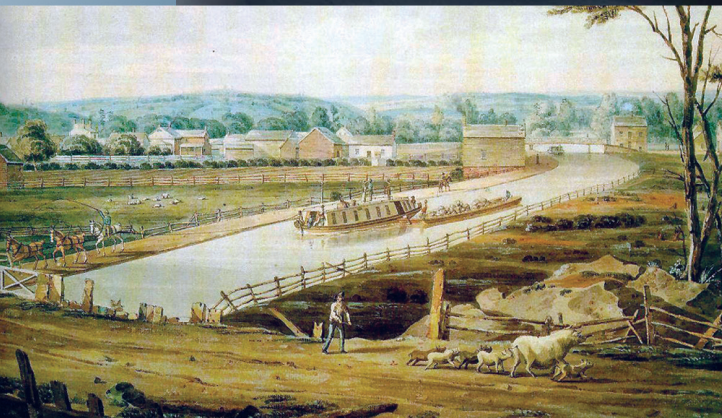
EIR

Executive Intelligence Review

December 10, 2010 Vol. 37, No. 48 www.larouche.com \$10.00

The Crucial Strategic Issue: A Lot of Plain Facts
The Inter-Alpha Group: A Vacancy at the Top
Ireland's Historical Battle Against the British Empire

**Alexander Hamilton's Economics
Created Our Constitution**



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EIR (ISSN 0273-6314) is published weekly (50 issues), by EIR News Service, Inc., 709-A 8th St. SE, Washington, D.C. 20003. (703) 777-9451

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Canada Post Publication Sales Agreement #40683579

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

EIR

From the Managing Editor

There is no important issue in American history that is as poorly understood by Americans today, as the policies of Alexander Hamilton. As a quick Internet search will show, hordes of libertarians and populists brand Hamilton as “an agent of British bankers,” “an Illuminist,” and more. The Federalist Society, whose name is presumably intended to evoke the memory of the *Federalist Papers* of which Hamilton was the primary author, avows itself to be founded on such principles as “that the state exists to preserve freedom,” in opposition to “orthodox liberal ideology” that advocates a “centralized” society.

And when Lyndon LaRouche lays out the urgency of a Hamiltonian “credit system” today, in opposition to the current, British, “monetary system,” some people are dumbfounded: “Aren’t you just saying you want more debt?” “Don’t you want to print more money, just like Bernanke?”

Well, no!

In our *Feature*, editor Nancy Spannaus documents Hamilton’s actual policy, and its relevance today. She has long been a scholar of Hamilton, co-authoring *The Political Economy of the American Revolution* in 1977, including key documents by Hamilton, and she has contributed many articles to *EIR* on Hamilton.

The *Economics* section complements her analysis, reporting on the effort of the London-centered Inter-Alpha Group and the European Central Bank (ECB) to impose crushing austerity on Ireland, to be followed by the rest of Europe. Former Bundesbank governor Helmut Schlesinger had it right this week, when he compared the ECB’s current policies to the 1934 “Mefo bills” of Nazi Economics Minister Hjalmar Schacht.

But when the Irish find out that the British bankers are out to crush them, you can expect a rather explosive response. Some of the reasons are discussed in Paul Gallagher’s article on the history of the Sinn Féin nationalist movement, and our reprint of 19th-Century American System economist Henry C. Carey’s attack on the British *enslavement* of Ireland (Carey was the son of Irish immigrant Mathew Carey).

LaRouche’s short piece, “A Lot of Plain Facts,” situates the strategic importance of the Irish fight, concluding that “there are times, like these, when the history of Ireland could turn out to be a very large chunk of the future history of the world.”



Cover This Week

Hamiltonian economics: then and now. "A View of the Erie Canal," by John William Hill (1829); an artist's conception of the Shanghai maglev (2002).



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By Nancy Spannaus. Hamilton's genius in economics showed itself early on, but reached full maturity in his three famous Reports to Congress, in which he asserted that the chief driver for economic development was the inventiveness, or power of the human mind, expressed through the increase in the use of "artificial labor" (i.e., machinery), and was enhanced by the development of infrastructure. These ideas, which stood in sharp contrast to the bestial "free-trade" ideas of Adam Smith, were informed by the political-economic ideas of Gottfried Leibniz. Faced with British determination to suppress any such development, the Founders knew they had to establish institutions that would support such independence and economic growth. The result was the U.S. Constitution.

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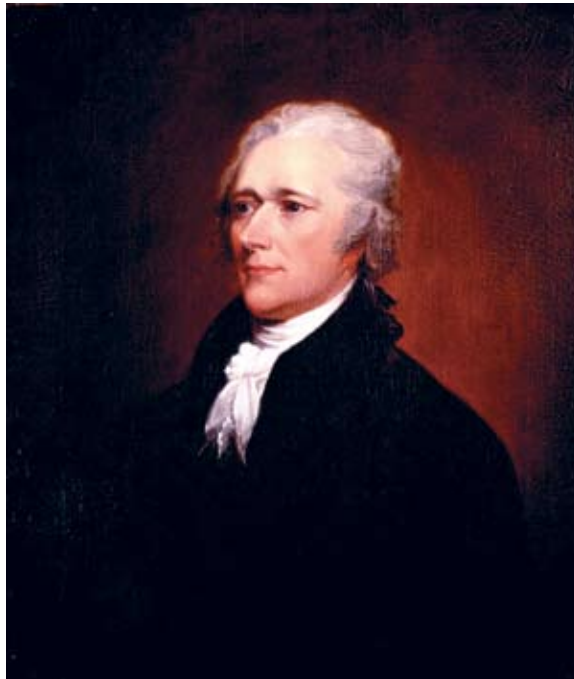
A MATTER OF PRINCIPLE

Alexander Hamilton's Economics Created Our Constitution

by Nancy Spannaus

Dec. 6—Contrary to the views of nearly all economic experts, there is a simple reality which thinking Americans must face in the midst of this unprecedented breakdown of the financial and physical economy: First, that the key to reversing this global crisis, which threatens civilization itself, can be found in the principle behind the economic measures of America's first Treasury Secretary, Alexander Hamilton. Second, that that principle is firmly embedded in the U.S. Constitution itself.

There will be those who yell and scream about this assertion. Both Wall Street financiers and unwashed populists will insist that Hamilton was an elitist who copied the British System, and that his institution of national banking and government promotion of manufactures and internal improvements was a violation of the free-trade system which has supposedly been responsible for our prosperity as a nation. But, they lie. For Hamilton was the intellectual author of the



The principles behind first Treasury Secretary Alexander Hamilton's economic policies, were embedded in the U.S. Constitution, and must be used to solve our bankruptcy crisis today. Here, Hamilton as painted by John Trumbull in 1806.

U.S. Constitution itself, and its unique principle of using a credit system, based on national sovereignty, to foster capital formation for technological progress.

Hamilton's genius in economics was evident from almost immediately after he came to America's shores in 1772. By 1774, he was already writing anti-British tracts which contained the germ of the concept of national physical economy, in which he asserted that the development of the nation was dependent upon the promotion of agriculture and manufactures together. As he developed his ideas later, especially in his three famous government Reports—two on Public Credit, and one on Manufactures—Hamilton

asserted clearly that the chief driver for economic development was the inventiveness, or power of the human mind, which expressed itself through the increase in the use of "artificial labor" (i.e., machinery), and was enhanced by the development of infrastruc-

ture. This concept he summarized as the “productive powers of labor.”

This intellectual foundation, which stands in the sharpest contrast to the bestial “free-trade” ideas of Adam Smith, was strongly informed by the political-economic ideas of the great German scientist Gottfried Leibniz, especially as they were expressed in the works of one of Leibniz’s sponsors, French Finance Minister Jean-Baptiste Colbert, and the Swiss promoter of Leibniz, Emerich Vattel.

Hamilton, and his collaborators, most emphatically including Benjamin Franklin and George Washington, faced an enormous struggle to establish the institutions which would permit the realization of their vision of human progress. Faced with British determination to suppress any such development, they knew they had to fight not only for independence politically, but to establish institutions that would support such independence and economic growth. The result was the U.S. Constitution, which embodies the principle of the credit system, as well as its necessary complements—the National Bank and the manufacturing policy which, although defeated in the short term, eventually took off under the presidencies of John Quincy Adams, Abraham Lincoln, William McKinley, and Franklin Delano Roosevelt.

Today, ignoramuses and Tories rave against an activist government, and can’t tell the difference between debt incurred by speculation, and credit issued for long-term capital development. They claim our Constitution calls for giving free reign to the markets, and that the “government that governs least governs best.” Their ideas, like those of the political forces in the United States who opposed Hamilton and his collaborators in the 1780s and ’90s, serve none other than the British Empire, although today that empire functions as a financial system, not a colonial system policed by a massive army and navy. Thus, we have reached the point where patriots have no choice but to master the principle of Alexander Hamilton, now!



Hamilton’s concept of economic value followed that of the continental philosopher Gottfried Leibniz, who insisted that it was man’s creative mental powers that permitted breakthroughs in science and technology, which created real wealth.

Hamilton’s Concept of Economic Value

The most elaborated presentation of Hamilton’s basic economic ideas must be found in his *Report on the Subject of Manufactures* (1791). There, he makes a devastating argument against British economist Adam Smith’s assertion that the development of an economy must be left to the marketplace (“comparative advantage”), insisting instead that an integrated agro-industrial economy, in which the government promotes infrastructure development (canals and roads, at that time), ensures all necessities for its population, and aids in developing advances in machinery, is essential to the national security and prosperity.

To come to this conclusion, Hamilton rejects the worldview

that wealth is measurable in land, or precious metals (including specie), or even power over other nations. Rather, the wealth of the nation is dependent upon the physical economic development of the nation, including, most emphatically, the intellectual capabilities of its population for carrying out that development, more and more efficiently. In his listing of why manufactures must be promoted, Hamilton expresses this belief directly, when he writes: “To cherish and stimulate the activity of the human mind, by multiplying the objects of enterprise, is not among the least considerable of the expedients, by which the wealth of a nation may be promoted.”

Hamilton’s argument bears directly on the question of capital, which is required for establishing manufacturing, as well as advanced agriculture. Under Smith’s British System, the classes in society which have happened to amass capital—by inheritance, thievery, or otherwise—are given virtually free reign to use it for their profit. Hamilton insists that the government provide the conditions to encourage, and *create*, capital, for the higher purposes of the happiness and security of the population.

When discussing the powers of the Federal government to encourage necessary industries, and necessary permanent improvements in infrastructure, in the con-

cluding portion of the *Report on Manufactures*, Hamilton, one of the authors of the Constitution, spells it out clearly, while discussing the concept of the General Welfare:

“The terms ‘general welfare’ were doubtless intended to signify more than as expressed or imported in those which Preceded; otherwise numerous exigencies incident to the affairs of a nation would have been left without a provision. The phrase is as comprehensive as any that could have been used; because it was not fit that the constitutional authority of the Union, to appropriate its revenues shou’d have been restricted within narrower limits than the ‘General Welfare’ and because this necessarily embraces a vast variety of particulars, which are susceptible neither of specification nor of definition.

“It is therefore of necessity left to the discretion of the National Legislature, to pronounce, upon the objects, which concern the general Welfare, and for which under that description, an appropriation of money is requisite and proper. And there seems to be no room for a doubt that whatever concerns the general interests of *learning of Agriculture or Manufactures* and of *Commerce* are within the sphere of the national Council *as far as regards an application of Money.*”¹

It was to be able to create capital—which would be used to produce physical economic growth—that Hamilton initiated his first two official reports, the *Report on Public Credit* (1790), which led to the assumption of state war debts, and the second Report on Public Credit, commonly known as the *Report on the National Bank* (1790). I will detail the fight over the implementation of these reports later, but here outline the concept. Rather than rely on those with already accumulated wealth, mostly from abroad at the time of the American Revolution, Hamilton proposed to centralize the debt of the nation under the Federal government, to use it as a basis for credit. The means for using it he laid out in his National Bank proposal, which specified how it would lead to “the augmentation of the active or productive capital of a country.” Hamilton was not interested in increasing the nation’s hoard of gold or silver, which he called “dead Stock,” but in creating physical economic wealth.

In sum, Hamilton argued that a national bank, tied

intimately to the government’s national debt, would help cement together the nation, and serve as the nursery for national wealth.

It is seldom understood how this concept differs from that of national banking in the countries of Europe, especially Great Britain’s Bank of England, but the difference, as at least one prominent writer on Hamilton, Prof. Forrest McDonald,² understands, is profound. For, whereas the Bank of England—which has certain superficial similarities to what Hamilton proposed—functions to provide funds to (and control) the government, Hamilton’s Bank of the United States was explicitly, and actually, devoted to providing capital for the industrial and agricultural growth of the nation, including by providing funds for the infrastructure development required for that growth.

Hamilton, like Leibniz and Colbert before him, understood the necessity for the nation to ensure investment in technological progress, for the sake of the welfare of its population, the real source of wealth. The Public Good was the aim of Public Credit.

Hamiltonian forces did not succeed in implementing his entire program, certainly not in his lifetime. But, it must be stressed, that this program is embedded in the U.S. Constitution itself, where the principle of support for Public Credit through Congressional control of the currency, and through responsibility for the General Welfare, is clearly enunciated, and only waits to be put into effect, once again.

A Blow-by-Blow Account

The battle for turning the American colonies into a unified nation dedicated to the development of the productive powers of labor, and technological progress, began at the time of the Massachusetts Bay Colony in the early 17th Century. That development was temporarily stymied by the British oligarchy, but the fight continued into the 18th Century, in a movement centered around Benjamin Franklin, himself a product of the leading Massachusetts thinkers, the Mathers and the Winthrops. Franklin had tried to create a continental union at the Albany conference of 1750, but the British outflanked him. Following 1763, as the East India Company became synonymous with the Empire itself, the British went on the offensive to crush the movement for fulfilling the aspirations of those Massachusetts Bay

1. Joanne B. Freeman, ed., *Alexander Hamilton, Writings* (New York: The Library of America, 2001), p. 703. Freeman’s book can also be used for other quotations from Hamilton’s major reports.

2. Forrest McDonald, *Alexander Hamilton, A Biography* (New York: WWNorton & Company, 1979).



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Hamilton's economic system was geared toward promoting advances in manufacturing and agriculture, advances which the British imperialists had long determined to stymie. Here, an interior view of the reconstructed forge at Saugus, Massachusetts, which was home to the world's most productive iron works in the mid-17th Century.

pioneers, and their allies, starting with prohibitions such as the Iron Act (preventing production of iron in America), and proceeding into the taxation policies which are so well known as the proximate causes of the American Revolution.

Franklin had formed a continental network dedicated to creating the basis for a nation, which network was a tremendous resource in the life-or-death struggle which ensued. But it took the addition of a younger cadre, of which the West Indies-born Alexander Hamilton was the most prominent, to bring the institutional solution to the fore.

Initial unity of the colonies was achieved in the calling of the 1774 Continental Congress, in support of the Massachusetts colony's resistance to British depredations. Soon after, that unity was intensified with the creation of a continental military command under George Washington. Following the Declaration of Independence, that Congress began to act as the representative of a nation internationally, sending representatives to Europe for support in its war against England, and effectively contracting, as a nation, for loans which would enable it to win the war, as well as matériel. Congress specifically intended the costs of the war to be its re-

sponsibility, but it had no funds, except what the states, or individuals, would provide.

Thanks to the revolutionary spirit of the population, and the enormous generosity of many wealthy patriots, the war effort was supported materially and financially—but just barely. Increasingly, the resources fell devastatingly short, and the Congress, which had passed the Articles of Confederation in 1777, but didn't see them ratified until 1781, did not have the funds, or the power to meet the crisis. Funding had to be carried out by requisitions from the states, many of which were never fulfilled, even if agreed to.

By 1779-80, Hamilton, then in his early 20s, and serving as Commander George Washington's aide-de-camp, began agitating for decisive action to deal with the potentially crippling financial prob-

lem. He began to write letters to members of Congress, primarily James Duane and Robert Morris, advocating the creation of a national bank, as the only means by which the solvency of the struggling nation could be achieved. "It is by introducing order into our finances, by restoring public credit, not by winning battles, that we are finally to gain our object," he told Morris. To accomplish this purpose, Hamilton called for a national convention of the states.

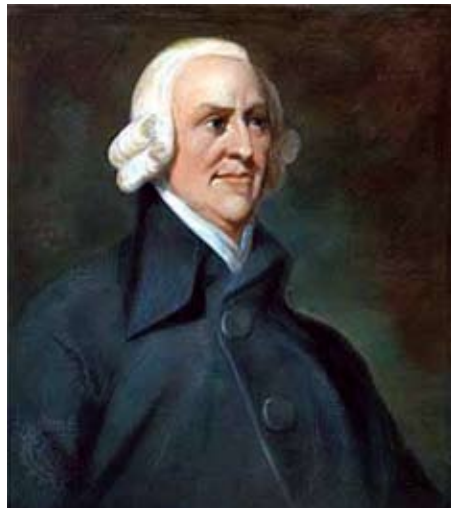
Both Duane and Morris acted on Hamilton's proposals, in partial ways. Duane succeeded in getting the Congressional committees responsible for various departments, such as Finance, turned over to single executive officers, rather than committees, and Morris worked with Rep. James Wilson of Pennsylvania to charter what became the first actual national bank, the Bank of North America. The BNA's purpose was to function as a tool of the Continental Congress, but the Congress did not have the ability to command the resources required for it to function, and much of the funding for the BNA came from Morris personally, and whatever he was able to beg or borrow.

Hamilton escalated. In July 1781, he started a campaign with a series of newspaper articles called the

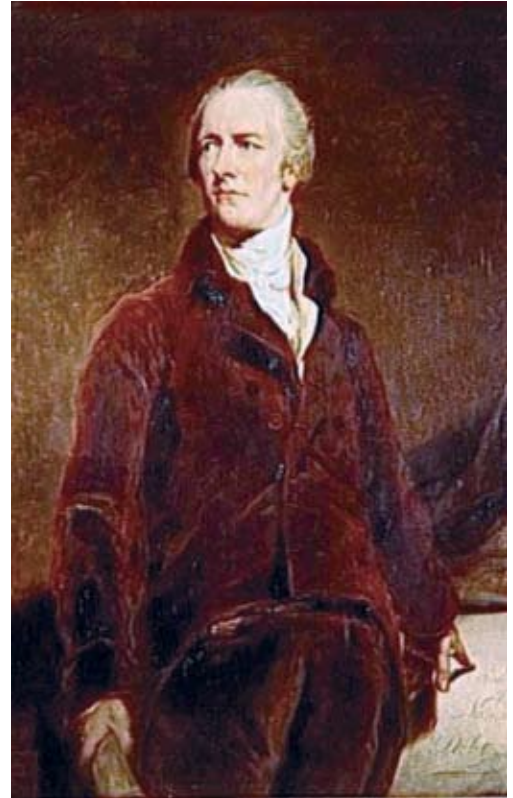
“Continentalist.” In them he addressed the need for increasing the powers of the Congress to deal with lack of revenue. At the time he started, the war was still raging—although it began to wind down after Yorktown in October 1781. Hamilton continued his propaganda/educational campaign through to July 1782, excoriating the states for fighting among themselves with trade wars, citing the precedent of Colbert’s dirigist development of national resources in France, and demanding measures that would lead to Federal regulation of currency and trade.

Congress was generally paralyzed. Although the Articles of Confederation were finally ratified by all the states, the requirement for unanimous consent of the states to the proposition of an impost to raise revenue, led to its defeat (in Hamilton’s home base of New York, where Hamilton’s enemies ruled), and the income situation was dire for the nation. Ironically, however, one action was taken that would ultimately be of major importance for Hamilton’s system. In response to the demand by Maryland, which would not approve the Articles without it, all the colonies with claims on the Western lands (all land west of the Alleghenies, up to the Mississippi) gave them up, and declared that the Western lands were the property of the Confederation itself. This gave the emerging national government an asset of its own—a huge chunk of national territory, which would be available for development, sales (income), and defense.

1782 was a pivotal year, in which the British stance shifted from military assault, to financial warfare. While peace negotiations were going on in Paris, the British government was taken over by a pair of Liberal scoundrels, Lord Shelburne (William Petty), and William Pitt (Marquess of Lansdowne), sequentially. Shelburne, in particular, had long been publicly opposed to the military assault on the American colonies, but he was no



*The attempt to destroy the United States by free trade and other modes of financial warfare was led by British politicians and ideologues, such as Chancellor of the Exchequer William Pitt (right), and “economist” Adam Smith (above). Smith’s economic poison was commissioned by Pitt’s close ally, the Marquess of Shelburne, in 1776, and was directly countered by Hamilton in his **Report on Manufactures**.*



friend of the aspirations for agro-industrial nationhood by the colonies. Rather, he proposed to wield the weapon of free trade—economic warfare—as the means for maintaining Britain’s imperial rule. After all, it was Shelburne who had commissioned the work of Adam Smith back in 1776, with the explicit intention of seducing any potential rivals into destroying themselves.

Hamilton probably had the most acute understanding of the threat this new tack represented. In the resolution that he wrote, and his father-in-law, Philip Schuyler, passed, for the New York State Legislature in July 1782, calling for a General Convention of the states to form a new, more powerful government, he referred to the British policy as “seduction in America,” and insisted that Congress act to gain the power it so desperately needed in order to win the peace: *credit*.

Hamilton also had ample opportunity to experience the bankruptcy of the nation during 1782, as he accepted the one-year appointment as Receiver of Tax Revenues for New York State. He reported, at one point in that experience, having not a single dollar in the treasury.

The New York State resolution was followed by one drafted in the Congress in 1783, but this failed of passage.

Meanwhile, thanks to the British free-trade policy, manipulations by British agents remaining in America, and the exhaustion of the land and other resources by the war, the 13 former colonies were in a state of increasing bankruptcy and chaos. As outlined at length in an 1888 book by John Fiske,³ there was a real danger of dissolution of the Confederation. There was the threat of a military coup by British agent Horatio Gates, which George Washington personally thwarted, and other military unrest as well. There was trade war between the states, and raging territorial disputes, such as the one between Connecticut and Pennsylvania over the Western Reserve, which led to many deaths. There were also fights over paper currency versus specie (coin) in each state, with farmers (generally) demanding “easy money” and other powers-that-be resisting. In Rhode Island, this reached the point of a farmer boycott against the cities, which caused serious food shortages.

It would be a huge mistake to see these disturbances as simply “natural” ones. The British hand was ever-present in creating the troubles. Historian Forrest McDonald asserts that there is evidence that the British actually paid the insurgents in the famous Shays’ Rebellion, an armed uprising against a tax increase in Massachusetts. The British manipulated trade privileges, state by state, to encourage trade wars. And then there were the Barbary pirates, who perpetrated kidnappings and other assaults against American shipping—pirates whom John Adams said the British would have invented if they didn’t exist, and whom London’s Lord Sheffield found “useful” in dealing with America.

As the chaos grew, Hamilton and Washington took new measures. In 1785, Washington—who had consistently advocated a *continental* nation, and spent much of his time after the war travelling around the country to promote plans for infrastructure development—at James Madison’s instigation, called a meeting of representatives from Virginia and Maryland to his home to discuss the idea of establishing uniform duties and regulation and currency, in the context of plans to develop the Potomac Canal. As a followup, Maryland called for a meeting of all the states at Annapolis, in September 1786.

At Annapolis, Hamilton comes to the fore again. Since the meeting failed to bring together sufficient

representatives to hold the proceedings, the participants decided to issue a new call, this time for a convention of the states in Philadelphia, the second Monday in May 1787. Hamilton, the official New York delegate, drafted this address, which noted that the attendees had expanded their original mission, to adopt that presented by New Jersey, namely, that the Convention should “consider how far a uniform system in their commercial regulations, and *other* important matters, might be necessary to the common interest and permanent harmony of the several States; . . .” (emphasis in original).

The address urged all states to meet in order “to take into consideration the situation of the United States, to devise such further provisions as shall appear to them necessary to render the Constitution of the Federal Government *adequate to the exigencies of the Union*, and to report such an act as, when agreed to by them, and confirmed by the legislatures of every state, would effectually provide for the same.”

Agreement to attend the Convention was not reached without a fight in many states. The last to agree was Virginia, but the conditions of growing chaos forced the issue, and the Constitutional Convention convened in May 1787.

The role of Hamilton from this point on, is oft-discussed, but frequently misunderstood, as most of his work was behind the scenes, but for his famous, or infamous, June 18 speech at the Convention, on the question of the composition of the government. As the Convention was all held behind closed doors, and the two popular reports of this speech were by his avowed enemies, there can be no surety on what he said. However, his hand is clearly visible in the sections of the Constitution on the powers of Congress regarding the economy, including the question of sovereign debts of the United States, Congress’s control over the currency, and also the double commitments to the principle of the General Welfare (in the Preamble, and Article 1, Section 8). Interestingly, Hamilton was included on the Committee of Style and Arrangement, which did the final drafting, and is credited, according to the historian Catherine Drinker Bowen, with the emphasis on “public good.” Hamilton was one of the 36 signers of our founding document.

After the Convention, of course, no one fought more publicly, or harder, for the ratification of the Constitution than Hamilton, who wrote 51 of the 85 *Federalist Papers*, mustering all his powers to win support for a Federal government that would have all the necessary

3. John Fiske, *The Critical Period of American History 1783-1789* (Boston and New York, Houghton Mifflin Company, 1888).

powers to “form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity.” He fought the populists of New York State, led by Gov. George Clinton, to the end, and finally triumphed.

But, the war for establishing a sovereign republic was to continue, with Hamilton at the center.

Bankruptcy Reorganization for a Credit System

President Washington appointed his former aide-de-camp as his Secretary of the Treasury in September 1789, and Hamilton went to work immediately. The bankruptcy of the nation was near total. Much of the agricultural land had been heavily damaged by the war, the British were interfering with the use of the fisheries, and commerce had been choked by the British as well. There was no national currency worthy of the name, just coins of various other nations circulating. The use of barter was escalating, even for such transactions as payment of taxes.

On top of the collapse of the physical economy, there was debt, an enormous amount of debt.

There were three categories of debt, plus arrears in interest on debts. The largest amount was money owed by the Confederation to individuals, including Army veterans, or states, amounting to approximately \$40 million. This debt had explicitly been taken over by the Federal government, as prescribed in the Constitution. The second-largest category of debt was that owed by the states, incurred for their ability to function during the war, which amounted to approximately \$25 million. The third category was foreign loans, which amounted to approximately \$10 million—an amount also assumed by the incoming government. Interest on this debt—with rates between 4 and 6%—was several million dollars in arrears.

To service this debt, Hamilton figured, would cost over \$1 million a year—more than the revenue projected to be available to the Federal government from the one major source, the tariff that had been passed two



The core commitment of the U.S. Constitution to the Welfare, and the responsibilities of Congress to ensure it, appears in the Preamble and Article 1 Section 8 of that document, which Alexander Hamilton played a decisive role in shaping, and getting ratified.

months before.

So, what did Hamilton propose? He proposed to add to the debt owed by the Federal government, by assuming the debts of the states—and then to turn that debt, in the form of bonds, into a pool of capital for a National Bank, which would provide the basis for beginning to build up the physical economy of the nation! That, he emphasized in his first *Report on Public Credit*, would be the means of securing the public credit of the bankrupt country. His second *Report* went into the particulars of the formation of the National Bank, and the benefits that it would accrue to the nation.

Hamilton’s first *Report* proceeds from the first principle, of course, that the debt from the war is a moral obligation of the nation (“the price of liberty”), and must be repaid. But to do that, there are certain urgent measures that had to be taken to support public credit. He summarized the objectives as follows:

“To justify and preserve their confidence; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its due value; to furnish new resources both to agriculture and commerce; to cement more closely the union of the states; to add to their security against foreign attack; to establish public order on the basis of an upright and liberal policy. These are the great and

invaluable ends to be secured, by a proper and adequate provision, at the present period, for the support of public credit.”

Yet this could obviously only be done by increasing the productivity of the nation! Thus the debt—most of which fortunately did not include any due date for the principal—had to be turned into annuities, or bonds, monetized, in such a way that it provide funds for real, physical-economic development. This funding of the debt would provide for regular interest payments, but turn the debt into capital.

To kick off the implementation of his plan, he needed (and got) another loan from France. He also opened subscriptions for a new loan to cover the domestic debt, but at 4% interest rather than the going rate of 6%, sweetening the deal with additional options, including a certain amount of public land. He also increased revenues by an increase in excise taxes on liquor, and created a sinking fund which would perform the functions of a national bank until that could be established.

Hamilton outlined in detail the benefits which would accrue upon his plan to fund the debt. It would extend trade, by making available greater capital. It would promote agriculture and manufactures. It would also reduce the interest on money, by putting more into circulation. It would also be a blow against speculators, who were counting on the depressed values of land and overall instability in the economy, to profit at the expense of the nation.

The response to Hamilton’s first proposal was an uproar. To a large degree, that uproar focussed on his plan to assume the state debts. Some of the states had already paid off their debts, while others were in great arrears—a situation which led the richer states to resist assumption, on the alleged grounds of inequity. More seriously, the representatives of those states, especially New York and Virginia, saw clearly that increasing the size of the national debt, and funding it, would increase the power of the Federal government, and its ability to advance the aims of industrial and technological development—rather than the plantation system (Virginia) or largely commercial system (New York)—an outcome which Hamilton, Washington, and their collaborators were clearly driving for.

The tool for agitating against Hamilton’s plan was primarily the plight of the war veterans, who had been forced to sell the promissory notes (or “indents”) from the government for their pay, at a cut rate, over the recent period of near-financial anarchy, and now would

not benefit, while the individuals who bought them out would receive full value from the Federal government. Hamilton was not unsympathetic to those who lost out, but insisted that there could not be created two categories of such paper. It would just be too chaotic and time-consuming.

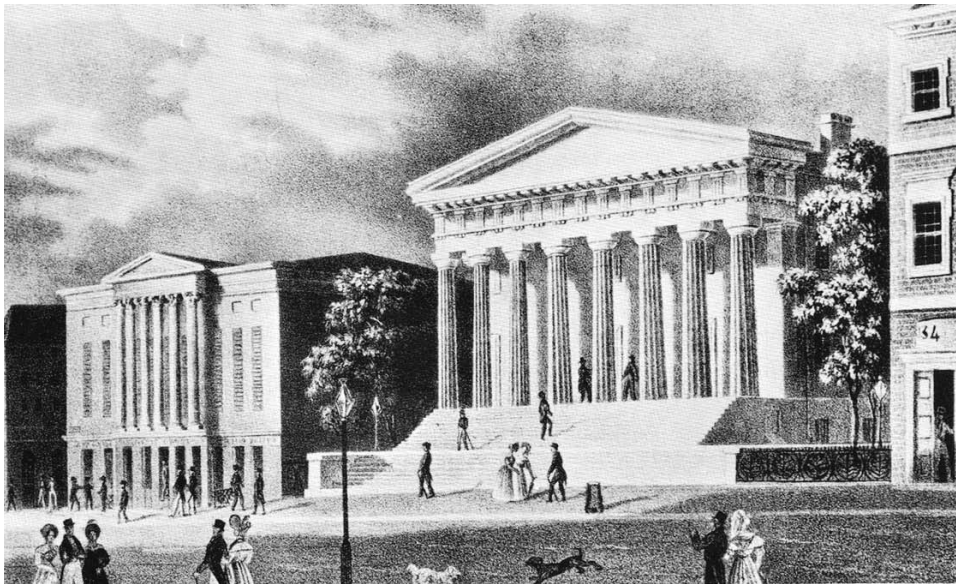
The spokesmen for the opposition were primarily the Virginians, House of Representatives leader James Madison, and Secretary of State Thomas Jefferson. Both waged a propaganda campaign against Hamilton’s plan, and it was only through a private bargain, in which Hamilton agreed to support moving the nation’s capital from Philadelphia to the Maryland-Virginia border along the Potomac, creating the Federal District of Columbia, that they agreed to let the first *Report on Public Credit* be adopted, although its provisions had to be passed in four different pieces of legislation. The whole process took until August 1790, a full eight months after it had been submitted.

But, even though clearly the second *Report* was an integral implementation sequel to the first, Madison and Jefferson decided to oppose that report, known as the *Report on the National Bank*, as well.

Hamilton submitted his *Report on the National Bank* in December 1790. The Bank of the United States, as he dubbed it, was to be capitalized with \$10 million, making it a monolith compared to the three other existing banks in the country—the Bank of North America, the Bank of Massachusetts, and (Hamilton’s) Bank of New York. Two million dollars of the initial capital was to come from the Federal government, and \$8 million by public subscriptions, which were payable one-quarter in specie, and three-quarters in 6% securities of the Federal government. Thus, these government securities (debt) formed the basis for extending credit.

The bank’s income would come from interest on the Federal securities, and its loans to what we would call today the “private sector,” for development of the physical economy.

While Hamilton did not make a point of differentiating his plan for a National Bank from the Bank of England, not only its intent—as outlined above—but its entire functioning was different. First, the Bank was not to deal with public debt—i.e., buy government bonds—after the initial funding. It could provide short-term loans to facilitate collection of tax revenues and be a depository for government funds, but its major function was to provide a money supply for financing the physical economy: agriculture and industry.



Hamilton succeeded in establishing the Bank of the United States, which converted the mass of Revolutionary War debt into a base of credit for the prosperity of the nation. Here, a drawing of the First Bank of the United States, which was located in Philadelphia.

From this standpoint, it is not hard to understand why Hamilton specified that the Bank of the United States was to be run by private individuals, although it was responsible to report to the Federal government on its functioning, and was subject to the government's regulations. Hamilton insisted upon tying the public credit to the growth of the nation, not to serve as a piggy bank for the Federal government, which he feared would be a source of corruption, just as it clearly was in England.

The Bank bill came to the Congress in January 1791—and a major war began. The bill passed the Senate easily, and even after some extensive Constitutional arguments by Madison, it passed the House. But then, Madison, backed by Jefferson and Attorney General Edmund Randolph (also a Virginian), despite the fact that the previous deal on the location of the national capital had been struck, decided to try to block Hamilton's plan. The tack Madison took was that which we still hear today: the claim that the Constitution did not permit the Federal government to create a corporation, namely the Bank of the United States. The three Virginians launched a full-scale assault to get President Washington to veto the Bank bill.

Washington was in danger of being railroaded. The pressure on him was so great, that he actually had Madison, who was considered a Constitutional authority, draft a veto message. But, in fairness, Washington also

sent a note to Hamilton, requesting his response to the challenge on the constitutionality, which had been written by Randolph. With the deadline for the veto looming, Hamilton penned what has become the nearly definitive document on the meaning of sovereignty under the U.S. Constitution, in his "Opinion on the Constitutionality of the National Bank." The paper was extensive, but we will quote it in summary. The core argument is this response to the argument that the U.S. government cannot erect a corporation:

"Now it appears to the Secretary of the Treasury, that this *general principle* is *inherent* in the very *definition* of *Government* and *essential* to every step of the progress to be made by that of the United States: namely—that every power vested in a Government is in its nature *sovereign*, and includes by *force* of the *term*, a right to employ all the *means* requisite, and fairly *applicable* to the attainment of the *ends* of such power; and which are not precluded by restrictions & exceptions specified in the constitution; or not immoral, or not contrary to the essential ends of political society."

Hamilton proved beyond the shadow of a doubt that the establishment of the Bank was *necessary* and *proper* for meeting the basic objectives of the U.S. government: creating a prosperous nation, with an efficient tax system, and with the institutions that would support its credit and the expansion of its future productive power, through its investments in agriculture and industry, all for the General Welfare. Washington was convinced, and the Bank bill was signed into law on Feb. 25, 1791.

The Supreme Court affirmed Hamilton's view in its 1819 opinion upholding the constitutionality of the National Bank, *McCulloch vs. Maryland*, written by Hamilton's collaborator, Chief Justice John Marshall. That decision has never been overturned, and thus, is part of our Constitutional law.

The National Bank was to survive for its chartered

20 years, and make substantial progress on its mission, despite the subversion of its aims by President Jefferson and his Treasury Secretary Albert Gallatin, who did their best to use it to pay off debt, rather than use the debt for capital formation. The vote to prevent its re-chartering, on the eve of the War of 1812—just like the killing of the Second National Bank by Andrew Jackson in the 1830s—was a deliberate, effectively treasonous act to subvert the economy, and even the existence, of the United States.

So far, however, such traitors have not succeeded. In fact, leading members of Jefferson's own party, centered on Mathew Carey, recognized that Hamilton's economic principles were indeed the principles enshrined in the Constitution, and required for the survival of the nation, and kept them alive into the 19th Century, where they eventually bore fruit in the administrations of patriots. There is still a vestigial institutional impulse toward the Hamiltonian approach, but it is waning fast.

Time To Act on Principle!

Today it is the *principle* which Hamilton embedded in the Constitution, and carried out in his own economic measures, which we must bring to bear, at a moment of fearful crisis. Our adversaries are essentially the same as his were, but much more desperate. And they have played on the ignorance, and desperation, of many of our people, in order to get them to demand the very destruction of sovereign government, and its essential economic measures, which will destroy them, and the nation.

Like Hamilton, we must realize that the road out of crisis requires action to restore the productive powers of labor, and that the powers to embark on that road exist within the U.S. Constitution. Our government has the sovereign power to free itself of a money system, and use credit, based upon its own commitment to develop the industrial and agricultural capabilities of the country. That credit, which may represent the immediate incurring of a debt, must be used to create an explosion of capital formation, especially in large infrastructure projects, starting with the North American Water and Power Alliance (NAWAPA).

Hamilton's bankruptcy reorganization, of course, had some fundamental differences with what we require today. While he was dealing with overwhelming debt from the war, we are dealing with trillions in speculation—which can and must be ruled invalid altogether. But like him, we are compelled to look beyond

the question of “money” per se, and judge the financial conduct of the Federal government from the standpoint of the physical economy. Where “money” considerations conflict with the General Welfare, they must take a back seat—with full knowledge that the extension of credit for productive investment will ultimately put the nation's fiscal, as well as physical, house in order.

It is in light of that principle, that we face the urgent necessity of re-instating FDR's Glass-Steagall legislation, which separated the speculators from the commercial bankers who tied their pursuit of profits to improving the welfare of their communities. Hamilton may not have had such a law, but the Constitution itself, in Article 1, Section 8, *mandates* that Congress regulate the creation and value of currency—and that in line with the General Welfare—which should rule out imposing casino debts on our nation. Note also that Hamilton spent his every day as Treasury Secretary fighting the speculators—including Aaron Burr, their representative at the Bank of Manhattan, a bank founded on fraud, and expanding on it. Hamilton paid for that opposition with his life.

In principle, we must also apply the example of Hamilton's National Bank. This is particularly apt in the case of the extreme indebtedness that we, as a nation, have incurred with nations such as China and Japan, all of which is verging on explosion, under the current hyperinflationary policy of Federal Reserve chairman Ben Bernanke, the Bank of England, et al. That legitimate debt can be turned into credit, which will enhance the productivity of nations, and, under a renewed fixed-exchange-rate regime, create a stable environment in which technological progress can take off once again.

It's time to put the monetarists, of the Tea Party and the Liberals, in their place. The current treasonous alliance between British puppet Barack Obama and the radical Adam Smith Republicans, is a de facto assault on the very existence of the nation. When they invoke “Constitutional principle,” in support of dismantling the Federal government, they are actually spitting on the principles of that founding document.

It is the concept of the General Welfare which Hamilton, Franklin, and their allies espoused, and put in the Constitution, that must rule our economic policy, and that means using government power to enhance the productive powers of labor. Now is the time for all patriots to rally to that cause, so consistently and ably outlined by Hamilton's greatest successor, Lyndon LaRouche.

A Vacancy at the Top

by Tony Papert

Dec. 6—If the sky didn't fall on Dec. 1, then Ben Bernanke's meteorological forecasting skills may be quite as bad as his record of forecasts of the systemic economic breakdown crisis of 2007 to date. On Dec. 1, Bernanke's Federal Reserve was finally forced to release some of the records of its secret, taxpayer-financed bailout of Wall Street banks and wealthy individuals over that period,—yet where were the cataclysmic disasters which Bernanke had foretold over years of refusal to release any of that information?

Why did he stubbornly withhold these facts so long? Was it to prevent stigmatization of the wealthy firms and individuals he had rescued, as he claimed? Was it even to cover up the crass self-dealing shown when the Fed loaned \$3 billion to JPMorgan Chase and \$16 billion to General Electric, while their CEOs sat on the New York Fed Board in 2008?

Actually, the real surprise of Dec. 1 was that the secret bailout had not been aimed primarily at Wall Street at all, but at *foreign banks*. As the expert Frank Partnoy wrote in the *Financial Times* Dec. 3, “the Fed's new data show it was well aware of the crisis, and had the ability to lend tens of billions of dollars, but it opted to lend primarily to non-US banks.”

London's Barclays bank was the biggest single user of the Term Auction Facility (TAF), for instance, one of the Fed's bailout programs. The Bank of Scotland and RBS (part of the Inter-Alpha Group) of the U.K., Société Générale of France (also Inter-Alpha), Dresdner Bank and Bayerische Landesbank of Germany, and

Dexia of Belgium were among the top 10 cumulative users of TAF.

So this is what Bernanke has been covering up all these years! He was,—and assuredly still is,—secretly handing U.S. taxpayers' money over to foreign banks. And what is that but treason, as Lyndon LaRouche has said?

The occasion for the aggravated treason of Bernanke, his confederate Tim Geithner, and their associate Barack Obama, is that Lord Jacob Rothschild's Inter-Alpha Group, the hush-hush international banking consortium which has been the current operating headquarters of the British financial empire since its formation in 1971, is now flat-out, desperately bankrupt.

And for the empire and such loyal courtiers as those three, no price is too great to pay to try to keep Inter-Alpha in business,—or at least apparently so,—even for only another day or two, or even just a few hours.

It's No 'Irish' Crisis

The so-called Irish bailout of the European Central Bank, International Monetary Fund, and European Union is just more of the same. On behalf of the British financial empire, whose stooges they all are, the ECB, IMF, and EU have forced the discredited, hapless Irish government of Brian Cowen to sign a “Memorandum of Understanding” by which Ireland commits itself to conditions fully as bad as those forced on Germany at Versailles in 1918. Under that memorandum, 10% of Ireland's GDP will be given over to bondholders annu-



While the Irish government is bailing out the foreign creditors of Ireland's banks, the population is not about to surrender the nation's sovereignty, as the recent demonstrations show.



William Murphy

not about to surrender it again at the beginning of the 21st. Over 100,000 Irish men and women demonstrated in the streets of Dublin in freezing weather Nov. 27, equivalent to 7 million demonstrators in the United States. And polls trace the rapid and stormy rise of the Sinn Féin party there, hitherto a small minority, which was the only party to reject the package at once and in toto.

Euro Financiers Flounder

The finance ministers of the 16 Eurozone member countries are meeting today on the Irish “bail-out,” and subsequent “bailouts” of Portugal and Spain, to be followed by a meeting of all 27 finance ministers of the European Union tomorrow,—the same day that the Cowen government is to present the Empire’s unconditional demands for crushing austerity to the Irish parliament. But even if those bailouts were possible, would they be enough? EU President Herman von Rompuy summoned a conspiratorial meeting to Brussels yesterday, including IMF Director

ally by 2014, on top of 10% thrown down the same sewer by five similar such programs over the past two years. And another 10% of the average Irish family’s income will be taxed away for that purpose, on top of 10% per annum over the past two years.

And all for what? To indemnify the foreign creditors of Ireland’s banks, who gambled and lost fair and square on mortgage bubbles and other more lurid swindles, just as in the United States. And, first and foremost among them, the totally worthless Allied Irish Bank, the Inter-Alpha Group’s Irish member.

Some deluded British Royals and their banker associates may believe that this is going to happen, but the Irish are not the defeated Germans after World War I. Ireland began its fight against British imperialism before we Americans did, and in close association with Benjamin Franklin and his circles. But Ireland had to fight on for sovereignty into the 20th Century; they are

David Strauss-Kahn, ECB Governor Jean-Claude Trichet, EU Commissioner for Finances Olli Rehn, the Belgian Finance Minister (the current chairman of the EU finance ministers’ council), and Luxemburg Prime Minister Jean-Claude Juncker (chairman of the Eurozone finance ministers’ council) to issue a joint call for Europe to enter a Federal Reserve-style era of continual giant bailouts, with a doubling or more of the EU’s Financial Stability Fund.

Germany will never agree to that. As a result, we may see an implosion of the EU zone and a return to national currencies as early as this Christmas, away from John Maynard Keynes’ British imperial dream of the one common currency.

Even in the U.K., many have begun to sense that this rotting empire is nothing but a one-way ticket to Hell, and to think about a future of Britain as a nation among other nations. One among them, apparently, is journal-

ist Joseph Cotterill, who made great sport about the bankruptcy of the Inter-Alpha Group in the London *Financial Times*' Alphaville blog on Nov 29, titled "The Worst Banking Conspiracy Ever." It reads, in part:

Have you ever heard of Inter-Alpha? We hadn't until this weekend, although we tend not to frequent the conspiracy sites that lump it in alongside the world's Bilderbergs, Rothschilds, and the Stonecutters.

It is a group of banks that meet together to, erm, discuss stuff, but there's no conspiracy. The truth is that Inter-Alpha's list of members, are much, much more intriguing than that.

It's basically a strong SELL list of European banks that's been cleverly masquerading for years as an ideas and experience talking shop:

[From the Inter-Alpha site] "Membership of the group has now grown to eleven banks, representing fifteen European countries, namely:

- AIB Group, Eire
- Banco Espirito Santo SA, Portugal
- Santander, Spain
- Soc Gen, France
- ING Bank, the Netherlands
- Intesa Sanpaolo
- KBC Bank, Belgium
- Nordea, Denmark, Finland and Sweden
- National Bank of Greece, Greece
- Commerzbank
- The Royal Bank of Scotland Group, UK"

[Cotterill continues] See what we mean? What a coincidence of names. Put those in your pension portfolio and weep.

Inter-Alpha isn't a conspiracy, or a talking shop. Inter-Alpha is like a bizarre nexus of everything—and we mean everything—that went wrong in European banking 2005-10, from sub-prime to sovereigns.

Consider this annotated list of Inter-Alpha member achievements:

- Commerzbank—Subprime exposure, disastrous acquisition, 2008 blow-up, government capital injection, peripheral exposure
 - ING—Subprime exposure, 2008 blow-up, government capital injection, forced break-up, peripheral exposure
 - Allied Irish Banks—too painful to recount

- Banco Espirito Santo—peripheral exposure
- National Bank of Greece—peripheral exposure from Hell
- KBC Bank—subprime exposure, 2008 blow-up, government capital injection(s)
- Royal Bank of Scotland—subprime exposure, disastrous acquisition, 2008 blow-up, government capital injection
- Société Générale—subprime exposure, weird derivatives stuff, weirder staff management
- Santander—Spanish property exposure, peripheral exposure

Inter-Alpha Can't Win

After President Franklin Roosevelt's death in 1945, the British financiers moved to reconsolidate in a new form, the world financial empire over which they had ruled earlier, especially during 1901-38. Critical in this was the succession of London and Wall Street-dominated U.S. Presidents Truman, Nixon, Carter, the two Bushes, and now British puppet Barack Obama. When Richard Nixon finally destroyed Roosevelt's fixed-exchange-rate Bretton Woods world monetary system on Aug. 15, 1971, the Inter-Alpha Group was formed as an international cartel to dominate and run the new, floating-rate crap-game international system for the empire, as well as the projected one-world imperial currency, the present euro.

Now we have come full circle. In its inevitable effects on the world's physical economy, the post-1971 speculative system has now reduced the world economy's physical output well below the level required to maintain current population levels, or anything even approaching current levels.

The continuation of the British Inter-Alpha system today, or any world monetarist, i.e., imperialist system, will doom all humankind to a dark age worse than Europe's 14th Century. World population levels will fall catastrophically; whole language-cultures will disappear forever. Only a world "Glass-Steagall" reform, into a fixed-rate world system of credit, rather than monetary systems, could prevent that at this late date.

Whatever they may imagine, there is no way the Inter-Alpha Group can win; they can only lose. The only question is whether the rest of us go down to perdition with them.

The American System versus British Geopolitics in Ireland

by Paul Gallagher

This article originally appeared in The New Federalist on Jan. 9, 1995, on the occasion of the historic peace agreement reached between Northern Ireland and the British government. Recent events in Ireland, in which the monarchy's Inter-Alpha Group of banks is attempting to impose a financial-economic dictatorship over the Irish people, have drawn hundreds of thousands into the streets in protest, once again, against the British imperial power.

With a ceasefire in Northern Ireland after 25 years of civil war, Her Majesty's government of John Major has now put up a hasty "conference on investment in Northern Ireland" and tried to exclude *only* Sinn Féin, the Irish party of independence. The British hope that affronts to Sinn Féin will provoke IRA violations of the ceasefire and destroy the peace process.

The Clinton Administration, which sponsored the ceasefire, has planned a more serious conference on Irish economic development for April 1995, in Philadelphia, and has repeatedly infuriated London by granting visas to Sinn Féin leader Gerry Adams to help plan a policy of peace through development.

Events are thus closely paralleling those of 1920-21. Then, the Irish nationalist movement led by Sinn Féin, with backing in America, forced His Majesty George V's government of Prime Minister David Lloyd George to cease military operations and sign a treaty recognizing the sovereignty of the Irish Free State (minus the six Northern counties of Ulster).

This time, however, Irish peace negotiations can join the ongoing Mideast negotiations for peace through economic development, to point all nations toward the development of "Great Projects" of infrastructure across Eurasia, to rebuild the world economy from depression. This time, the Clinton White House is trying to support steps against British geopolitics in the Mid-



Arthur Griffith, "the founder of the Irish state," and of the nationalist party Sinn Féin. He fought for a sovereign nation-state based on natural law, as expressed through a Constitution.



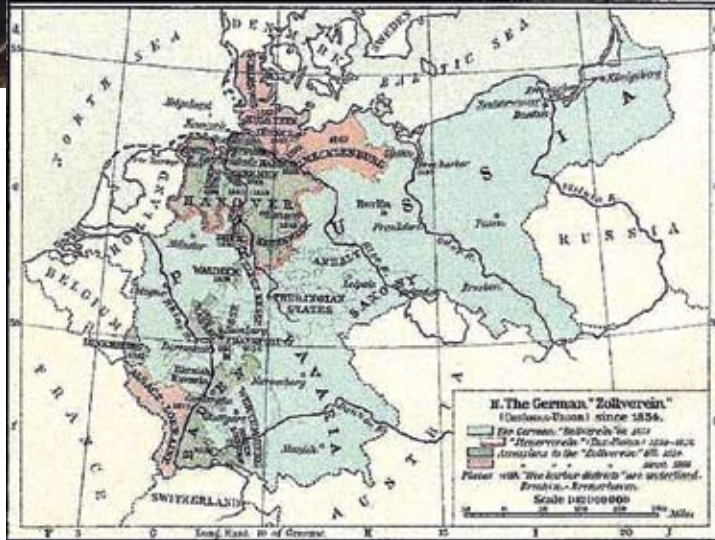
east, Ireland, and elsewhere, whereas Woodrow Wilson's Anglophile government, in 1920, told Irish emissaries it "would do nothing in their behalf": the Irish were not the right "Small Minority."¹

It is no accident, that British fury over Clinton's

1. Wilson's 14 Points started with the right of self-determination of small states and minorities.



Friedrich List (left), who brought the American System to Germany, and made Germany a counterpole to Britain, through his 1840s Zollverein (National Customs Union), shown in this map of 1834



Northern Ireland peace policy has centered on the granting of American visas to leading members of Sinn Féin, which today’s media dismiss as a small party, “the political arm of the IRA.” In 1921, Sinn Féin, did to His Majesty’s government, in the full arrogance of victory in World War I, what no Irish movement had done in four centuries: It forced Britain to remove 100,000 armed men from Ireland (and stop 40,000 more on their way), and agree to Irish sovereignty and independence. Sinn Féin’s national movement, its ministers and national parliament—the Dáil Éireann, in which Sinn Féin won 90% of the seats in December 1918—directed the IRA—then called the Irish Volunteers and the only national army Ireland had. London feared and hated Sinn Féin enough that British authorities instantly designated the 1916 Easter uprising, “the Sinn Féin rebellion,” although British Intelligence knew the Sinn Féin leaders had opposed the armed uprising.

A Renaissance Nation-State

The extraordinary 1902-21 accomplishments of Sinn Féin and its founder, Arthur Griffith (1872-1922)—“the founder of the Irish state”—were based on those secrets uniquely responsible for the successful creation of all the nation-states by and since the Euro-

pean Renaissance of the 15th Century. Griffith based Sinn Féin not on “issues,” but on the fundamental principle that natural law, expressed through a Constitution, gives to a people united by a literate language-culture, the inalienable right to national independence and sovereignty, and to economic development as the fruit of science and the contributions of individual citizens.

Griffith insisted upon national unity above all else, in the same way that Abraham Lincoln did during the 1850-65 threat to the American Union. And Griffith fought for the “Harmony of Interests” of capital and labor—the principle of Gottfried Leibniz’s political economy, of Benjamin Franklin’s and Alexander Hamilton’s “American System,” and of Pope Leo XIII’s great 1891 encyclical, *Rerum Novarum*. Sinn Féin prevailed upon the Marxists in Ireland’s better labor and “land” movements,² as it eventually prevailed over the British looting class.

Griffith was a student of the great German national economist

Friedrich List, who brought the “American System” of economics to Germany, and made Germany a national unity, and a European counterpole to Britain, for the first time, through the 1840s Zollverein (National Customs Union). Griffith introduced List to the startled Irish nationalist circles of 1904 as “the man Britain hated and feared the most.” He introduced List’s economics as the industrial development policy of the future Irish nation.

Griffith and List

To the 1905 Sinn Féin convention, Griffith spoke of List, and on national independence:

“I am in economics largely a follower of the man who thwarted England’s dream of the commercial con-

2. The movement for Irish peasant land ownership arose with some strength in the 1880s and 1890s. Since the 17th Century, the land was mainly owned by English “undertakers” as they were called. After 1708, no Catholic was allowed to own land or vote.

quest of the world, and who made the mighty confederation before which England has fallen commercially and is falling politically—Germany. In Ireland his name is unknown—I refer to Friedrich List, the real founder of the German Zollverein.

“Brushing aside the fallacies of Adam Smith and his tribe, List points out that between the individual and humanity stands, and must continue to stand, a great fact—the nation.

“The nation with its special language and literature, with its peculiar origin and history, with its special manners and customs, laws and institutions, with the claims of all these for existence, perfection, and continuance for the future, and with its separate territory, constitutes a society which, united by a thousand ties of minds and interests, combined itself into one independent whole, which recognizes the law of right for and within itself, and in its united character is still opposed to other societies of similar kind in their national liberty, and consequently can only, under the existing conditions of the world, maintain self-existence and independence by its own power and resources....

“With List I reply [to the British]: ‘A nation cannot promote and further its civilization, its prosperity, and its social progress equally as well by exchanging agricultural products for manufactured goods as by establishing a manufacturing power of its own.’”

From that 1905 convention onward, Sinn Féin’s policy, through its newspaper, *The United Irishmen*, was List’s “American System” of great projects of national infrastructure, tariff protection to national manufacturing interests, and rapid development of the most modern industry, with the renowned shipyards of Belfast as a model.

In this and other striking initiatives, Griffith showed that the deeper root of his nationalist policy was based on a universal power of ideas—not confined to “Irish nationalist ideas”—and on the power of the individual’s mind to be moved by these ideas and hold to them even as a solitary leader. At the founding of Sinn Féin in 1902, Griffith said, “I am not concerned about today. Tomorrow will be ours. Our idea has backers already among the intellectuals and among men and women of faith and wisdom. Their opinions will infiltrate the masses of the nation in time.... If we realize the duties and responsibilities of a citizen and discharge them, we shall win. It is the duty of a free citizen to live so that his country may be the better for his existence.... No man can offer Ireland a speedy and comfortable road to freedom.”

Speaking to the same convention of no more than 100 people, Griffith’s co-founder William Rooney said:

“History has never been made by the millions; the few who sacrificed did all the world is proud of. The silent, earnest thinker moves the mass.... It is necessary that [we] be men whom no danger shall deter and no indifferentism shall discourage; that [we] be men whose love of right and truth alone shall be sufficient to make them persevere and rise superior to all the disillusion which unselfish effort has to face.”

Taken all together, these ideas and policy conceptions of Renaissance for the nation-state, accessed by Griffith and his collaborators to achieve their partial but durable defeat of British geopolitics, represent the ideas and policy-conceptions developed today by Lyndon LaRouche and his political movement and collaborators.

Sinn Féin’s Constitutional Policy

Sinn Féin began in the 1890s as a small literary society with a strong interest in restoring the Irish (Gaelic) language, and in the American Civil War victory over British slavery. It began to confront British geopolitics with Arthur Griffith’s 1897-98 sojourn in South Africa, during which he organized the entire Irish community there to support the Boer state of Paul Kruger and Paul Joubert against the British. Griffith met Kruger, and also Cecil Rhodes (whom Griffith described as “small in brain and heart, and of indescribable manners”). In 1902-04, back in Ireland, Griffith and his collaborators began to use the name Sinn Féin (“We Ourselves”), and to publish *The United Irishmen*; Griffith already thought of the name Sinn Féin in terms of List’s conception of the necessary economic and industrial sufficiency and security of the nation-state.

The century just before Sinn Féin’s launching had been dominated by the 1840s British genocide of more than 2 million, out of 8 million, Irish subjects; and then, by branches of the Young Ireland movement—a part of the Young Europe of British agent Giuseppe Mazzini. Though Griffith greatly respected the two leaders associated with the “Young Ireland” period—Charles Stewart Parnell and Michael Davitt—he specifically rejected that method of “Irish obstructionist” leadership, and referred back beyond it, to the Irish independence movement *associated with the American War of Independence*.

For 350 years, beginning in the 1570s, British brutality to Ireland had been unique, even in British imperialism: Many observers over those centuries compared it to the immiseration of African slaves in America and



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Library of Congress

British brutality to Ireland had been unique, even for British imperialism: Many observers over those centuries compared it to the immiseration of African slaves in America and the West Indies, always finding the slaves' conditions superior to those of the Irish. Irish manufactures were wiped out, and the land left fallow. Here a Irish woman uses a primitive spinning wheel, ca. 1903; pickets at the White House, in 1920.

the West Indies, always finding the slaves' conditions superior to those of the Irish. Ireland, always a French ally, was the punching bag for savage British geopolitical hatred of France and the Vatican, reflecting, in turn, the British patrimony of Venice's geopolitical hatreds.

As the British slaughtered, starved, and drove out the Irish, they confiscated their land and replaced them with Scottish and English landlords, most heavily in Northern Ulster. Eventually, 80% of all Irish land was confiscated; nearly 30% wound up *completely unused* by 1800.

Only one Irish national independence movement overcame the "religious" and regional antagonisms fostered by British policy: the United Irishmen of the 1780s and 1790s period of the American Revolution. Thomas Paine's *The Rights of Man* was called "the Koran of the United Irishmen." During the period of French military support of America's War of Independence, decisive French support of the United Irishmen would have had the same successful results, but Louis XVI's Minister, the Comte de Vergennes, backed away. However, the combined force of the American War of Independence and the United Irishmen's efforts, won Ireland the Constitution of 1783, which Britain was forced to recognize by the "Act of Renunciation": The Irish people were then to be bound only by their own Constitution and by laws enacted "by His

Majesty and Parliament of that Kingdom."

Griffith based Sinn Féin's political organizing on the idea that "the objective of all national effort must be the restoration of Ireland to the status of a sovereign state." He sought complete unity for the restoration of the Constitution of 1783: to make Ireland a completely constitutional monarchy, sovereign from England, with full fiscal/economic powers, its own army, national legislature, and sovereign diplomatic relations—but retaining the British monarchy to bring the Royalist sentiment of Ulster into the national fold. To start the process, Sinn Féin called on the Irish-elected members of the *British* Parliament to withdraw from Westminster, to form the basis of an Irish National Assembly with Constitutional legitimacy—and to avoid insurrection and "class struggle."

Twenty years later, over the 1919-21 period, Griffith's constitutional goal was realized as he had laid it out, beginning when the Irish Nationalist MPs withdrew from Westminster after the British announced conscription of the Irish for World War I in 1917. Sinn Féin had, by that time, effectively organized much of the Irish citizenry for neutrality, on the basis of no war without sovereignty. ("Germany is not our enemy. Our blood and our miseries are not on her head.") In addition, it had organized 2,000 local Sinn Féin branches,

organized the elected Local Councils to carry out some judicial and fiscal functions, formed an industrial planning commission under Griffith's personal direction—and was ready to organize election of a Dáil (parliament), field a small army to defend it (the Irish Volunteers), and to raise a national loan for government functions.

Excepting the very brief 1916 uprising, this had been done without insurrection and with a minimum of fighting (most initiated by the huge British and Royal Irish Constabulary forces), and with Sinn Féin and its publications suppressed, during World War I.

The Resurrection of Hungary

Griffith introduced two bold “flanks” in this political front, which were decisive. First, in 1904, he wrote *The Resurrection of Hungary*, which was serialized in *The United Irishmen*, then published as a pamphlet which stayed in wide circulation for 15 years, to the amazement of his colleagues. This work put forth “the Hungarian model” for Irish national sovereignty.

The pamphlet described Hungary's 1849 military defeat and loss of sovereignty to the Hapsburg Empire; its 1861 refusal to send its representatives to the Council of the Empire; the long resistance led by Francis Deak, who, for years, under martial law, went on telling everyone that the Hungarian Constitution was still in force. In 1876, Hungarian sovereignty was again recognized in a “dual monarchy”—Griffith's goal for Ireland.

This appeal to Irish citizens' sense of *universal history* exercised a very wide and completely unexpected influence in the preparations for Irish independence by Sinn Féin. The “dual monarchy” idea had, in the first place, been taken from Leibniz's collaborator, Jonathan Swift.

Second, Griffith directly attacked William Pitt the Younger and Lord Castlereagh, pet ministers of that Lord Shelburne who deployed Hume, Smith, Malthus, Bentham, Gibbon, et al. against the American Revolution and its influence.

The Irish MPs were sitting in Westminster, said



Griffith, in 1904, wrote *The Resurrection of Hungary*, which was serialized in *The United Irishman* (a copy from 1969 shown here); then published as a pamphlet, which put forth “the Hungarian model” for Irish national sovereignty.

Griffith, only because the Irish Constitution of 1783 was torn up by Prime Minister Pitt's monstrous 1801 Act of Union, which designated Ireland as part of Britain. This completely illegitimate act was passed only when Pitt and Castlereagh blackmailed, threatened, and purchased nearly all members of the Irish Parliament in Dublin. Griffith quoted the letter of Lord Cornwallis, who, in 1801, had gone from surrendering in America to the post of Lord Lieutenant of Ireland—“I despise and hate myself every hour for engaging in such corrupt work.” He denounced “the British Parliament—that deadly institution . . . into whose partnership Pitt bribed you and dragged you by force of arms.”

This powerful historical exposé upset the Irish popular idea that they were an oppressed or neglected “part of Great Britain.” Pitt's infamous “Union”

was overcome by Sinn Féin, as it had not been by Parnell, Davitt's Land League, and Disraeli's “Home Rule” games in the 19th Century.

In the 1921 treaty event, Ireland became a sovereign republic, not a constitutional “dual monarchy,” because Sinn Féin ultimately failed to save the six Northern counties of Ulster from a British Tory—Scottish Rite freemasonic—campaign of violence and terror.

The Protestant-Catholic unity and harmony forged by the United Irishmen in the 1780s lasted a century, across “class lines” of Protestant “Scotch-Irish” landlords and Catholic tenants in Ulster. Then, in the 1880s, when Arthur Griffith was a teenager, Tory leaders Lord Randolph Churchill (father of Winston) and Lord Balfour, decided to “play the Orange card” (in Churchill's phrase) against Irish Home Rule. British King William of Orange's 1691 invasion of Ulster had established the Grand Orange Lodge of Scottish Rite Freemasonry among the Scottish-descended landlord and commercial classes of Ulster. First Churchill in 1886, then Balfour in 1888, travelled personally to Belfast with money to organize Orange Protestant (landlord) violence against Catholics. They signed up 73,000 Orange Vol-

unteers under Churchill's slogan, worthy of today's Jesse Jackson: "Ulster will fight, and Ulster will be right." Churchill and Balfour set off repeated attempts at "pogroms" to drive Catholics from Belfast, deploying the Orange Masonic lodges as a paramilitary terror force. "Bloody Balfour" had 24 Irish MPs arrested and held as common criminals.

This was the launching of the Protestant-Catholic violence in Ulster which continued for a century under London's control, which the current ceasefire seeks to end through economic development.

"The Orange card" of Churchill was played over and over, from 1876 to 1918, until, by World War I, even the British government command in Ireland—"Dublin Castle"—was dominated by the Orange Order. Finally, in 1915, desperate to stop the ongoing Irish "government-building" by Sinn Féin, and having felt the insufficiency of her 80,000 regular soldiers in Ireland, her 20,000 whiskey-loaded "Black-and-Tans" special forces killers, her thousands of Royal Irish Constabulary—Britain began to openly arm the Ulster Volunteers. This time Winston Churchill, that keen "historian" of Ireland, was directly involved.

It was to this that Sinn Féin and the Dáil Éireann responded, by calling for the expansion and arming of the Irish Volunteers, attempting to associate the Irish Volunteers with the Ulster Volunteers as a national defense force. But in 1918, London, through the Orange Order, organized a new pogrom driving thousands of Catholic refugees from Belfast. Griffith realized that "the chief promoters of Orange intolerance are the heads of the distributing trade throughout Ireland"—bankers and large merchants—and Sinn Féin responded with a boycott of the Belfast banks. But, in 1921, Griffith and his Dáil Éireann delegation had to agree to a treaty establishing Irish sovereignty without Ulster and the modern industries of Belfast.

The American System

Arthur Griffith's industrial policy for Sinn Féin, based on his mentor Friedrich List, was the constantly developing nucleus of Sinn Féin's work. Griffith's speech to the 1905 Convention was on the survey of Irish productivity and the creation of a Zollverein among Ireland's elected Local Councils. He said that Ireland's chief industry, agriculture, had been looted of its product to England, and its cultivated acreage was constantly decreasing. He called on the Councils to become "stations" for agricultural improvement, but said the nation must rise from its agricultural state by a system of tariff



Library of Congress

In 1905, Griffith said that Ireland's chief industry, agriculture, had been looted by England, and that the nation must rise from its agricultural state by a system of tariff protection and development of home industries. Shown: a sheep fair in Killarney, 1901.

protection and development of home industries. He quoted List that an agricultural nation is always dependent; an agro-industrial nation is independent.

Ireland having, in 1904, no fiscal powers, Griffith called for Local Councils to spend tax money only on goods made in Ireland, and for the harbor boards to make port dues fall heavily on imported manufactures, not food. (At that time as still today, Ulster was *not industrialized* outside Belfast, Ireland's main port and industrial center.) Griffith also spelled out the necessity of creating an Irish merchant marine (destroyed by the English Navy in the 16th Century); a national civil service, arbitration courts and a National Council to coordinate the Local Councils' actions; reforestation of Ireland's once-extensive hardwood forests (cut down *en masse* by English landlords in the 16th, 17th, and 18th centuries). The idea of boycotting British industrial goods was raised by placing on the masthead of *The United Irishmen* the slogan of Jonathan Swift in the 1720s: "Burn everything English except their coal."

At Sinn Féin's 1907 Convention, after its first candidates had stood for Parliament (pledging not to attend), and gained about 20% of the votes, Griffith developed a fuller Listian program. Sinn Féin now called for infrastructure development: canals for cheap freight, roads,



“If the Irish today wish to prevail over the collapsing House of Windsor and, more importantly, over its policies of usury and destabilization across Eurasia, they should support the greatest economist of the American System”—Lyndon LaRouche. 1890s caricature of Americans kicking out the British in 1776; Uncle Sam cheers as George Washington gives the boot to John Bull.

electrical power, and the urgent development of fisheries and harbors. The boycott of British goods was now seriously demanded by this still-tiny political force.

In 1908, Griffith brought out *The Irish Year Book (Leabhar na h-Éireann)*, published by Sinn Féin’s National Council, with 400 pages on Irish resources, skills, inventions, educational institutions, and interests. Its purpose, he wrote, was to build the Harmony of Interests: “Unionist and anti-Unionist, Catholic, Protestant, Presbyterian, Methodist, Quaker, the northern manufacturer and the southern agriculturalist, workman and employer, artisan and farmer, landowner and tenant—all are here offering the result of their study of their experience to help the country.”

India’s founding father Jawaharlal Nehru later said that his policy for Indian independence of *swadeshi* (boycott of British goods and development of Indian production) was based on his observation of Sinn Féin in this period, when Nehru lived in London as a graduate student.

During the 1913 strike/lockout of the Irish Transport and General Workers’ Union, led by socialists James Larkin and James Connolly (the latter a friend and collaborator of Griffith), Griffith wrote in *The*

United Irishmen the virtual words of Franklin, Lincoln, or Pope Leo XIII:

“I deny that Capital and Labour are in their nature antagonistic—I assert that they are essential and complementary to each other. The incentive and right of both is the profit of production, and the security of one and the efficiency of the other are essential to national prosperity. . . . It is the duty of the organized nation to protect Labour, and to secure for it the profits of production, not a mere competitive wage. . . . The free nation I desire to see rise again on the soil of Ireland is no offspring of despair—no neo-feudalism with Marx and Lassalle and Proudhon its prophets.”

Finally, in 1919, Griffith’s pursuit of List’s Zollverein became the Dáil Éireann’s “Select Commission to inquire into the National Resources and present conditions of Manufacturing and Productive Industries in Ireland,

and . . . by what means those Industries may be encouraged and extended and those Natural Resources more fully developed.” Griffith, of course, headed the Commission, with special committees on power, textiles, minerals, and food.

Under Griffith, this became a permanent institution of Irish government, independent of party. Indeed, Griffith wrote that “Sinn Féin is not a party. It is a national composition. . . . We must sink ourselves, that the nation may gain from our unity.” He published continuously, even journals from prison when *The United Irishmen* was suppressed. His newspapers were devoted “to the disciplining of the mind and the training of the forces of the nation . . . nothing but the weapons of the free man. If we realize this conception of citizenship in Ireland—if we place our duty to our country before our personal interests, and live not each for himself but each for all, the might of England cannot prevent our ultimate victory.”

If the Irish today wish to prevail over the collapsing House of Windsor and, more importantly, over its policies of usury and destabilization across Eurasia, they should support the greatest economist of the American System—Lyndon LaRouche.

Henry Carey on the British Empire's Enslavement of the Irish People

Henry C. Carey (1793-1879), President Abraham Lincoln's chief economic advisor, promoted the American industrial model around the world. The work excerpted here, is from The Slave Trade, Domestic and Foreign: Why It Exists and How It Can Be Extinguished, Chapter XIII, "How Slavery Grows in Ireland and Scotland" (1853). Some punctuation and paragraphing have been added; all emphasis in original. (For the complete work, see <http://www.gutenberg.org/ebooks/8000>).



Henry Carey was the 19th Century's leading proponent of the American System of economics, against the Adam Smith school of monetarism and free trade.

The government which followed the completion of the Revolution of 1688, pledged itself to discountenance the woollen manufacture of Ireland, with a view to compel the export of raw wool to England, whence its exportation to foreign countries was prohibited; the effect of which was, of course, to enable the English manufacturer to purchase it at his own price. From that period forward, we find numerous regulations as to the ports from which alone woollen yarn or cloth might go to England, and the ports of the latter through which it might come; while no effort was spared to induce the people of Ireland to abandon woollens and take to flax.

Laws were passed prohibiting the export of Irish cloth and glass to the colonies. By other laws Irish ships were deprived of the benefit of the navigation laws. The fisheries were closed against them. No sugar could be imported from any place but Great Britain, and no drawback was allowed on its exportation to Ireland; and thus was the latter compelled to pay a tax for

the support of the British government, while maintaining its own. All other colonial produce was required to be carried first to England, after which it might be shipped to Ireland; and as Irish shipping was excluded from the advantages of the navigation laws, it followed that the voyage of importation was to be made in British ships, manned by British seamen, and owned by British merchants, who were thus authorized to tax the people of Ireland for doing their work, while a large portion of the Irish people were themselves unemployed.

While thus prohibiting them from applying themselves to manufactures or trade, every inducement was held out to them to confine themselves to the production of commodities required by the English manufacturers, and wool, hemp, and flax were admitted into England free of duty.

We see thus that the system of that day in reference to Ireland looked to limiting the people of that country, as it limited the slaves of Jamaica, and now limits the people of Hindostan [India—ed.], to agriculture alone, and thus depriving the men, the women, and the children of all employment except the labour of the field, and of all opportunity for intellectual improvement, such as elsewhere results from that association which necessarily accompanies improvement in the mechanic arts.

During our war of the Revolution, freedom of trade was claimed for Ireland; and as the demand was made at a time when a large portion of her people were under

arms as volunteers, the merchants and manufacturers of England, who had so long acted as middlemen for the people of the sister kingdom, found themselves obliged to submit to the removal of some of the restrictions under which the latter had so long remained. Step by step changes were made, until at length, in 1783, Ireland was declared independent, shortly after which duties were imposed on various articles of foreign manufacture, avowedly with the intention of enabling her people to employ some of their surplus labour in converting her own food and wool, and the cotton wool of other countries, into cloth.

Thenceforward manufactures and trade made considerable progress, and there was certainly a very considerable tendency toward improvement. Some idea of the condition of the country at that time, and of the vast and lamentable change that has since taken place, may be obtained from the consideration of a few facts connected with the manufacture of books in the closing years of the last century. The copyright laws not extending to Ireland, all books published in England might there be reprinted, and accordingly we find that all the principal English law reports of the day, very many of the earlier ones, and many of the best treatises, as well as the principal novels, travels, and miscellaneous works, were republished in Dublin, as may be seen by an examination of any of our old libraries. The publication of such books implies, of course, a considerable demand for them, and for Ireland herself, as the sale of books in this country was very small indeed, and there was then no other part of the world to which they could go. More books were probably published in Ireland in that day by a single house than are now required for the supply of the whole kingdom.

With 1801, however, there came a change. By the Act of Union the copyright laws of England were extended to Ireland, and at once the large and growing manufacture of books was prostrated. The patent laws were also extended to Ireland; and as England had so long monopolized the manufacturing machinery then in use, it was clear that it was there improvements would be made, and that thenceforth, the manufactures of Ireland must retrograde. Manchester had the home market, the foreign market, and, to no small extent, that of Ireland open

to her; while the manufacturers of the latter were forced to contend for existence, and under the most disadvantageous circumstances, on their own soil. The one could afford to purchase expensive machinery, and to adopt whatever improvements might be made, while the other could not.

The natural consequence was, that Irish manufactures gradually disappeared as the Act of Union came into effect. By virtue of its provisions, the duties established by the Irish Parliament for the purpose of protecting the farmers of Ireland in their efforts to bring the loom and the anvil into close proximity with the plough and the harrow, were gradually to diminish, and free trade was to be fully established; or, in other words, Manchester and Birmingham were to have a monopoly of supplying Ireland with cloth and iron. The duty on English woollens was to continue twenty years. The almost prohibitory duties on English calicoes and muslins were to continue until 1808; after which they were to be gradually diminished, until in 1821 they were to cease. Those on cotton yarn were to cease in 1810. The effect of this in diminishing the demand for Irish labour, is seen in the following comparative view of manufactures at the date of the Union, and at different periods in the ensuing forty years, here given:—

Dublin	Master woollen manufacturers	1800	91	1840	12
	Hands employed	1800	4,918	1840	602
	Master wool-combers	1800	30	1834	5
	Hands employed	1800	230	1834	63
	Carpet manufacturers	1800	13	1841	1
	Hands employed	1800	720	1841	none
Kilkenny	Blanket manufacturers	1800	56	1822	42
	Hands employed	1800	3,000	1822	925
Dublin	Silk-loom wearers at work	1800	2,500	1840	250
Balbriggan	Calico looms at work	1799	2,500	1841	226
Wicklow	Hand-loomers at work	1800	1,000	1841	none
Cork	Braid weavers	1800	1,000	1834	40
	Worsted weavers	1800	2,000	1834	90
	Hoosiers	1800	300	1834	28
	Wool-combers	1800	700	1834	110
	Cotton weavers	1800	2,000	1834	220
	Linen cheek weavers	1800	600	1834	none
	Cotton spinners, bleachers, calico printers	1800	thousands	1834	none

“For nearly half a century, Ireland has had perfectly free trade with the richest country in the world; and what,” says the author of a recent work of great ability,—

“Has that free trade done for her? She has even now,” he continues, “no employment for her teeming population except upon the land. She ought to have had, and might easily have had, other and various employments, and plenty of it. Are we to believe,” says he, “the calumny that the Irish are lazy and won’t work? Is Irish human nature different from other human nature? Are not the most laborious of all labourers in London and New York, Irishmen? Are Irishmen inferior in understanding? We Englishmen who have personally known Irishmen, in the army, at the bar, and in the church, know that there is no better head than a disciplined Irish one. But in all these cases that master of industry, the stomach, has been well satisfied. Let an Englishman exchange his bread and beer, and beef, and mutton, for no breakfast, for a lukewarm lumpner at dinner, and no supper. With such a diet, how much better is he than an Irishman—a Celt, as he calls him? No, the truth is, that the misery of Ireland is not from the human nature that grows there—it is from England’s perverse legislation, past and present.”¹

Deprived of all employment, except in the labour of agriculture, land became, of course, the great object of pursuit. “Land is life,” had said, most truly and emphatically, Chief Justice Blackburn; and the people had now before them the choice between the occupation of land, *at any rent, or starvation*. The lord of the land was thus enabled to dictate his own terms, and therefore it has been that we have heard of the payment of five, six, eight, and even as much as ten pounds per acre. “Enormous rents, low wages, farms of an enormous extent, let by rapacious and indolent proprietors to monopolizing land-jobbers, to be relet by intermediate oppressors, for five times their value, among the wretched starvers on potatoes and water,” led to a constant succession of outrages, followed by Insurrection Acts, Arms Acts, and Coercion Acts, when the real remedy was to be found in the adoption of a system that would emancipate the country from the tyranny of the spindle and the loom, and permit the labour of Ireland to find employment at home.

That employment could not be had. With the sup-

1. “Sophisms of Free Trade,” by J. Barnard Byles, Esq.

pression of Irish manufactures the demand for labour had disappeared. An English traveller, describing the state of Ireland in 1834, thirteen years after the free-trade provisions of the Act of Union had come fully into operation, furnishes numerous facts, some of which will now be given, showing that the people were compelled to remain idle, although willing to work at the lowest wages—such wages as could not by any possibility enable them to do more than merely sustain life, and perhaps not even that.

CASHEL.—“Wages here only *eightpence a day*, and numbers altogether without employment.”

CAHIR.—“I noticed, on Sunday, on coming from church, the streets crowded with labourers, with spades and other implements in their hands, standing to be hired; and I ascertained that any number of these men might have been engaged, on constant employment, at *sixpence per day* without diet.”

WICKLOW.—“The husband of this woman was a labourer, at *sixpence a day*, *eighty* of which sixpences—that is, eighty days’ labour—were absorbed in the rent of the cabin.” “In another cabin was a decently dressed woman with five children, and her husband was also a labourer at *sixpence a day*. The pig had been taken for rent a few days before.” “I found some labourers receiving only *fourpence per day*.”

KILKENNY.—“Upward of 2,000 persons totally without employment.” “I visited the factories that used to support 200 men with their families, and how many men did I find at work? ONE MAN! In place of finding men occupied, I saw them in scores, like spectres, walking about, and lying about the mill. I saw immense piles of goods completed, but for which there was no sale. I saw heaps of blankets, and I saw every loom idle. As for the carpets which had excited the jealousy and the fears of Kidderminster, not one had been made for seven months. To convey an idea of the destitution of these people, I mention, that when an order recently arrived for the manufacture of as many blankets for the police as would have kept the men at work for a few days, bonfires were lighted about the country—not bonfires to communicate insurrection, but to evince joy that a few starving men were about to earn bread to support their families. Nevertheless, we are told that Irishmen will not work at home.”

CALLEN.—“In this town, containing between four and five thousand inhabitants, at least one thousand are without regular employment, six or seven hundred entirely destitute, and there are upward of two hundred

mendicants in the town—persons incapable of work.”—*Inglis’s Ireland* in 1834.

Such was the picture everywhere presented to the eye of this intelligent traveller. Go where he might, he found hundreds anxious for employment, yet no employment could be had, unless they could travel to England, there to spend *weeks* in travelling round the country in quest of *days* of employment, the wages for which might enable them to pay their rent at home. “The Celt,” says the *Times*, “is the hewer of wood and the drawer of water to the Saxon; The great works of this country,” it continues “depend on *cheap labour*.” The labour of the slave is always low in price. The people of Ireland were interdicted all employment but in the cultivation of the land, and men, women, and children were forced to waste more labour than would have paid twenty times over for all the British manufactures they could purchase. They were passing rapidly toward barbarism, and for the sole reason that they were denied all power of association for any useful purpose. What was the impression produced by their appearance on the mind of foreigners may be seen by the following extract from the work of a well-known and highly intelligent German traveller:—

“A Russian peasant, no doubt, is the slave of a harder master, but still he is fed and housed to his content, and no trace of mendicancy is to be seen in him. The Hungarians are certainly not among the best-used people in the world; still, what fine wheaten bread and what wine has even the humblest among them for his daily fare! The Hungarian would scarcely believe it, if he were to be told there was a country in which the inhabitants must content themselves with potatoes every alternate day in the year.

“Servia [sic] and Bosnia are reckoned among the most wretched countries of Europe, and certainly the appearance of one of their villages has little that is attractive about it; but at least the people, if badly housed, are well clad. We look not for much luxury or comfort among the Tartars of the Crimea; we call them poor and barbarous, but, good heavens! they look at least like human creatures. They have a national costume, their houses are habitable, their orchards are carefully tended, and their gayly harnessed ponies are mostly in good condition. An Irishman has nothing national about him but his rags,—his habitation is without a plan, his do-

mestic economy without rule or law. We have beggars and paupers among us, but they form at least an exception; whereas, in Ireland, beggary or abject poverty is the prevailing rule. The nation is one of beggars, and they who are above beggary seem to form the exception.

“The African negroes go naked, but then they have a tropical sun to warm them. The Irish are little removed from a state of nakedness; and their climate, though not cold, is cool, and extremely humid.

“There are nations of slaves, but they have, by long custom, been made unconscious of the yoke of slavery. This is not the case with the Irish, who have a strong feeling of liberty within them, and are fully sensible of the weight of the yoke they have to bear. They are intelligent enough to know the injustice done them by the distorted laws of their country; and while they are themselves enduring the extreme of poverty, they have frequently before them, in the manner of life of their English landlords, a spectacle of the most refined luxury that human ingenuity ever invented.”

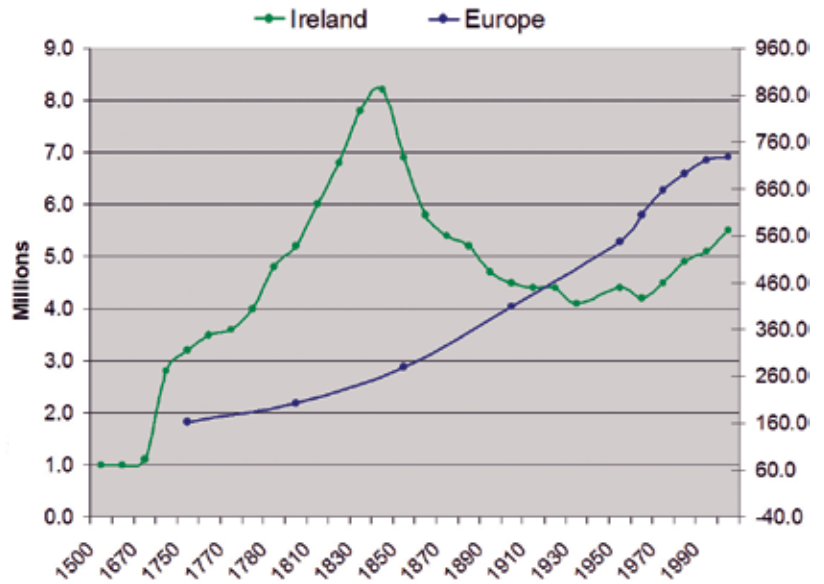
—*Kohl’s Travels in Ireland*.

It might be thought, however, that Ireland was deficient in the capital required for obtaining the machinery of manufacture to enable her people to maintain competition with her powerful neighbour. We know, however, that previous to the Union she had that machinery; and from the date of that arrangement, so fraudulently brought about, by which was settled conclusively the destruction of Irish manufactures, the *annual* waste of labour was greater than the whole amount of capital then employed in the cotton and woollen manufactures of England. From that date, the people of Ireland were thrown, from year to year, more into the hands of middlemen, who accumulated fortunes that they *would* not invest in the improvement of land, and *could* not, under the system which prostrated manufactures, invest in machinery of any kind calculated to render labour productive; and all their accumulations were sent therefore to England for investment.

An official document published by the British government shows that the transfers of British securities from England to Ireland, that is to say, the investment of Irish capital in England, in the thirteen years following the final adoption of free trade in 1821, amounted to as many millions of pounds sterling; and



Population of Ireland and Europe



Images from the period of the British rape of Ireland, second half of the 19th Century. Clockwise from top left: a scene from the great potato famine (1845-51); a chart showing the catastrophic collapse of the Irish population, beginning around 1850, and continuing for a century; an Irish family bids farewell to emigrants; a poster of the Land League, which organized against the looting of Ireland's once-productive agriculture, and forced evictions, by British landlords.



Deprived of all employment, except in the labour of agriculture, land became, of course, the great object of pursuit. 'Land is life' had said, most truly and emphatically, Chief Justice Blackburn; and the people had now before them the choice between the occupation of land, at any rent, or starvation....

—Henry Carey



thus was Ireland forced to contribute cheap labour and cheap capital to building up “the great works of Britain.” Further, it was provided by law that whenever the poor people of a neighbourhood contributed to a saving fund, the amount should not be applied in any manner calculated to furnish local employment, but should be transferred for investment in the British funds. The landlords fled to England, and their rent followed them. The middlemen sent their capital to England. The trader or the labourer that could accumulate a little capital saw it sent to England; and he was then compelled to follow it. Such is the history of the origin of the present abandonment of Ireland by its inhabitants.

The form in which rents, profits, and savings, as well as taxes, went to England, was that of raw products of the soil, to be consumed abroad, yielding nothing to be returned to the land, which was of course impoverished. The average export of grain in the first three years following the passage of the Act of Union was about 300,000 quarters, but as the domestic market gradually disappeared, the export of raw produce increased, until, at the close of twenty years it exceeded a million of quarters; and at the date of Mr. Inglis’s visit, it had reached an average of two and a half millions, or 22,500,000 of our bushels. The poor people were, in fact, selling their soil to pay for cotton and woollen goods that they should have manufactured themselves, for coal which abounded among themselves, for iron, all the materials of which existed at home in great profusion, and for a small quantity of tea, sugar, and other foreign commodities, while the amount required to pay rent to absentees, and interest to mortgagees, was estimated at more than thirty millions of dollars. Here was a drain that no nation could bear, however great its productive power; and the whole of it was due to the system which forbade the application of labour, talent, or capital to any thing but agriculture, and thus forbade advance in civilization. . . .

“Throughout the west and south of Ireland,” said an English traveller in 1842, four years before the exhaustion of the soil had produced disease among the potatoes—

“The traveller is haunted by the face of the *popular starvation*. It is not the exception—it is *the condition* of the people. In this fairest and richest of countries, men are suffering and *starving by millions*. There are

thousands of them, at this minute, stretched in the sunshine at their cabin doors with *no work*, scarcely any food, no hope seemingly. Strong countrymen are lying in bed, ‘*for the hunger*’—because a man lying on his back does not need so much food as a person afoot. Many of them have torn up the unripe potatoes from their little gardens, and to exist now must look to winter, when they shall have to suffer starvation and cold too.”

—*Thackeray*.

“Everywhere,” said the *Quarterly Review*, “throughout all parts, even in the best towns, and in Dublin itself, you will meet men and boys—not dressed, not covered—but hung round with a collection of rags of unrivalled variety, squalidity, and filth—walking dunghills. No one ever saw an English scarecrow with such rags.”

The difference in the condition of these poor people and that of the slave—even the slave of Jamaica at that day—consisted in this, that the negro slave was worth buying, whereas the others were not; and we know well that the man who pays a good price for a commodity, attaches to it a value that induces him to give some care to its preservation; whereas he cares nothing for another that he finds himself forced to accept. “Starving by millions,” as they are here described, death was perpetually separating husbands and wives, parents and children, while to the survivors remained no hope but that of being enabled at some time or other to fly to another land in which they might be permitted to sell their labour for food sufficient to support life.

The existence of such a state of things was, said the advocates of the system which looks to converting all the world outside of England into one great farm, to be accounted for by the fact that the population was too numerous for the land, and yet a third of the surface, including the richest lands in the kingdom, was lying unoccupied and waste.

“Of single counties,” said an English writer, “Mayo, with a population of 389,000, and a rental of only £300,000, has an area of 1,364,000 acres, of which 800,000 are waste! No less than 470,000 acres, being very nearly equal to the whole extent of surface now under cultivation, are declared to be reclaimable. Galway, with a population of 423,000, and a valued rental of £433,000, has upward of 700,000 acres of

waste, 410,000 of which are reclaimable! Kerry, with a population of 293,000, has an area of 1,186,000 acres—727,000 being waste, and 400,000 of them reclaimable! Even the Union of Glenties, Lord Monteagle’s *ne plus ultra* of redundant population, has an area of 245,000 acres, of which 200,000 are waste, and for the most part reclaimable, to its population of 43,000. While the Barony of Ennis, that abomination of desolation, has 230,000 acres of land to its 5000 paupers—a proportion which, as Mr. Carter, one of the principal proprietors, remarks in his circular advertisement for tenants, ‘is at the rate of only one family to 230 acres; so that if but one head of a family were employed to every 230 acres, there need not be a single pauper in the entire district; a proof,’ he adds, ‘**THAT NOTHING BUT EMPLOYMENT IS WANTING TO SET THIS COUNTRY TO RIGHTS!**’ In which opinion we fully coincide.”

Nothing but employment was needed, but that could not be found under the system which has caused the annihilation of the cotton manufacture of India, notwithstanding the advantage of having the cotton on the spot, free from all cost for carriage. As in Jamaica, and as in India, the land had been gradually exhausted by the exportation of its products in their rudest state, and the country had thus been drained of capital, a necessary consequence of which was that the labour even of men found no demand, while women and children starved, that the women and children of England might spin cotton and weave cloth that Ireland was too poor to purchase.

Bad, however, as was all this, a worse state of things was at hand. Poverty and wretchedness compelled the wretched people to fly in thousands and tens of thousands across the Channel, thus following the capital and the soil that had been transferred to Birmingham and Manchester; and the streets and cellars of those towns, and those of London, Liverpool, and Glasgow, were filled with men, women, and children in a state almost of starvation; while throughout the country, men were offering to perform the farm labour for food alone, and a cry had arisen among the people of England that the labourers were likely to be swamped by these starving Irishmen: to provide against which it was needed that the landlords of Ireland should be compelled to support their own poor, and forthwith an act of Parliament was passed for that purpose. Thence arose, of course, an increased desire to rid the country of the men, women, and children whose labour could

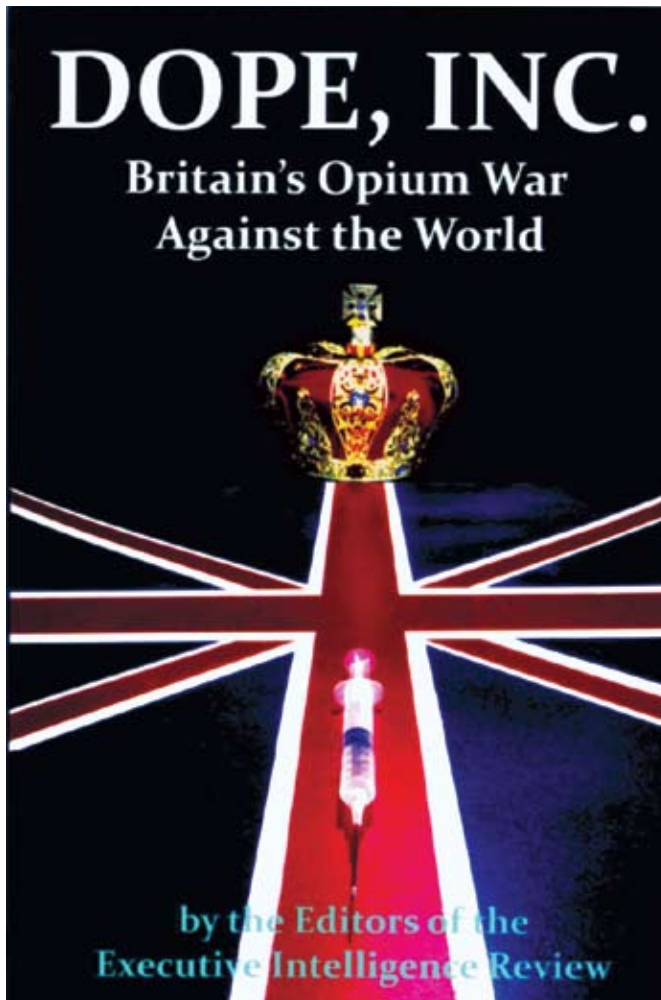
not be sold, and who could therefore pay no rent. The “Crowbar Brigade” was therefore called into more active service, as will be seen by the following account of their labours in a single one of the “Unions” established under the new poor-law system, which in many cases took the whole rent of the land for the maintenance of those who had been reduced to pauperism by the determination of the people of Manchester and Birmingham to continue the colonial system under which Ireland had been ruined.

“In Galway Union, recent accounts declared the number of poor evicted, and their homes levelled within the last two years, to equal the numbers in Kilrush—4,000 families and 20,000 human beings are said to have been here also thrown upon the road, houseless and homeless. I can readily believe the statement, for to me some parts of the country appeared like an enormous graveyard—the numerous gables of the unroofed dwellings seemed to be gigantic tombstones. They were, indeed, records of decay and death far more melancholy than the grave can show. Looking on them, the doubt rose in my mind, am I in a civilized country? Have we really a free constitution? Can such scenes be paralleled in Siberia or Caffraria [South Africa—ed.]?”

A single case described in a paper recently published by Mr. Dickens in his “*Household Words*,” will convey to the reader some idea of an eviction, that may be taken as a specimen, and perhaps a fair one, of the *fifty thousand* evictions that took place in the single year 1849, and of the hundreds of thousands that have taken place in the last six years.

“Black piles of peat stood on the solitary ground, ready after a summer’s cutting and drying. Presently, patches of cultivation presented themselves; plots of ground raised on beds, each a few feet wide, with intervening trenches to carry off the boggy water, where potatoes had grown, and small fields where grew more ragwort than grass, enclosed by banks cast up and tipped here and there with a brier or a stone. It was the husbandry of misery and indigence. The ground had already been freshly manured by sea-weeds, but the village, where was it? Blotches of burnt-ground, scorched heaps of rubbish, and fragments of blackened walls, alone were visible. Garden plots were trodden down and their few bushes rent up, or hung with tatters of rags. The two horsemen, as they hurried by, with gloomy visages, uttered no more than the single word—**EVICTION!**”....

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THE CRUCIAL STRATEGIC ISSUE OF THIS MOMENT

A Lot of Plain Facts

by Lyndon H. LaRouche, Jr.

Nov. 28—Take the current British imperial rape of Ireland, yet again as since the presently long tradition of William of Orange's reign (in particular), as a case in point.

First, of all, for me, coming fresh from a review of the design for global hyperinflation just uttered as a report from the European group mustered for the rape of Ireland, and, imminently, Spain, too, the most important thing to do, is to warn the prospective suckers, including certain governments in that class presently, not to make the same kind of stupid blunder which was made among all of the then constituted nations of Europe, excepting the perpetrators, the British and Dutch of the time, whose role as credulously quarreling underdogs, was made in duping Europe into that so-called "Seven Years War" of 1756-1763 which launched the British Empire and set the stage for the wrecking of virtually all of Europe at that time, for the ensuing, combined effects of the French Revolution and the Napoleonic wars, that through and beyond the 1812-1815 schemes of London and Metternich in the course of the Vienna Congress.

The really controlling issue is, now, as often in the past, as between the contending boxers in the ring, the profits gained by the promoters. Those two successes of a rising world-wide British, neo-Venetian imperialism, then, have proven typical of every damnedly foolish thing most nations have done in fighting wars since such cases as both the Homeric Siege of Troy and the Peloponnesian War. Every damned major war which

has poisoned this planet to date, including every war fought by the United States at British behest since August 1945, has been brought on by the British empire's school-book lesson from its famous study of the history of the rise, as much as the decline and fall of the Roman empire.

Every even necessary war the United States had ever been obliged to fight, including "The French and Indian Wars" run in tandem with "The Seven Years War," has been the fruit of the imperial policy of reign-and-ruin by the British empire since that time. Every war fought in European civilization, since the Punic War and the defeats of the Persian Empire by the leadership of Alexander the Great, was always a reflection of the role of the form of imperialism which is known, still today, as monetarism. The British rape of Ireland, by other dupes of the British empire, is nothing but a naked reflection of the potential fatal error of subjecting the economies of nations to the syphilis known as monetarism.

Learn from Human History as Such

Modern science's study of evidence of the salination of a fresh-water glacial lake now referred to as the present Black Sea, has pointed toward a true physical history behind the legend of Noah's Ark. What about what has been often debated as the legendary doom of "The Cities of the Plain"? When must we also consider that under the heading of what should be regarded as a myth with some shadowy antecedent in the misplaced



“What about what has been often debated as the legendary doom of ‘The Cities of the Plain’”? LaRouche asks. Shown: “The Flight of Lot,” by Gustave Doré (1832-83), from Genesis 19:24, 26.

reality of some historical past? The latter is to be considered in light of such factual evidence as that of man’s development of trans-oceanic maritime cultures, and the specific character of the calendars which could have not been produced except by such maritime cultures, so that it is the myth of the ancient Mesopotamian roots of European cultures, which were better suited to a notion of fairy-tale-like “rewritten history” as adopted standard myth.

As in the case of the Homeric saga of Troy, conclusive scientific proof exists for a host of famous myths which have been proven, by science, to have been the product of a tendentious rewriting of much of what has become a traditional set of what had passed for mythical beliefs respecting ancient history. On this account, we must also point attention to currently popular, but false beliefs, such as the case of the crucially strategic

falsehood expressed currently as the now rapidly waning, but still sometimes asserted belief in President Barack Obama’s sanity.

For the purpose of presenting the relevant subject, take such cases as that of the virtual mother of all the greatest falsehood of European legendry, the chronically lying Apollo-Dionysus Cult of Delphi, which describes the ruling tyranny of one class of traditional ancient Greece as being “gods,” and the remainder merely “mortals” from whom the use of “fire,” such as nuclear fission and thermonuclear fusion, was banned, then, as from the modern dionysians of the homicidally inclined “environmentalist” (“environmental” as in “lunatic”) fads among the followers of the current British monarchy’s avowedly progenocidalist, World Wildlife Fund cult of today. For that purpose, focus on that later tradition passed on from the ancient Delphi cult which provided European traditions with that cult of imperial monetarism which has dominated European tradition, the Mediterranean-centered monetarist cult, from its rise to power as a social-economic system, up through the present day of current British imperial rule under Queen Elizabeth II now.

Take the very fact, that most of the nations of the planet, including our own United States presently, are loutish dupes of the imperial tradition expressed currently by the role of the British empire in the crushing of all of continental Europe in the conditions imposed by threat of military force, as presented to Germany’s Chancellor Helmut Kohl by France’s President François Mitterrand, and backed by British Prime Minister Margaret Thatcher and U.S. President George H.W. Bush, in the context of the collapse of the former German Democratic Republic of eastern Germany. The root of such submission, which for the United States is expressed by the “Wall Street gang,” by the British control over both the importing of African slaves into the United States (as through Britain’s Spanish royal puppets of the Nineteenth Century, and the British-created puppet known as the uncle who shaped the character of his nephew Theodore Roosevelt), is the expression of the fact of that global British empire expressed by the role of the British imperial Inter-Alpha Group founded to supersede the U.S. fixed-exchange-rate system in 1971.

It were timely, on this occasion, to mention a certain type of highly relevant facts.

The chief expression of British imperialism's control over some among even our own Presidents, such as Theodore Roosevelt, who had been the youthful protégé of his uncle and British-controlled Confederacy spy-master James Bulloch, such as Ku Klux Klan fanatic and British tool Woodrow Wilson, and such as Calvin Coolidge, President Harry S Truman, and, currently, British puppet Barack Obama, is rooted, typically, in the British hand in our Boston and Wall Street merchant banking powers operating in tandem with foreign, British monetarist interests still today.

Through the hand of concerted British and Wall Street-centered interests in usually controlling the financial system, and, therefore, most of the crucial elections in our nation, the capable expressions of efficiently knowledgeable, patriotic forces within the ranks of our leading private and public political institutions have been limited, as under patriots such as Generals Douglas MacArthur, Dwight Eisenhower, and numerous other leading professional qualities of leading cases of genuine patriots within our ranks. There have been few leaders who have been, at the same time, efficiently patriots of our republic who have understood this pollution of our political and social processes, and who have been able, at one time or another, to express that quality in the degree that a President Washington, John Quincy Adams, Abraham Lincoln, and notables such as, later, William McKinley, and Franklin Roosevelt did.

For example, President Ronald Reagan had some most estimable elements, such as his original CIA chief represented; but two Bushes and a subsequent Barack Obama have almost totally ruined us during 1989-1992, 2001-2008, and 2009 to the present date—thus, leaving but 1993-2000 as significant possibilities for improvement which were not, in fact, much helped by the incumbency of Vice-President Al Gore during President Clinton's run-up to the launching of his second term.

It has not been defective choices of elected Presidents which have ruined us as much as the powerful influence of a very large and demanding part of our, usually London-controlled, financier oligarchy, as that was typified by the direct backing of Hitler personally by Brown Brothers Harriman's key officer Prescott Bush, the father of President George H.W. Bush: the latter who is almost as fanatical in his hatred toward me as had continued to be expressed by the former Soviet President Mikhail Gorbachov whose administration de-

manded my assassination by the U.S. government, in mid-1986, and who, I have reason to believe, cultivates the same hostility from those times toward me personally still today. Every time I pass the highway sign reading "George Bush Intelligence Center," I laugh with a sense of pity for that libelous treatment of a leading U.S. institution.

Benjamin Franklin had suggested that we dump the lot of these Tory rascals on a ship bound for England. As usual, Franklin's matured instincts have been proven excellent once more, by the history of our nation during, most notably, the balance of time over the course of the most recent century.

Now Comes the Reckoning

What is happening to the world in its entirety today, as distinct from what happened to Germany to bring Adolf Hitler into power, since 1923 there, is that, the mischief created by the British empire, in launching what is called "World War I" and in support of the Hitler option until the Fall of France in 1940, is now echoed in a financial and economic breakdown comparable to that of the crucial turn in 1923 Weimar Germany, which is now operating, unloosed, on an approximately global scale.

The character of this present British imperial threat to our United States, and to relevant other leading nations, a threat embodied in the evolution of the imperial Inter-Alpha Group's financial complex since 1971 to the present moment, is that the failure to rid the planet of the financial frauds represented by the desperately bankrupt, London-steered Inter-Alpha Group, which is the world's present world financial-monetarist empire, would mean the quick dumping of every nation and people on this planet immediately into a genocidal and global new dark age, which would be worse than the effects of the European Fourteenth-century New Dark Age.

Any person who is actually moral and also not insane, even criminally insane, could not, and will not tolerate this criminality expressed by the present advocates of surrender of all nations, including our own United States, to this worse-than-Hitlerian monstrosity.

The lessons of history, even those darkly obscured by ancient mythical accounts, are now set before us. Is this civilization still fit to survive? The crisis imposed now on Ireland, reminds us that there are times, like these, when the history of Ireland could turn out to be a very large chunk of the future history of the world.

Obama Signs on to Britain's Plan For Indefinite Stay in Afghanistan

by Ramtanu Maitra

At Lisbon, attending the Nov. 19-20 NATO heads-of-state summit, President Obama backtracked from his earlier commitment to start withdrawal from Afghanistan beginning July 2011, and invoked the end of 2014 as the new date for ending the war. In fact, he banished from his lexicon the word "withdrawal" vis-à-vis Afghanistan. Now, July 2011 has become simply the beginning of a "transition," an American analyst pointed out.

At a joint press conference with the other NATO leaders, Obama said: "First, we aligned our approach on the way forward in Afghanistan, particularly on a transition to full Afghan lead, that will begin in early 2011 and will conclude in 2014.

"It is important for the American people to remember that Afghanistan is not just an American battle. We are joined by a NATO-led coalition made up of 48 nations with over 40,000 troops from allied and partner countries. And we honor the service and sacrifice of every single one.

"With the additional resources that we've put in place, we're now achieving our objective of breaking the Taliban's momentum and doing the hard work of training Afghan security forces and assisting the Afghan people. And I want to thank our allies who committed additional trainers and mentors to support the vital mission of training Afghan forces. With these commitments I am confident that we can meet our objective.

"Here in Lisbon we agreed that early 2011 will mark the beginning of a transition to Afghan responsibility, and we adopted the goal of Afghan forces taking the lead for security across the country by the end of 2014. This is a goal that President Karzai has put forward."

While the policy was ostensibly put in place in Lisbon by the U.S. President, in reality, it was formulated by Britain, months ago, in conjunction with U.S.

Special Envoy to Afghanistan and Pakistan Richard Holbrooke, and Gen. David Petraeus, who is the current Commander, International Security Assistance Force (ISAF) and Commander, U.S. Forces Afghanistan (USFOR-A). Obama, Holbrooke, and Petraeus are now mobilized to push through a British-run, centuries-old policy towards Afghanistan.

Obama's Policy Drafted in London

This old British policy towards Afghanistan was laid out in detail by the former U.K. Ambassador to Afghanistan-Pakistan, Sherard Cowper-Coles, a trusted colleague of former British Prime Minister Tony Blair and of Britain's empire-servers, before the U.K. Foreign Affairs Committee, where he testified on Nov. 9. Cowper-Coles said a 50-year aid program would be needed, backed up by a "vigorous" political process. More importantly, he warned of "chaos and civil war" if British troops left Afghanistan "precipitately," or within the previously mooted, but much derided, timetable of five years. While serving as Ambassador to Kabul, Cowper-Coles had suggested U.K. forces retain a presence in Afghanistan for 30 years.

What Cowper-Coles presented at London that day at the House of Commons dovetailed nicely with the Obama Administration's resolve to move away from the earlier stated withdrawal timetable and to step up occupation in Afghanistan. That includes increasing drone attacks to kill all and sundry in Pakistan's tribal areas, and even to put boots on Pakistan's soil. President Obama has jacked up the U.S. troop level to 90,000 during his two years in office, increased drone attacks inside Pakistan significantly, killing more Pakistanis than ever before. And now, he has just introduced M-1 Abrams tanks with 160 mm guns for deployment in the plains of Afghanistan, and is reportedly planning to put special ops forces inside Pakistan, while stating repeatedly that the war in Afghanistan

cannot be won militarily. If the war cannot be won militarily, one may ask, why gear up this killing machine?

Cowper-Coles had the same mantra as well. “There is no military solution. The more Taliban we kill, the more difficult it is to negotiate a sustainable settlement. This is a question of a political problem needing a multilevel political settlement—both regionally and internally,” he said. He also warned those arguing for a with-

On the bottom deck are all the internal parties. On the top deck all the external parties. There’s an American driver, a British back seat driver, and a UN conductor. The bus is painted in Afghan colors and there’s Saudi money in the petrol tank.

—U.K. Amb. Cowper-Cowles, on how to “negotiate” with the Afghan tribes

drawal of troops, “If we were to leave precipitately, there would be chaos.”

That Cowper-Coles was speaking for both Washington and London at the Foreign Affairs Committee was evident. He said his American counterpart, Richard Holbrooke, “‘gets’ Afghanistan in the way few other American policymakers do,” understanding that it requires more than military force to resolve the conflict. “The problem often lies elsewhere in Washington, and sometimes, if the only or main tool in your toolbox is a hammer, every problem can look like a nail,” he said.

Emergence of Old Colonial Ghost

What Cowper-Coles is pushing in his 50-year-stay plan is to move the troops out of combat areas, and garrison them inside Afghanistan, after putting the so-called moderate Taliban in power in various provinces. He referred to this policy as the use of two hands—the right hand for hitting out if the Afghans do not “behave,” while the left hand will hand out encomia when the Afghans serve the interest of the foreign troops. The right hand is represented by thousands of foreign troops who will remain garrisoned inside Afghanistan for decades to come. He said this is the policy that was adopted by

Lord Curzon, the Viceroy of British India, 1899-1905, to pacify the Afghans.

The British Raj in India in the 19th Century had a trying time pacifying the Afghan tribes, but still did not want to leave the area. For a while, the British policy oscillated between the backward and forward bases. Following the drawing up of the Durand Line in 1893, a line literally drawn on the sand, and never accepted by any Afghan ruler, the British Raj drew up an agreement with then-Afghan ruler Amir Abdul Rehman. One of the clauses of that agreement stated: “The Government of India will at no time exercise interference in the territories lying beyond this line on the side of Afghanistan, and His Highness the Amir will at no time exercise interference in the territories lying beyond this line on the side of India.”

However, for obvious reasons, the Afghan tribes did not accept the foreign troops waiting across the border for an opportunity to hurt them. After it became evident to the tribes that the British troops were slowly moving into the tribal areas, a series of attacks by local Afghan tribes led to a full-fledged war between the two in Waziristan (now part of Pakistan’s Federally Administered Tribal Areas).

Following that 1897-98 war, the controversy between the backward and the forward schools assumed a new meaning. Now the controversy was whether the tribal territory up to the Durand Line should be occupied, or whether the British should fall back to the Indus River. The tribes who had neither been consulted nor considered did not like this interference in their affairs. They resented the loss of their independence, and uprisings continued.

To meet the situation, Lord Curzon adopted a policy of “withdrawal and concentration”—withdrawal from the advanced posts, employment of the tribal forces for the defense of the tribal country, concentrations of British forces in British territory as the second line of defense, and the improvement of the means of transport and communication.

What Cowper-Coles is now suggesting for Afghanistan, which is swallowed, hook, line, and sinker by Obama, Holbrooke, and Petraeus, is to lay down the law to the Afghans, in the way Curzon had dictated to the tribes. Needless to say, with 100,000-plus armed-to-the-teeth soldiers garrisoned inside, the right-hand strike would be quite deadly.

But before garrisoning the troops, a negotiated arrangement would be necessary to allocate areas to dif-



White House/Pete Souza

President Obama is now carrying out the British plan for endless war in Afghanistan. He is shown here on a Dec. 3 visit with U.S. troops at Bagram Air Field.

ferent Afghan groups. Cowper-Coles, on London's Radio 4, described how he envisages it could be done. He said it would be like a double-decker bus: "On the bottom deck are all the internal parties. On the top deck all the external parties. There's an American driver, a British back seat driver, and a UN conductor. The bus is painted in Afghan colors and there's Saudi money in the petrol tank." He also said Britain should use its "premier league" influence in Washington to give the Obama Administration "the courage and the cover to start on the political process."

Inroads into the Pentagon

Cowper-Coles is the mouthpiece of Britain's empire-server. He has served them well for over three decades. Besides his tenures as ambassador to Israel, Saudi Arabia, and Afghanistan, and as Britain's Af-Pak envoy, he was Blair's man to muzzle the Serious Fraud Office investigation into allegations of multibillion-pound bribery of the Saudi ruling family by BAE Systems, Britain's leading defense contractor.

On the ground, however, Britain has deployed another British Foreign Office individual, Mark Sedwill, who had been the private secretary to Blair's then-Foreign Secretary Jack Straw during the period leading up to the British military support to the U.S. invasion of Iraq in 2003. Sedwill now wears the hat of NATO's top civilian representative in Afghanistan, and he was at the summit in Lisbon.

Days before the Lisbon summit, Sedwill contended that the 2011 withdrawal date is not realistic. At Lisbon, on the 2014 transition concept, he said: "We think that goal is realistic, and we have made plans to achieve it, but of course, if circumstances agree, it could be sooner, absolutely." Sedwill said the troop withdrawal starting next year will be "shallow" and eventually accelerate, but did not elaborate.

If Cowper-Coles has virtually captured the not-insignificant hulk of Holbrooke in the British empire-servers' pocket, Sedwill's achievements were not insignificant either. Take for instance, the report put out by the *New York Times* on May 15, 2010. At a Pentagon meeting, the American military brass and security people were startled to find a British diplomat, Sedwill, the new senior civilian representative of NATO in Afghanistan, and on that day, he was acting as then-ISAF/USFOR-A Commander Gen. Stanley McChrystal's proxy. It was not an isolated incident. The *Times* said that McChrystal and Sedwill traveled together every other week to hot spots around Afghanistan. They often teamed up to visit President Hamid Karzai. And with McChrystal's support, Sedwill turned what had been a low-profile advisor's role into a key civilian leadership post—one in which he vies for visibility with the American Ambassador in Kabul, Karl W. Eikenberry.

"Partly because of his interpersonal skills and partly because of his backing by McChrystal, he has emerged very fast," said Holbrooke, "McChrystal immediately

and with great skill began using Sedwill as his political arm, thus improving his effectiveness.” McChrystal knows how important the British are in Washington. Britain has its “premier league” influence in Washington. Cowper-Coles said.

The *Times* pointed out that Sedwill’s emergence served the United States’ demand to install a powerful viceroy who would function as a counterpart to the military commander. “Previous efforts to install a powerful civilian chief had foundered because of Hamid Karzai’s objections and European fears that a viceroy would dilute the authority of the United Nations’ special representative,” the *Times* said.

Sedwill fills out what Holbrooke described as a quartet of civilian leaders: himself; Ambassador Eikenberry; Staffan de Mistura, an Italian-Swedish diplomat who represents the United Nations; and Vygaudas Usackas, a Lithuanian who is the European Union’s special representative. “Of these four, though, only Sedwill can call himself General McChrystal’s wingman,” the *Times* said. “I wouldn’t have taken the job if I hadn’t been confident in my relationship with McChrystal,” he said. “He probably would have sought to block anyone he didn’t have confidence in.”

Britain Decides on Afghanistan

In light of the “premier league” status of Britain with President Obama, it is only natural that what comes out of Washington is a lot of hemming and hawing. Obama may say that he would like the U.S. troops to begin withdrawal from Afghanistan in July 2011, but it did not meet the approval of London. And, hence, he had to come around and toe the line the British drew.

The end of 2014 is now being invoked by the U.S. and its allies as the key date in the war. But, it has not met the approval of the “backseat driver.” At Lisbon, President Karzai complained to Obama that the NATO troops break down Afghan citizens’ doors at night and arrest people without even letting Kabul know about it. He felt this not only increases Afghan civilian casualties, but it shows Kabul does not have any veto power. Kabul has no power to protect its sovereignty. Karzai should note that, when it comes to Afghanistan, and in a number of other foreign policy areas, Washington does not have the will or determination to exercise its sovereign authority based on what is good for both Afghanistan and the United States. Instead, it has willingly handed sovereign authority to Britain.

Third Man

A third British Crown operative, no longer in Afghanistan, is pivotal to London’s hands-on control of their puppet in the Oval Office. Michael Semple, known among MI6 colleagues as “Lawrence of Afghanistan” for his decades of work among the Pushtun tribes in the South, was expelled from the country several years ago by President Karzai, after being caught bankrolling and arming local Taliban units on behalf of the British.

Whatever his shortcomings, Karzai has come to see the British as his enemy, working constantly behind his back to re-install the Taliban in power in Kabul, just as Cowper-Cowles spelled it out at Whitehall.

Upon his expulsion from Afghanistan, Semple was redeployed to the United States to sell himself as the primo back channel between President Obama and Taliban leader Mullah Omar. He was installed as a resident fellow at the Carr Center at Harvard University, where he rubs shoulders with Samantha Power, a White House advisor on “humanitarian” interventionism, and the spouse of Obama Chicago crony and economic advisor Cass Sunstein.

From his Harvard perch, Semple engineered a recent scam against Karzai, by infiltrating a British-run imposter into Karzai’s own secret back channels to the Taliban. Thoroughly iced out of Karzai’s back-channel talks, and desperate to penetrate them, British intelligence ran a covert operation, with Semple as a central player. Semple appeared in early October at U.K. Parliamentary hearings, to extol the virtues of Mullah Mansour, a top Taliban figure and, in Semple’s words, the man who could deliver the Taliban to the negotiating table, and a ceasefire and power-sharing deal—just what Cowper-Cowles spelled out as the key to London’s 50-year occupation scheme.

After promoting Mansour, the British surfaced a look-alike imposter (a Pakistani shopkeeper) and delivered him directly to Kabul, where he participated in at least two face-to-face meetings with President Karzai, before an aide exposed the hoax. While it is not clear whether the British hoax succeeded or not, the intent was clear, and the role of Semple was covered up in American and British media coverage.

With Cowper-Cowles, Sedwill, and Semple, London has captured key Obama Afghan policymakers in its web—including President Obama himself—a reality that may or may not have yet dawned on Secretary of Defense Robert Gates or Secretary of State Hillary Clinton.

LaRouche's Ideas Are Warmly Welcomed in Embattled China

by Leni Rubinstein

Nov. 29—While the trans-Atlantic nations scramble to try to save their bankrupt monetary system, by pursuing the same hyperinflationary approach that led to disaster in the 1920s, China's response has been to shift its policy away from being mainly export-oriented, to that of developing the country's internal physical economy, with great emphasis on building up the infrastructural basis, as a means of lifting hundreds of millions of its people out of poverty. This has been done in tandem with a conscious strengthening of the country's sovereignty.

As Lyndon LaRouche has pointed out, China's approach has been the rational one, in direct contrast to the screams from the international monetary authorities, who are trying to coerce them abandon their controlled exchange rate, and join the inflationary rush. China has been right, and the North Atlantic nations have been wrong.

A Little History

Ever since the shift of China's policy direction in 1978, the ideas of LaRouche have been translated, circulated, and discussed in that country. While the country has obviously maintained its role as a cheap-labor source for international corporations, there has also been this other process going on, which resulted, in May 1996, in Helga Zepp-LaRouche being a featured guest and speaker at a government-sponsored conference in Beijing, entitled, "International Symposium on Economic Development of the Regions Along the Euro-Asia Continental Bridge." At that conference, which brought together over 460 experts and diplomats from 36 countries, Zepp-LaRouche presented the key ideas later published in a Special Report published by *EIR*, entitled "The Eurasian Land-Bridge."

Soon after, at the beginning of 1997, LaRouche issued an international forecast, in which he stated that

Asia was going to be hit by a speculative wave before the end of that year. Asian policymakers in many nations, but especially, leading circles in Beijing and Taipei, were briefed on LaRouche's forecast, and when the speculative assault against Asia indeed happened at the end of 1997, as LaRouche warned, the respect for him and openness to his ideas grew further.

By the time of LaRouche's forecast in 2007, that the global monetary system was in its last throes, and the unfolding of that forecast in the form of an escalating economic breakdown of the trans-Atlantic region ever since, the response from the Chinese government has been to accelerate the development, in-depth, of the basic economic infrastructure of the country as a whole. As described in detail in *EIR* (see, e.g., accompanying article), China has embarked on a grand Franklin Roosevelt-style development of great water projects (the Three Gorges Dam, the south-north water transfers, and more), intends to give 90% of the Chinese population access to fast-speed rail by 2013 (some 16,000 km), and plans to build 500 nuclear power plants by 2050. This, all in a comprehensive plan for the colonization of the Moon and Mars, and the development of thermonuclear fusion power, as well as breakthroughs on other science frontiers.

Optimism and Openness

In a recent trip, first, to mainland China, and then to Taiwan, giving lectures and holding private meetings, this author encountered infectious optimism and an unprecedented openness and resonance towards the ideas of Lyndon LaRouche.

Although people knew something was terribly wrong with the financial and economic situation globally, they were shocked by the degree of the destruction of the physical economy of the United States and Europe. "I had no idea the destruction was this bad,"



EIRNS

Leni Rubinstein addresses students and faculty at a university in Tianjin.

was a typical reaction. If you can imagine being Chinese, with the tremendous development projects taking place all around, and you are being told that the United States has not built a nuclear power plant for decades, no new refinery for 30 years, has not one single kilometer of high-speed rail, and is now experiencing a fast growth of austerity measures and poverty—that is shocking.

So, people appreciated being able to find out the causes, the immediacy, and the scope of the crisis, to find out what is wrong with Obama (they knew beforehand “something” was not right) and, most importantly, to get acquainted with LaRouche’s solutions to this situation. The idea of a World Land-Bridge, spurred by the American NAWAPA (North American Water and Power Alliance), and the animations from the larouchepac.com website to illustrate this, was met with an electrifying response of excitement: “Wow, do you really think we can do this for the world?” But then, when I asked them to reflect on the developments in China over the last couple of decades, and whether they would have thought these were possible 20 years ago, they got the point. People realized, that, yes, we can indeed develop the entire world, provided we shut down the influence of City of London and Wall Street.

These ideas of worldwide economic development in-depth are not foreign to China’s history. In some of

my lectures, the ideas of Sun Yat-sen, in his paper “On the International Development of China,” unknown to most Chinese, were presented—and met with great excitement. In that paper, Dr. Sun outlines an internal development perspective for China in-depth, much of which is now being realized, like the Three Gorges Dam, and connects this with a development perspective for the entirety of Eurasia and Africa.

Dr. Sun wrote this policy paper after the signing of the Versailles Treaty in 1919, and he conceived of it as a program for peace through development, in *contrast* to Versailles. He states in the preface, that, with the Versailles Treaty, the basis has been laid for a Second World War, and that only through

the adoption of a common principle for mutual development among nations, as outlined in his paper, can a Second World War be avoided and peace secured. No wonder these ideas resonated among young Chinese intellectuals, and the relation to LaRouche’s World Land-Bridge was obvious, as was the commitment from these young people to Africa and other poor regions of the world.

It is clear, that the cultural optimism, and a certain well-deserved pride, spring from a commitment to the development of the nation of China as a whole. Although still a developing nation, with a large number of very poor people, the commitment to change, the commitment to the future, is evident, and that shapes the cultural outlook.

While visiting, I had the occasion to ride on a high-speed train from Tianjin to Beijing. Although we were traveling at 331 km per hour, it was like sitting in a living room: no shaking, no noise, and a trip that just three years ago would have taken three hours, was now done in half an hour! As mentioned above: In a few years, 90% of China’s population will have access to high-speed rail. Imagine the impact of this for the population in general, but in particularly the young. And, for the world at large, it sets the example that “everything is possible.”

On Nov. 8, the *People’s Daily*, the official Chinese

government newspaper, described how Alan Greenspan had created a bubble economy which had been destructive to the United States manufacturing base, and the same day, *China Daily* carried an article comparing Federal Reserve chairman Ben Bernanke's QE2 (quantitative easing, round 2) of \$600 billion, to Weimar Germany in 1923, warning that this policy would lead to hyperinflation. It is understood in mainland China, that the bailout policy is insane, and that if the trans-Atlantic region is allowed to crash, this will be destructive to the world at large—including China. There is therefore great interest in hearing what LaRouche proposes for a solution.

Changes in Taiwan

This reality is also understood in Taiwan. Just two years ago, leading intellectuals, bankers, and businessmen, when briefed on LaRouche's 2007 forecast, would state that, no matter what happened to the U.S., China would still survive. They do not say so any longer. There is a clear understanding, that the world is facing an immediate great danger, a crisis that would destroy China as well, and most discussions centered around key questions as to LaRouche's proposals, and also about what people outside the United States can do to help solve the crisis.

Over the last few years, the relationship between mainland China and Taiwan has changed quite a bit, and become much more "normalized." Apart from families having been reunited, hundreds of thousands of businessmen have settled with their families on the mainland, scholars attend conferences and seminars on both sides of the Strait, and young people are able to study at the various universities in Taiwan or the mainland.

With the establishment of "direct links" a few years back, it is now possible to fly directly between key cities in mainland China and Taiwan, and, with the opening up of tourism, Taiwan received over 1 million visitors from mainland China in the first nine months of this year. This has resulted in a clear shift in attitude, where in Taiwan you find expressed much more a sense of being associated with the mainland. For example, people would express their frustration over the pressure



Rubinstein lectures at the Sun Yat-sen Memorial in Taipei. The banner above her asserts Dr. Sun's principle of the "general welfare," which she developed in her presentation.



The author presents the Schiller Institute's book of Dr. Sun's "The Vital Problem of China," at the Sun Yat-sen Memorial in Taipei.

on China to appreciate the yuan, and positively, a sense of pride and excitement over the last years' developments.

One of the highlights of the Taiwan portion of my trip, was my receiving an invitation to speak at the Sun Yat-sen Memorial, to a grouping of about 200 people gathered to commemorate his legacy. As I began my briefing on the principles that must inform the creation of a new world credit system, I cited the concept of the "general welfare," as it had been famously expressed by Sun Yat-sen. The room

was immediately abuzz, as some pointed to the banner above the podium behind me: It featured the very same quotation from Sun Yat-sen which I had cited.

This is lawful, of course. Dr. Sun, the father of the Chinese Republic in 1911, was steeped in the American republican tradition, especially that of Abraham Lincoln—as is LaRouche himself. This positive legacy, in addition to a common history of resisting the British Empire, provides a solid foundation for the economic cooperation which the U.S. and China must embark upon, if the world is to survive.

Greening the Desert In Northern China

by William Jones

Hundreds of experts gathered in Urumqi, China, on Nov. 5, to discuss a proposed project to bring the water of the Bohai Sea in China's northeastern Liaoning province, to the dry northwestern areas of Gansu and Xinjiang. The conference was entitled "Moving Seawater West: Bringing Bohai to Xinjiang"; it was sponsored by Xinjiang University, with participation of two provincial Development and Reform Commissions.

The main problem facing China's long-term development is water distribution. China has a great and long-untamed Yangtze River, which, with the successful operation of the Three Gorges Dam (largely completed in 2008), is now more under the control of man. China has 17,700 kilometers (11,000 miles) of coastline, along which much of the last decade's rapid economic development has occurred. But in the West and the North, water is a precious and elusive commodity (**Figure 1**).

The problem is getting worse. While most people don't realize it, a large portion of the land-mass of China is desert—more than 27%, or 2.5 million square kilometers. (Just 7% of Chinese land feeds about a quarter of the world's population.) According to official reports, each year 6,475 km² of land turns to desert, and 800 km² of railroad and thousands of kilometers of road are blocked by sand. Each year when the winds pick up, the large sand dunes forming just 70 miles west of Beijing make life difficult for the capital's inhabitants. Some scientists estimate that, if the present conditions continue, Beijing could be silted over within a matter of years.

The Chinese have been masters of irrigation for millennia, bringing the

water from where they find it to where it is needed. The famous Dujiangyan channel (256 B.C.) was an ancient example of Chinese water management capabilities, and it is still used today as the central point of the irrigation system that nourishes the fertile Sichuan province.

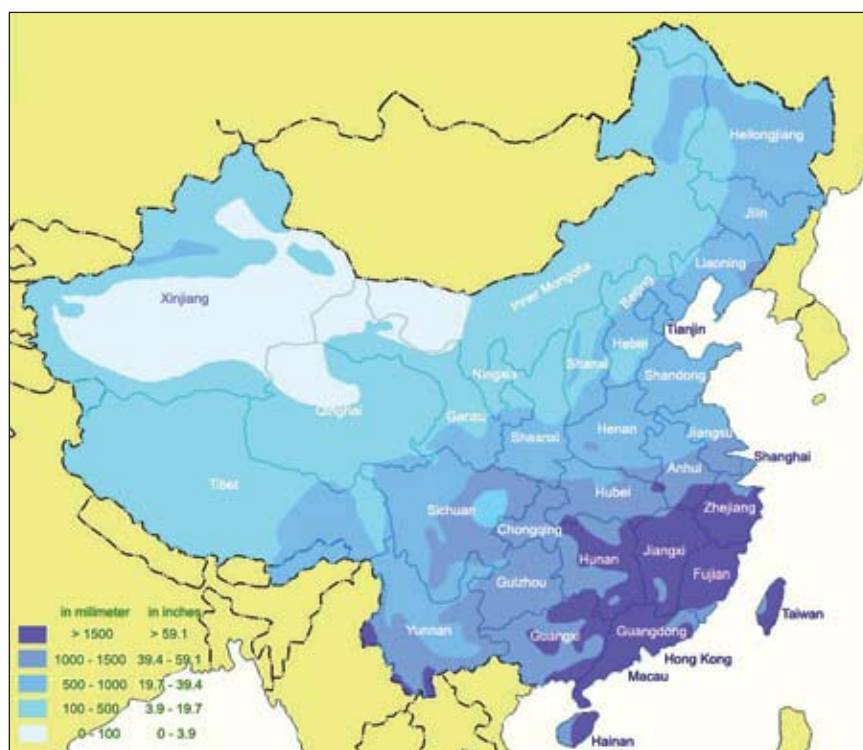
Massive Projects

China has already advanced on one major water diversion project, "South Water Northward," which will bring water from the Yangtze, north to the sprawling metropolis of Beijing and nearby Tianjin, and for irrigation in the desert region west of Beijing.

Furthermore, in the last few years, the idea has been circulating, which was hotly debated at the Nov. 5 Urumqi conference, of transferring water from the Bohai Sea to Xinjiang (**Figure 2**).

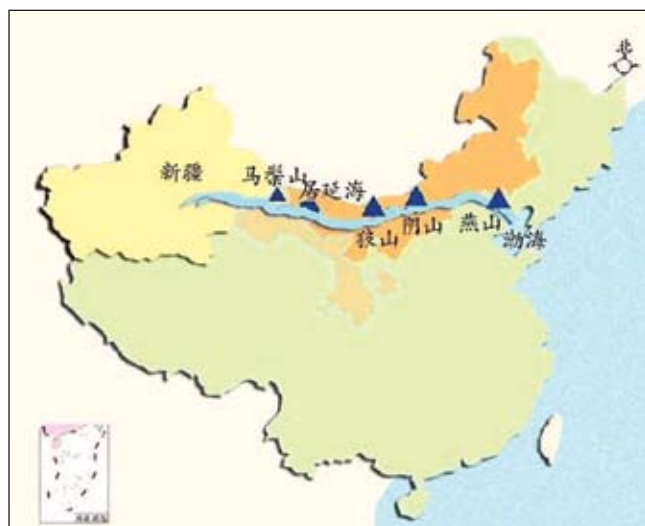
According to one version of the plan, seawater from Bohai would be used to fill the long dried-out lakes, rivers, and channels in Xinjiang and Gansu provinces. The water can then be used for growing desert plants, and as water from these lakes start to evaporate, it will promote cloud formation and increase precipitation, changing the character of the biosphere in the area. Al-

FIGURE 1
China's Average Annual Precipitation



Creative Commons/Alan Mark

FIGURE 2
Proposed 'Bohai Water Westward' Plan



The route proposed by Prof. Chen Changli, passing close to the border of Inner Mongolia.

though not nearly as ambitious as the North American Water and Power Alliance (NAWAPA) project, recently revived by Lyndon LaRouche and the LaRouche Youth Movement, China's "Bohai Water Westward" is based on a similar philosophical outlook.

The project was originally formulated by Prof. Huo Youguang of Xi'an Communications University and Prof. Chen Changli, the director of the Chinese Geophysical Society. Although the two came upon the idea independently, and have somewhat different visions of which route the water should take, the basic concept is the same: to transport water from the Bohai Sea to the desert area in Xinjiang.

Prof. Huo Youguang recently explained to *China Economic Weekly* how he developed his proposal. He was sitting in the Beijing West Railway Station gazing at a large wall map of China, and suddenly it hit him! He saw the eight great deserts in the west, including the Taklimakan and Gobi, and the Bohai Sea in the east. He traced the distance with his finger. They weren't terribly far from each other, he thought.

Huo knew the area well, having traveled there extensively as a geological engineer. He knew the value of water there: Sometimes he would have to use a cup of water in the morning to brush his teeth, and then use the same water at night to wash his face. He thought in particular of utilizing the existing lakes and the largely dried-up Shule River in Gansu province, one of the few

westward flowing rivers in China, to transport water to Xinjiang. He published a book *China's Water Policy Solutions*, in 1997, and numerous papers elaborating his idea.

At about the same time, Prof. Chen Changli began to advocate a similar project, publishing a number of papers on the topic between 1999 and 2004. Chen, a member of the Chinese People's Political Consultative Committee, the main advisory body to the legislative National People's Congress (CPPCC), took the issue up at the 2001 meeting of the National Committee of the CPPCC.

Outlines of the Proposals

Moving from east to west through Gansu and Xinjiang, you are moving from a higher altitude to a lower one, thus allowing a great deal of "gravity-assist" in bringing the water to the dry region. The route proposed by Professor Chen would take the water from the northwest coast of the Bohai Sea to the southeastern part of Inner Mongolia, through the Yan and the Yin mountain ranges, coming out northwest of Lang Mountain into Juyanhai, bypassing the Mazongshan Mountains, and from there into Xinjiang. This route follows closely along the Sino-Mongolian border, traveling through a more populous region, and twice crossing the Yellow River.

But Professor Huo worries that this route, bringing the water through a largely grassland area, would inevitably result in increased salinization of the soil, and would require considerable engineering achievements to secure a steady flow. He favors a plan to take the water from the mouth of the Bohai Sea near Tianjin, through pipes made of glass and plastic, to an altitude of more than 1,280 meters above sea level at Lake Huangqi. Huo calculates that one ton of water raised 200 meters requires 1 kilowatt hour of energy, or 6.4 kWh for the full 1,280 meters. Then, using anti-seepage canals and small-scale step-up works (such as reservoir ponds to increase elevation) to extend the natural flow distance, the water will ultimately reach the Shule River near Yumen, Gansu. Utilizing the basin of the Shule River, the water will flow naturally toward the eastern border of the Tarim Basin at Lop Nor. Along the way, the water can be utilized to refill some of the dried out lakes and rivers that dot the region. Huo calls this route the "interior line" option. It would take the water directly through the eight great desert regions of the area, to fill many of the basins and ravines with water.

Technical Issues Raised

There are many technical issues that remain to be overcome, and the project remains contentious within the Chinese academic community. While it has strong support from the Xinjiang and Gansu regional authorities, the Beijing government has not yet given its support to the project. Professor Huo, Professor Chen, and other proponents of the project are spending a good deal of time dealing with objections, and looking for solutions to criticisms that may be valid.

There are also critical voices being raised by radical environmentalists, whose purpose is to shoot down this valuable project, no matter what. Probe International, which had also strongly opposed the Three Gorges Dam, is beating the drums about an “ecological catastrophe” if such a project were realized.

The first technical issue involves possible soil salinization. Will not the thousands of tons of seawater seep into a soil that is already plagued by that problem? And how will the seawater be desalinated? Professor Huo explained to *China Economic Weekly*: “Seawater desalination in China at present is no technical ‘bottleneck.’ The current filtering method we use is the use of semi-permeable membrane to achieve separation of the role of freshwater and salt.”

Huo is confident that seepage is much less of a problem in a desert region than in other types of soil, such as grasslands. He points to some salt deserts in Qinghai which have not affected surrounding regions by an accumulation of salt. “In the desert,” he says, “there is a thin layer of sand, and underneath there is hard rock.” The seawater will remain in the basin in which it is placed.

Another question is, will any clouds that form actually remain over the area and not be blown away? “The amount of precipitation in the northwest region depends on three necessary and sufficient conditions,” Huo told *China Daily*. “First, there are the westerlies; second, the system of condensation with high mountains; third, the

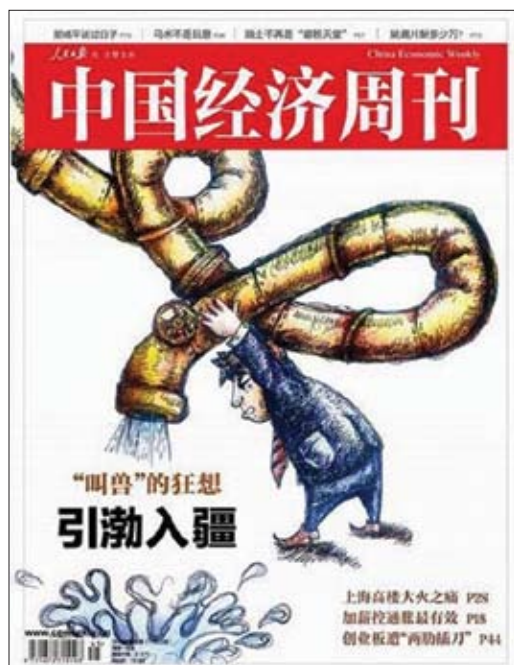
water vapor supply source. . . . To the north and to the south of the area of the ‘interior line’ are two mountain regions: to the north, the Yan, Yin, and the Helan mountains, and to the south the Tianshan, the Taihang, Luliang, Qilia, and Kunlun mountains. This creates a barrier north and south of the ‘interior line,’ allowing the vapor to remain over the area. When the water vapor rises, it will encounter the colder air in the mountains, with the subsequent formation of rain on the northern and southern slopes.”

Huo is very excited about the prospects, telling

China Economic Weekly that “‘Bohai Water Westward’ will also spur infrastructure investment.” He elaborated on the benefits of his basic concept: “The creation of artificial lakes will support the development of wetlands; you can plant alkaline-soil plants on the wetlands; desert plants can improve the pastureland; bio-engineering can be implemented, selectively breeding plants able to endure seawater, and, utilizing the vegetative cover of the desert floor, you can begin developing agriculture and husbandry. The artificial lakes will also shape local precipitation, enabling the aerial seeding of grass, and thereby stabilizing a large region of the desert, and causing the shifting sand dunes to become stable and fixed, and

finally transforming the desert into an oasis.” And given the slope of the land as you proceed westward, the flow of water could be utilized to provide power for the region, he added.

While the various technical problems associated with this project will no doubt be resolved in time, it is the economic and political situation in the world that will determine whether the project will ever be realized. Breaking the hold of the London-based financial system, and shifting toward a policy of development represented by the revived NAWAPA project, will ultimately determine the fate of this and other ambitious projects needed to secure a decent life for all the peoples of the world.



China Economic Weekly in November contained an interview with Prof. Huo Youguang, on the Bohai project.

Some Things Just Leak Out

by Lyndon H. LaRouche, Jr.

Nov. 30—The ghost of “9-11” passed, like a chilling breath, through the meeting, as Britain’s special trade minister, Andrew, the Duke of York, coddled the Brits in the audience. He also shocked those foreign press and dignitaries, whose thoughts might have strayed, appropriately, to the connection between the BAE’s Al-Yamamah and the Saudi kingdom, as being adducible to the truly witting from the keynoted theme of his colorfully flavored remarks to the audience. Otherwise, his unfavorable view of the *Guardian* on this account was also a notably related enhancement of this peculiarly notable occasion.

The Duke may certainly not have wished to bring the “9-11” matter directly into that discussion, but, whether intended or not, he did imply just that effect in more ways than one. What the Duke did, on this account, was to bring two distinct aspects of Britain’s role to an ironically juxtaposed, common point, that in more or less the same ironical fashion employed by Johannes Kepler in the world’s original discovery of the general principle of universal gravitation.

On the one aspect, the BAE connection through Al-Yamamah to the Saudi Kingdom of such as Prince Turki, was called to mind. On the second count, the relationship of the British Al-Yamamah connection to the Saudi Kingdom’s part in the proposed early military attacks on Iran was brought to the attention of the sentient audience attending and of the broader circulation of these remarks to the world’s press, by aid of attention to the “WikiLeaks.” As if to be certain that



Agencia Brasil

The “cocky and rude” Prince Andrew, Duke of York, spilled the beans in Kyrgyzstan in 2008.

such connections might not be overlooked, the Prince’s presentation was made the more eye-catching by the Prince’s picking a fight with a prominent member of the British press, the *Guardian*. It will prove rather difficult, to conceal the point of the matter under a diversionary heap of references to a mass of “WikiLeaks,” especially to the matter of the British hand in the reported Saudi backing for warfare against Iran.

There are two general categories of major press-leaked scandals. One type is mostly a few headlines, with slim substance in the body of the texts; another, is one in which the attempt is made to conceal a major scandal by means of a diversionary attempt at a change of the subject to a more superficial matter of substance, as has been done in much of the handling of the “WikiLeaks” flap.

What I have just written above, so far, were sufficient for the cognoscenti; but, what the British have to fear from the Duke’s remarks, lies not in the content of the words themselves, but in the peculiar ripeness of the hyper-inflationary potential of an oncoming general, global economic breakdown-crisis centered on the British system’s presently crumbling imperial monetarist Inter-Alpha Group launched as a replacement for the fixed-exchange-rate system in 1971. Worry about matches captures the mind’s attention best when the neighborhood has been set afire.

The only financial means available for attempting to conceal the authorship of the execution of the U.S.A.’s “9-11” events, has been located in a certain gap between the price of Saudi petroleum at the exits from its port of origin, and the price of the same petroleum as a product nominally priced for resale in the European spot market. The only visible means for securing a relevant amount of difference between the two prices needed for funding an operation known as “9-11,” points the finger of qualified suspicion in the direction of the Al-Yamamah channel. This is of particular significance in light of what was put on the record as the role of certain pilots, who had received financial assistance through the charity of official Saudi channels toward a certain two na-

tionals who had turned up as pilots in the “9-11” operation.

Then, add to that already lurking connection, the WikiLeaks respecting the commitment of Saudi elements to the projected warfare plans against Iran.

Kepler, wherever he may be today, might nod in recognition of the principled aspects of the matter in our present time.

When Nations and Editors Think Small

What any truly qualified British intelligence figure would have to admit, at least to himself, or herself, would be, that much of the British empire’s strategic success is owed to the credulity of the nations it sets into warfare against one another, all to the net advantage of British imperial interests. So, the Venetian potencies averted much of the threat posed by the Fifteenth-century Florentine renaissance, by plunging all of Europe into a permanent state of warfare, between the 1492 expulsions of Jews from Spain and the end of that monstrous warfare by the action of the 1648 Peace of Westphalia.

So, the British empire of Lord Shelburne’s East India Company triumphed by organizing the continental European warfare of 1756-63. So, the British empire of that same Lord Shelburne, created the British Foreign Office in 1782 as the vehicle crafted to orchestrate a reign of warfare on the continent of Europe, a warfare which extended from the initial diplomatic set-ups by Shelburne in 1782, past the shared triumph of the British Foreign Office and Prince Metternich in 1815, and beyond.

So, the British empire, finding its imperial power in geopolitical jeopardy through the European continental extensions of what had been accomplished by the U.S.A.’s trans-continental railway system, arranged the termination of the services of Chancellor Bismarck, and crafted sundry consequent contributions to a permanent state of geopolitical disorder throughout the world, a policy of what British weapons trafficker Alexander Helphand (“Parvus”) employed as his famous recipe: “permanent warfare, permanent revolution,” a theme which has continued as the implicitly continued state of conflict, permanently, throughout more or less all of the planet. Such was the state of geopolitical conflict since the assassination of France’s President Sadi Carnot and the launching of the British alliance with Japan for the wars against China, Korea, and Russia of the first two decades fol-

lowing the ouster of Bismarck, and for the continuous states of general warfare or preparations for such geopolitical conflicts up through the present date, as in Southwest Asia since two wars against Iraq, and the permanent state of warfare in Afghanistan since the relevant tenure of the notorious Anglophile Zbigniew Brzezinski.

Beyond Brzezinski

Now, the British geopolitical interest has led much of the governing political forces of Europe, and beyond, into what is frankly identified as the intention for the “End of the Westphalian System.”

From the beginning of this period of geopolitical conflict which had begun with Bismarck’s post-1876 adoption of Henry C. Carey’s reports to Europe on the principle of “The American System of political economy,” the possibility of establishing a “post-Westphalian system” of empire had depended on breaking the United States through inducing internal corruption within the U.S.A.; London’s organization of what become the Confederacy, expressed this intention. Since January 2001, we had now reached, under the recently elected U.S. President George W. Bush, Jr., and, presently, the mentally disturbed President Barack Obama, the point at which the great British gamble of creating a “post-Westphalian system” has obviously appeared to some in London, to be a likely venture.

What the British empire had actually gained in this fashion, was the presently immediate prospect of a very near, pathetic disintegration of the world’s present trans-Atlantic system, a breakdown which the leading Asian nations, by themselves, could not endure in physical terms.

To bring about the present prospect of a global victory for a global British empire, Shelburne’s distant dream of a new Roman empire under British reign, is now impossible. The horror of the Fourteenth-century New Dark Age, is the relevant precedent for an attempted establishment of empire, now. The ironically suitable remark would be the useful pun, that today’s Venetians have been “blinder than ever.”

So, the Delphic promise of a great empire’s fall, is on the verge of the present moment, unless we prudently change from our presently foolish ways.

That should provide Prince Andrew with the opportunity to consider improving upon his recent speech, and upon the opinions it had been assigned to express.

Who Is Andrew, Duke of York, Anyway?

Nov. 30—According to the London *Daily Mail*'s report on the latest WikiLeaks, the younger brother of Prince Charles and offspring of would-be deadly virus Prince Philip, Andrew, Duke of York, "is boorish, cocky, opinionated and arrogant—just imagine what he would be like if he drank!

"The most astonishing aspect of his outburst in Kyrgyzstan is that it was fuelled on nothing stronger than still water.

"Teetotal Andrew may not be the brains of the Royal Family, but he has never been short on enjoying the sound of his own voice," begins a profile of the bloated prince in the *Mail*.

After the U.S. Ambassador's classified report of Andrew's meetings in Kyrgyzstan in October 2008 was put out through WikiLeaks, there have been numerous demands for Andrew to "resign" from his self-appointed role as trade envoy to the world, but Buckingham Palace continues to support his "passionate" belief in British trade. Here is an excerpt from the WikiLeaks posting:

PLAYING THE GREAT GAME (BY EXTENSION THE AMERICANS TOO)

9. (C) Addressing the Ambassador directly, Prince Andrew then turned to regional politics. He stated baldly that the United Kingdom, Western Europe (and by extension you Americans too) were now back in the thick of playing the Great Game. More animated than ever, he stated cockily: "And this time we aim to win!" Without contradicting him, the Ambassador gently reminded him that the United States does not see its presence in the region as a continuation of the Great Game. We support Kyrgyzstan's independence and sovereignty but also welcome good relations between it and all of its neighbors, including Russia.

10. (C) The Prince pounced at the sound of that name. He told the Ambassador that he was a frequent visitor to Central Asia and the Caucasus and had noticed a marked increase in Russian pressure and concomitant anxiety among the locals post-August events in Georgia. . . .

11. (C) The Duke then stated that he was very worried about Russia's resurgence in the region. As an example, he cited the recent Central Asian energy and water-sharing deal (septel), which he claimed to know had been engineered by Russia, who finally pounded her fist on the table and everyone fell into line. . . .

RUDE LANGUAGE A LA BRITISH

13. (C) The brunch had already lasted almost twice its allotted time, but the Prince looked like he was just getting started. Having exhausted the topic of Kyrgyzstan, he turned to the general issue of promoting British economic interests abroad. He railed at British anti-corruption investigators, who had had the idiocy of almost scuttling the Al-Yamama deal with Saudi Arabia. (NOTE: The Duke was referencing an investigation, subsequently closed, into alleged kickbacks a senior Saudi royal had received in exchange for the multi-year, lucrative BAE Systems contract to provide equipment and training to Saudi security forces. END NOTE.)

His mother's subjects seated around the table roared their approval. He then went on to these (expletive) journalists, especially from the National Guardian, who poke their noses everywhere and (presumably) make it harder for British businessmen to do business. The crowd practically clapped.

He then capped this off with a zinger: castigating our stupid (sic) British and American governments which plan at best for ten years whereas people in this part of the world plan for centuries. There were calls of hear, hear in the private brunch hall. Unfortunately for the assembled British subjects, their cherished Prince was now late to the Prime Ministers. He regretfully tore himself away from them and they from him. On the way out, one of them confided to the Ambassador: What a wonderful representative for the British people! We could not be prouder of our royal family!

14. (C) COMMENT: Prince Andrew reached out to the Ambassador with cordiality and respect, evidently valuing her insights. However, he reacted with almost neuralgic patriotism whenever any comparison between the United States and United Kingdom came up. For example, one British businessman noted that despite the overwhelming might of the American economy compared to ours the amount of American and British investment in Kyrgyzstan was similar. Snapped the Duke: "No surprise there. The Americans don't understand geography. Never have. In the U.K., we have the best geography teachers in the world!"

Prince Bandar and 9/11

by Jeffrey Steinberg

This article is reprinted from EIR, June 29, 2007, where it appeared as part of an investigation of British defense giant BAE Systems, its bribery of Saudi Prince Bandar, and the creation of a \$80-100 billion slush fund for use in covert operations, over two decades. See <http://www.larouchepub.com/eiw/public/2007/eirv34n26-20070629/index.html>.

Between April 1998 and May 2002, some \$51-73,000 in checks and cashier's checks were provided by the Saudi Ambassador to the United States and his wife to two families in southern California, who in turn bank-rolled at least two of the 9/11 hijackers. The story was investigated by the 9/11 Commission, but never fully resolved, and remains, to this day, one of the key unanswered questions concerning the backing for the worst terrorist attack ever to occur on U.S. soil.

According to numerous news accounts and the records of the 9/11 Commission, in April 1998, a Saudi national named Osama Basnan wrote to the Saudi Embassy in Washington, D.C., seeking help for his wife, Majeda Dweikat, who needed surgery for a thyroid condition. Prince Bandar bin-Sultan, the Saudi Ambassador, wrote a check for \$15,000 to Basnan. Beginning in December 1999, Princess Haifa, the wife of Prince Bandar, began sending regular monthly cashier checks to Majeda Dweikat, in amounts ranging from \$2,000 to \$3,500. Many of these checks were signed over to Manal Bajadr, the wife of Omar al-Bayoumi, another Saudi living in the San Diego area.

Around New Year's Day 2000, two other Saudi nationals, Nawaf Alhazmi and Khalid Almihdhar, arrived at Los Angeles International Airport, where they were greeted by al-Bayoumi, provided with cash, and outfitted with an apartment, Social Security ID cards, and other financial assistance. Al-Bayoumi helped the two Saudi men to enroll in flight schools in Florida. Two months before the Sept. 11, 2001 attacks, al-Bayoumi moved to England, and shortly after that, he disappeared altogether. But before his disappearance, and within days of the 9/11 attacks, agents of New Scotland Yard, working in conjunction with the FBI, raided his apartment in England and found papers hidden

beneath the floorboards, according to *Newsweek* magazine, that had the phone numbers of several officials at the Saudi Embassy in Washington. Al-Bayoumi was suspected by the Arab community in the San Diego area of being an agent of Saudi intelligence, which kept tabs on Saudi residents in the area, particularly Saudi students attending college in southern California.

Sources have told *EIR* researchers that Basnan was also long suspected of being an agent for Saudi Arabia's foreign intelligence service. According to the sources, Basnan was arrested for drug possession in southern California and the Saudi government intervened to get the charges dropped; Basnan also befriended Alhazmi and Almihdhar prior to their deaths on American Airlines Flight 77, which crashed into the Pentagon. At one point, the Basnans, the al-Bayoumis, and the two 9/11 hijackers all lived at the Parkwood Apartments in San Diego.

Prince Bandar and Princess Haifa denied they played any role in financing the 9/11 hijackers, and claimed that they were merely providing charitable assistance to the Saudi community in the United States. The two co-chairs of the Senate Intelligence Committee at the time, Robert Graham (D-Fla.) and Richard Shelby (R-Ala.), accused the FBI of failing to fully pursue this "9/11 money trail." Sources told *EIR* that the FBI refused to allow the committee to interview the FBI investigators who had probed the Basnan and al-Bayoumi links.

While Congressional and law enforcement sources insist to *EIR* investigators that all available leads were pursued and no compelling evidence of Saudi involvement in 9/11 was established, other U.S. intelligence sources maintain that many fruitful areas of investigation simply reached dead-ends before any final conclusions could be drawn. And these sources report that some of the al-Yamamah funds, including some funds that passed through the Riggs Bank accounts in Washington, financed a migration of Muslim Brotherhood members to the United States, throughout the 1980s and 1990s. That hardly constitutes a smoking gun, these sources emphasize, but raises serious unanswered questions, particularly in light of the fact that the official staff reports of the 9/11 Commission featured a detailed debriefing of Khaled Sheikh Mohammed, the purported mastermind of the Sept. 11 attacks, who admitted that he had been a member of the Muslim Brotherhood since he was 16 years old.

Obama Takes His Revenge on Veteran Rep. Charlie Rangel

Dec. 2—At 6:00 this evening, the 80-year-old war hero and 40-year veteran Roosevelt Democratic leader of the U.S. Congress, Rep. Charles Rangel (N.Y.), was forced to stand in the well of the House of Representatives to be dressed down by the discredited Speaker of the House, Nancy Pelosi (D-Calif.).

Pelosi's handmaiden Zoe Lofgren (D-Calif.), the chairman of the "Ethics" Committee, was forced from the start to address the fact that the extreme penalty of censure had never been used for simple rules violations, as in this case. She said, "We're making precedent here; we have to be held to a higher standard."

"Does that mean we hang Pelosi?" asked Lyndon LaRouche.

Rangel's brief opening remarks recounted his heroic rescue of surrounded American troops in Korea 60 years ago, not in order to appeal for sympathy, as he said, but to recall that, after that engagement, he had vowed never to complain of anything in his life, but instead to dedicate it wholly to improving the quality of life of Americans, and, to the extent possible, of all humanity.

Rangel admitted he had broken some rules, but noted that no one had accused him of any concealment, any falsehood, or any self-enrichment. Censure has never been invoked in such a case.

He introduced Virginia Democrat Bobby Scott, who spoke in his colleague's defense and organized the other speakers defending Rangel. Scott stated that censure had never been used in such a case, and that numerous



Elbert Garcia

The censure of New York Rep. Charlie Rangel by House of Representatives, where he has served for 40 years, despite no evidence of corruption or self-enrichment, is proof that the Congress has lost the moral fitness to survive.

Members of Congress, who had been convicted of real, rather than procedural offenses, had been treated far more leniently, for example, Republican leaders Newt Gingrich (Ga.) and Tom DeLay (Tex.). Censure had been reserved for the most extreme cases of financial and sexual corruption, Scott said.

The lead counsel for the Ethics Committee had admitted that Rangel was innocent of corruption or self-enrichment, Scott pointed out. The only previous members cited for tax violations were those who had been bribed, and not paid taxes on the money. Republican

leaders Tom DeLay and Newt Gingrich had subverted the rules of the House to their own profit, and were found guilty of concealment, lying, and obstructing investigations, yet neither was censured. Gingrich even remained Speaker after his conviction.

Among Rangel's other defenders were Republican Peter King of Long Island, N. Y. (see below), and Democrat Charlie Gonzales of Texas. King said, "I'll vote against this; the findings don't warrant censure; this is an extraordinary procedure to use in this case."

'It's Not Fair, It's Not Just'

Gonzales began simply, "It's not fair; it's not just. Rep. Butterfield asked the chief counsel for the committee, 'Is there any evidence of personal benefit of corruption?' Answer: 'There is no evidence.' 'Any evidence he enriched himself?' 'No.'

"Since when did we forfeit our right to fairness and justice, when we entered the Congress?"

And then: "In a way, you are sitting as a jury. If you were jurors, you would have to take an oath of fairness, and to avoid any bias. But in reality, you fear political criticism for how you're going to vote on this issue."

Rep. Jo Bonner (R-Ala.), Ranking Member of the Ethics Committee, speaking against Rangel, drove the same point home—but from the other side: "We must all bear in mind how we are seen by our employers, the American people," who, Bonner claimed, Members should fear, were they to vote against censure.

Butterworth pointed out that, "Censure has always been an extreme punishment for outrageous conduct; it doesn't apply here." He introduced a substitute amendment calling for a letter of reprimand instead. This amendment failed with 146 in favor, including three Republicans, against 267 opposed, including 105 Democrats and 162 Republicans.

Censure then carried 333 to 79.

"There goes the Democratic Party," LaRouche concluded. "It's a gone bunny; in its present form, it's a gone bunny. It no longer has any respect. Because they lost their respect when they failed to act when they could have, before the recent election.

"This was Obama's revenge for Charlie's opposition to his candidacy for President," LaRouche said, referring to Rangel's support for Hillary Clinton.

"The point is, this thing, by the Congress, means that the leadership of the Congress will have, henceforth, no respect from the American people. No respect whatsoever."

Rep. Peter King

The Severe Penalty Is Not Warranted

Here are Rep. Peter King (R-N.Y.)'s remarks in defense of Rep. Charles Rangel in the House of Representatives on Dec. 1, 2010. King's office sent out his prepared remarks as he was speaking. Here it is, with the caveat that King departed slightly from this text in his actual remarks:



Rep. Peter King

Madam Speaker, at the outset let me express my profound respect for Chairperson Lofgren, Ranking Member Bonner and all the members of the Ethics Committee for their dedicated efforts in this matter.

Having said that, I will vote against this censure resolution because I do not believe the findings warrant the severe penalty of censure.

I reached this conclusion after reading and studying hundreds of pages of committee documents, including the subcommittee findings, the minority views of Congressman Scott, the report of the full committee and myriad exhibits and correspondence.

Censure is an extremely severe penalty. In the more than 200-year history of this body, only 22 members have been subjected to censure. None in more than a quarter century.

If expulsion is the equivalent of the death penalty, censure is life imprisonment.

I have found no case where charges similar or analogous to those against Congressman Rangel resulted in censure—a penalty thus far reserved for such serious violations as supporting armed insurrection against the United States and the sexual abuse of minors.

In Congressman Rangel's case, the Committee Chief Counsel has said he found no evidence of corruption, and the Committee report itself said there was no "direct personal gain" to Congressman Rangel.

My religious faith is based on scripture and tradition. My training as a lawyer has taught me to respect

precedent.

Why today we are being asked to reverse more than 200 years of tradition and precedent?

There is no doubt that Congressman Rangel has violated rules of this House. But these violations are *malum prohibitum* [wrong because prohibited—ed.], not *malum in se* [evil in itself—ed.]. There is no evidence or finding of criminal intent. No *mens rea* [guilty mind—ed.]. The appropriate penalty is a reprimand.

Why are we departing so significantly from tradition and precedent in the case of Charlie Rangel? Certainly it can't be because of who he is or what he has achieved in his life—a kid from the inner city who emerged from very troubled surroundings to be a combat soldier and authentic war hero, who left his blood on a battlefield in Korea, who worked his way through law school, who became a distinguished prosecutor, who was elected to the state legislature and to the United States Congress, where he has served with distinction for 40 years.

Let me make it clear. Charlie Rangel is a friend and colleague, but we disagree on virtually every issue. I can't begin to tell you how many times we have debated on local news shows back in New York.

But during that entire time, I have never heard anyone question Charlie Rangel's integrity. Nor have I ever seen Charlie Rangel treat anyone with disrespect—whether it be flight attendants, cab drivers, staff members or the guy on the street corner on 125th Street.

I know we can get caught up in the *zeitgeist* of media attacks and political storms. I am imploring you today to pause for a moment and step back. To reflect upon not just the lifetime of Charlie Rangel, but more importantly the 220-year history of tradition and precedent of this body. Let us apply the same standard of justice to Charlie Rangel that has been applied to everyone else and which we would want applied to ourselves.

Let us vote against censure.

Rep. G.K. Butterfield

No Evidence of Corrupt Conduct

Here is the statement of Rep. G.K. Butterfield (D-N.C.), a member of the Ethics Committee, opposing the censure by the House of Representatives, of Rep.

Charles Rangel, on Dec. 2. (The Speaker Pro Tempore was John Salazar [D-Colo.] and the Chair was Zoe Lofgren [D-Calif.])

As a member of the committee, I rise today to oppose the pending motion. There is no question that Mr. Rangel violated House rules. For more than a year he has admitted his misconduct and has apologized for it. But it must be clear, Mr. Speaker, there is nothing in this record to suggest that Congressman Rangel engaged in dishonest or corrupt conduct. Nor is there evidence suggesting that he sought to enrich himself while violating his oath.

The record shows that Mr. Rangel was approached by City College of New York to seek assistance in obtaining funds to establish an inner city school for disadvantaged youth, and he did so. My colleagues, you must know that it is not unethical or improper for Members to raise funds for a charitable purpose. Many of you do this every year, and it's a good thing. Our rules simply require any Member desiring to raise funds for a 501(c)3 charitable purpose to refrain from using official resources.

In this case, Congressman Rangel improperly used official resources to make the solicitation. Yes, that was a mistake. But it was not corruption. Had he written his solicitation letters on other than official stationery and mailed them with 44-cent stamps, that would not be a problem.

The other observation I make, Mr. Speaker, concerns the appropriate sanction for a Member who has been found to have violated House rules not involving dishonesty or corruption. The punishment in this case, in my humble opinion, should be reprimand or less. Censure has always been reserved for extreme and outrageous conduct, touching upon corruption and intent to gain a financial benefit.

As many of you perhaps know, I spent much of my former life as a superior court judge. For nearly 15 years, I made difficult sentencing decisions every day. In making difficult decisions, the judge must first decide a baseline punishment and then adjust that punishment by weighing aggravating and mitigating circumstances. As applied to this case, the baseline punishment was of-



Rep. G.K. Butterfield

ferred by our committee counsel. He stated that the proper punishment, in his opinion, was between reprimand and censure.

If that be so, Mr. Speaker, it seems to me that aggravating and mitigating circumstances become important. There are mitigating circumstances, my colleagues, that you should consider that substantially outweigh any aggravating factors that you may find. In deciding whether to round up to censure or round down to reprimand, I ask you to consider a dozen factors: his age, 80 years of age; combat military service of 3 years as a volunteer; Bronze Star; Purple Heart; left on the battlefield for dead; length of legislative service here is 40 years; he requested our committee to investigate these matters; he acknowledged mistakes at an early stage, and was willing, he was willing to settle this matter without a trial; he did not participate in the evidentiary hearing.

Some of you may see that as a negative. But failing to participate in the hearing essentially admitted the essential facts of this case, precluding a long trial. He could not afford counsel after spending \$2 million, and we refused to waive the rule to allow for pro bono counsel. Over the years, he has mentored Democratic and Republican members on this floor. And he has been a person of good moral character.

These, my colleagues, are mitigating factors that support reprimand. I urge my colleagues to vote to reprimand our dear colleague. Let him know that he must be sanctioned for his carelessness, but let him know that this House understands fairness and justice and legal precedent. A censure is not justified in this case.

I thank you, Madam Chair, for the time.

Rep. Charles Rangel

'I Am Going To Be Judged by My Life'

Here are Rep. Charles B. Rangel's brief remarks to a press conference Dec. 2, following the House of Representatives vote to censure him.

...[W]e do know that we are a political body, and even though it is painful to accept this vote, I am fully aware that this vote reflects perhaps the thinking not just of the

members, but the political tide and the constituency of this body.

Having said that, and having my opportunity to do what I wanted to do initially, and that is to make certain that this body and this country would know that at no time has it ever entered my mind to enrich myself or to do violence to the honesty that is expected of all of us in this House. I think that has been proven, and that has been what I have been asking for, and that's why I have admitted to mistakes, and was prepared to do what I have done.

I understand that this is a new criteria and a breakthrough in order to teach somebody a higher lesson than those that in the past have done far more harm to the reputation of this body than I.

But I just would just want all of you to know that in my heart, I truly feel good. It is not just all of the commitments that I made to God in 1950. A lot of it has to do with the fact that I know in my heart that I'm not going to be judged by this Congress, but I'm going to be judged by my life, my activities, my contributions to society, and I just apologize for the awkward position that some of you are in.

But at the end of the day, as I started off saying, compared to where I've been, I haven't had a bad day since. Thank you.

Much To Be Done To Ease the Pain of the American People

On Dec. 3, Congressman Rangel issued a second statement:

Now that the Ethics proceedings have passed, I will put the pain behind me as well. I will focus on lessening the pain of the American people during these challenging times in our country.

There is so much to be done to help those who are struggling to put food on their tables, and to restore their self-esteem and dignity. I will continue to work even harder to create new jobs, improve our children's education, and provide better healthcare for all.

We must bring back our troops from currently being in harm's way, and make sure they and their families have the resources they need at home. It's not just the right thing, but the best thing for America.

I am honored to represent my constituents in the Upper Manhattan district. I am honored to serve the American people. I look forward to moving our great nation forward and making America strong again.

British Legal Attacks Against Lyndon LaRouche Exposed as Frauds

The following statement, titled, “The Mighty Wurlitzer Implodes: British Legal Attacks Against Lyndon LaRouche Exposed as Frauds,” was released by the LaRouche Political Action Committee on Dec. 3.

Two ongoing British legal attacks against American political economist Lyndon LaRouche have been exposed as complete frauds by recent developments in the case of *Marielle Kronberg vs. Lyndon LaRouche, et al.*, a lawsuit in the U.S. District Court for the Eastern District of Virginia. The frauds are the Kronberg case itself, and an ongoing inquest being conducted by North London Coroner Andrew Walker in England, concerning the March 2003 death of Jeremiah Duggan in Wiesbaden, Germany.

The Federal Magistrate in Kronberg’s case recommended, on Nov. 8, 2010, that her case be dismissed for abuse of the Federal legal system, involving Kronberg’s complete failure to obey court directives ordering her to produce evidence supporting both her own claims, and answering the defenses put forward by LaRouche and his co-defendants. The defendants documented to the Magistrate in their motion to dismiss, through Kronberg’s own published statements on the Internet, that her lawsuit is frivolous, and an effort to harass defendants and drain them financially on behalf of what Kronberg calls her “jihad” against LaRouche.

Since 2007, “Molly” Kronberg has functioned as a significant witness in the British Duggan proceedings and as a major U.S. promoter of the British intelligence hoax concerning Jeremiah Duggan’s death.

Both British intelligence-directed legal hoaxes are desperate efforts to “dirty up LaRouche” and prevent passage of the global Glass-Steagall initiative championed by him. The British have called LaRouche’s Glass-Steagall proposal for a credit system as defined by Alexander Hamilton and the U.S. Constitution, tantamount to an act of war, in “diplomatic” discussions with their

U.S. counterparts. LaRouche’s proposal represents the only sane alternative to the monetarist debacle proposed by the Inter-Alpha Group and the City of London, in which the entire world population is catapulted into a New Dark Age, to salvage the Empire’s worthless paper.

The City of London and the Royal Family directly have campaigned to smear LaRouche ever since the 1978 publication of the book *Dope, Inc.*, which documented British banking control of the international narcotics trade. In 2003, these efforts intensified, when LaRouche led an international campaign to expose the British Empire’s seduction of the United States into the disastrous Iraq War, through phony intelligence concerning the nuclear capabilities of Saddam Hussein.

On April 3 and June 9, 2003, the BBC featured LaRouche’s charges against Vice President Dick Cheney and Prime Minister Tony Blair for faking Iraq intelligence, and on May 29 and June 2, 2003, the BBC featured charges from inside British intelligence that Blair’s office had “sexed up” the case for war. The source who seconded LaRouche’s charges on BBC was government weapons scientist Dr. David Kelly. In short order, the BBC itself came under withering attack from the Blair government over its Iraq War coverage, with firings and reorganizations, and Dr. David Kelly was dead—murdered, according to British doctors and other officials currently campaigning to reopen his case. The Blair government claimed Kelly had committed suicide.

The Duggan Hoax

To punish and discredit LaRouche, Blair’s circles seized upon the March 2003 death of British student Jeremiah Duggan, who committed suicide while attending a conference in Germany opposing the Iraq War and promoting international infrastructure development, sponsored by the Schiller Institute, led by

Helga Zepp-LaRouche.

Initially, Duggan's mother, Erica Duggan, accepted the German police investigation's conclusions that her son's death was a suicide. However, upon her return to England, and consultations with a bevy of long-standing, low-level retainers employed against LaRouche, Duggan began making wild allegations to the effect that Jeremiah was the victim of foul play and/or murder by sinister individuals associated with Lyndon LaRouche. She attacked the first British inquest into her son's death as a coverup, and then gained the support of Blair/Cheney crony Baroness Elizabeth Symons, in January 2004, to mount an international propaganda campaign against LaRouche, centered around her fraudulent claims. Symons was, at the time, a Minister of State with the Foreign Office; she was also the wife of Phil Bassett, who ran Blair's propaganda effort for the Iraq War.

Media in the U.S.A., Britain, and continental Europe gave frequent coverage to Erica Duggan's allegations of murder, as a result of public relations efforts conducted through the prominent London law firm that represents her. However, the German prosecutors and court system, when presented with the purported evidence backing these charges, declared them to be fraudulent. In February 2010, the German Constitutional Court, Germany's highest court, backed the investigative conclusion of German authorities that Jeremiah Duggan committed suicide through his own act, and derided Erica Duggan's unfounded assertions as the equivalent of a devious conspiracy theory.

The Kronberg Hoax

On April 11, 2007, Kenneth Kronberg, a leader of the LaRouche movement in the U.S., and the president of the print and composition shops which printed literature for the movement, committed suicide. Almost immediately after this tragic event, by April 23, 2007, Erica Duggan had inserted herself into the U.S. police investigation of the suicide, claiming to the Loudoun County, Virginia Sheriff's Department that the circumstances had similarities to the death of her son. The Sheriff's Department declared Kronberg's death a suicide and stated that there was no reason to believe that LaRouche intended to harm Ken Kronberg, despite Molly Kronberg's contrary insinuations.

Documents now in the possession of the defense in the Kronberg case show that Molly Kronberg had been in discussions with embittered and "deprogrammed"

former members of the LaRouche movement promoting the Duggan hoax in the year prior to her husband's suicide. The same gaggle of ex-members had argued in 2004 that financial destruction of Ken Kronberg's printing plant would destroy the political movement.

Molly Kronberg told Sheriff's deputies on April 23, 2007 that she had been at odds with LaRouche since 1989, and that she hated him, although her husband did not agree. Court documents show that, by the evening of her husband's suicide, Molly Kronberg had decided to use his tragic death and the grief of Ken Kronberg's associates in the LaRouche movement, as a weapon against LaRouche. Throughout the Summer and Fall of 2007, Kronberg aligned herself with various assets of the British Duggan campaign, including Dennis King and Chip Berlet, in harassment and defamation activities against the LaRouche movement. She also shopped her wrongful death claims concerning Ken Kronberg to various lawyers who refused to take her case.

The *pièce de résistance* of this 2007 propaganda effort was an article which appeared in the November 2007 *Washington Monthly* magazine, authored by Abraham D. "Avi" Klein, "Publish and Perish," for which Molly Kronberg was the major source. According to evidence now possessed by the defense in the Kronberg case, Klein was introduced to a literary agent by New York financier John Train and, subsequent to the article's publication, was offered financial assistance by Train. John Train, a veteran of the Congress of Cultural Freedom, and intelligence efforts against the Soviets in Afghanistan, has deep ties to British intelligence. In 1983-85, he convened a series of salons at his New York apartment, with various media moguls and journalists, to plan an all-out defamation effort against LaRouche. This propaganda campaign was in response to LaRouche's success in getting the Strategic Defense Initiative (SDI) adopted by the Reagan Administration, and was seen by Train and his associates as a necessary step in creating the climate for LaRouche's prosecution.

On Oct. 17, 2008, Molly Kronberg attended and spoke at a conference sponsored by the Duggan campaign in Germany, which sought to ban the activities of German political entities associated with LaRouche. She and the gaggle of ex-LaRouche associates and Wikipedia editors with whom she collaborates on Internet defamations of LaRouche, otherwise spent 2008 and 2009 monitoring, and attempting to disrupt the activities of the LaRouche Youth Movement, particularly

its campaign for adoption of the Homeowners and Bank Protection Act by various U.S. states, in response to the economic crisis.

Kronberg and her cohort of junior G-men also engaged in petty harassment activities and theft, spamming members of the LaRouche movement with “Animal House”-level hate mail against LaRouche, and stealing internal documents of the LaRouche movement, which Kronberg then plastered all over the Internet, with her commentary. Many of Kronberg’s defamation claims against LaRouche are based on internal documents stolen by her or her associates and published widely on the Internet by Kronberg, not by the defendants in the case.

When LaRouchePAC publicly responded, for the first time, to Kronberg’s 22-month “jihad,” by publishing, in early 2009, that she had lied when she testified on the tax count in LaRouche’s 1988 Federal trial, Kronberg got into contact with John Markham, the former U.S. Attorney who led the LaRouche prosecution efforts. Markham agreed to sue LaRouche on Kronberg’s behalf. According to documents in the defense’s possession in the case, the intention of the lawsuit was to “shut down” the LaRouche movement. According to numerous court filings by Kronberg, Markham was the only attorney willing to take the case.

In addition to prosecuting LaRouche, Markham has represented Ahmad Chalabi, widely accused of providing the phony intelligence which led to the Iraq War, and Mordechai Levy, the violence-prone individual who runs the Jewish Defense Organization, which is considered to be a terrorist organization by many in U.S. law enforcement. Markham is a former member of the avowedly satanic Process Church.

John Markham was disqualified as Kronberg’s lawyer in April 2010 by the Federal judge overseeing Kronberg’s lawsuit, because Markham’s former role in prosecuting LaRouche and other persons who would be witnesses in the case created an unfair advantage under the legal ethics rules, and because his role as Kronberg’s lawyer would have appeared objectively improper to the public. Since Markham’s disqualification, Kronberg has refused to provide court-ordered discovery materials to the defense, blaming her actions on Markham’s successor counsel, who withdrew as Kronberg’s attorney.

Immediately following the Magistrate’s recommendation that her case be dismissed, a new attorney entered the case on Kronberg’s behalf and began confer-

ring with the disqualified Markham, resulting in additional motions to the Court concerning misconduct by Kronberg and her legal team in defiance of the disqualification order, by LaRouche and other associates.

On the English side of this British hoax, while considerable chicanery resulted in the opening of a second inquest in the Duggan case in May of 2010, Erica Duggan has recently accused Scotland Yard of foot-dragging and stalling the inquest which has not reported back to the Coroner since May. Documents and other evidence available to LaRouchePAC from European sources show that the Duggans’ so-called new evidence consists mainly of unreliable and false atrocity tales, some of them over 30 years old, promulgated by a few “deprogrammed” ex-members of the LaRouche movement and others, and third- and fourth-hand hearsay accounts of events at the 2003 Wiesbaden conference, from individuals who were not even present. Duggan’s blog states that she has filed a complaint against Germany with the European Court. Incredibly, she accuses German state entities of being in collusion with LaRouche.

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Editorial

Get on the NAWAPA Bandwagon!

As the European press now trumpets openly, the global financial system is on its last legs, and there is a very real possibility that its hollow shell will not even be standing by Christmas. The bankruptcy of the British-run monetary system, centered on the Inter-Alpha Group, has run its course, and it is not at all clear that these predators can succeed in smashing the political obstacles to their gameplan of hyperinflation and Hitler-like austerity for the world.

The only option for patriots in the U.S., Ireland, and elsewhere, is to fight like hell for the only replacement system that will work: Glass-Steagall, a fixed-exchange-rate system, and the world's premier Great Project, NAWAPA. (To do that, of course, will require removing that sick man, Barack Obama, from the Presidency.)

Let's update the situation around NAWAPA, the North American Water and Power Alliance.

Two high-powered conferences held by LaRouchePAC, over the weekend of Dec. 4-5, demonstrate that the potential of the NAWAPA project for mobilizing the excitement, optimism, and political momentum required for its implementation, is reaching a new threshold. In both Pasadena, Calif. and Kennewick, Wash., LaRouchePAC organizers, members of the LPAC scientific Basement team, and experts from the wide variety of fields needed to build NAWAPA, came together to discuss the project.

At both conferences participants became involved in an intense dialogue about the physical challenges and benefits of the biggest biospheric engineering project ever conceived. They also discussed the fundamental scientific shift of outlook required, to be able to overcome decades of environmentalist and monetarist pessimism, to do what Americans used to be famous for: doing the impossible.

Many of the experts who spoke had been involved in in-depth discussions with the LPAC team over the past three months, and have become increasingly committed to realizing the NAWAPA project, which they would have thought but a dream only a few months before. Their testimony made it clear that it is absolutely feasible to quickly mobilize the millions of skilled engineers and construction workers, to launch a project that will address some of the most fundamental problems of mankind, starting with water, and extending to transport, power, and livable urban environments.

Playing a crucial role in building the momentum evident at the conferences has been LPAC-TV, which has featured several interviews a week on NAWAPA and its extensions around the globe, and has become an indispensable resource for the ideas necessary for this great project.

What's needed is for this idea to spread to the general population, now desperate for a vision (and mission) for getting out of the current slide into a New Dark Age. NAWAPA, as Lyndon LaRouche has emphasized, is the indispensable project for reversing this decline, and, as these conferences underline, has the potential for mobilizing the shift in culture, that can get it done. And LPAC is committed to do everything in its power to make that possible.

Undoubtedly, for most Americans, as well as the rest of the world, the situation is stark, and getting worse. But a political movement committed to fighting for the kind of future NAWAPA represents, has a power not measurable in money or numbers—it has the power of mobilizing the human imagination and determination to fight to victory. Join that fight, and what seems impossible, can be won.

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