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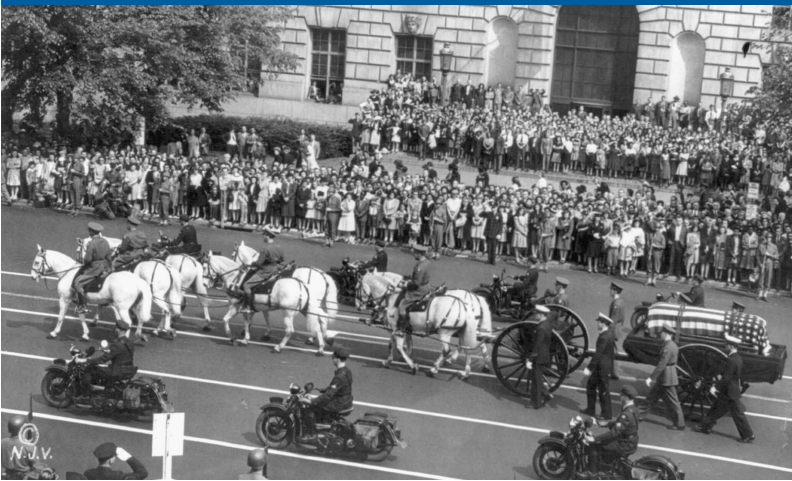
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LaRouche Calls for Probe of Bush Family Support of Nazis
Culture As Science

Jackson Hole: Bernanke's 'Temple of Doom'

**LaRouche: Bring Back
The Axioms of FDR**



EIR

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From the Associate Editor

The webcast that Lyndon LaRouche gave from Berlin on Sept. 6 was an extraordinary event—both in the quality and eloquence of the ideas he presented, and in the outpouring of questions and contributions submitted by political leaders, scientists, and military figures from around the world. I urge you to watch the video, which is archived at www.larouchepac.com. We publish the transcript in this issue, grouping the questions in the discussion period by topic.

LaRouche reports that the cycle of world history that began with the death of President Franklin D. Roosevelt in April 1945 is now coming to an end. FDR's death was a tragedy for the world, as the devolution of American policy in the intervening years has shown, leading to the current global financial-economic breakdown crisis, and the eruption of asymmetric warfare, provoked by the financier oligarchy's "clash of civilizations" policy. LaRouche then offers a perspective for the future, if we, as a civilization, can repudiate the failed axioms of the past 61-year cycle. The prospect of a 50-year effort to develop the infrastructure of Eurasia, drawing on the advanced machine-tool capabilities of Europe and the United States, would wipe out the current disgusting system of "shareholder value," hedonism, and crushing global poverty and disease. In place of a Hobbesian world of perpetual war, we would institute the principles of the Peace of Westphalia.

Complementing the webcast, is the short "Culture As Science" feature, which follows in the series of articles that LaRouche contributed to the previous two issues of *EIR*.

We also take aim at the fascists who are sparking the current wars, as their forebears started World War II. **Dick Cheney** is conspiring with Israeli fascist **Benjamin Netanyahu** to launch a "new round" against Lebanon, with military action also against Syria and Iran. LaRouche takes on **Donald Rumsfeld**, who is raving that opponents of the Iraq War are "appeasers" in the spirit of Neville Chamberlain. To settle this matter, let Congress hold hearings on the role of **Prescott Bush**, the current President's grandfather, in financing Hitler's march to power. And the actions of financier **John Train**, the leader of the "Get LaRouche" task force for several decades, are dissected in *National*—with more to come in future issues.

Susan Welsh

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Editorial

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LaRouche in Berlin Webcast: Bring Back The Axioms of FDR

This is a transcript of Lyndon LaRouche's international webcast Sept. 6, from Berlin and Washington, D.C., sponsored by LaRouche's Political Action Committee. The meeting was chaired in Berlin by Jessica Tremblay and Jonathan Tennenbaum, and by Debra Freeman in Washington. The webcast is archived at <http://www.larouchepac.com>.

Jessica Tremblay: Good afternoon. My name is Jessica Tremblay, a representative of the LaRouche Youth Movement here—and good morning, of course, in Washington, D.C. This is an international webcast, and the first time that a webcast of this sort has taken place simultaneously in Berlin and in Washington, D.C., so, it's quite an historical event, and a great honor also to be able to introduce Mr. LaRouche at this point.

Mr. LaRouche wrote a discussion paper about three weeks ago, called "Dynamics & Economy," which was sent to many relevant international institutions and dignitaries throughout the world for discussion, a question of the discussion of a solution for this international financial crisis. Many of the questions that we will hear, will be a part of this discussion process on the question of a solution to this international financial crisis, and they will reflect the ongoing dialogue with Mr. LaRouche.

I think the most important thing to say is that Mr. LaRouche has said that these proceedings today, and his keynote address, will be historically even more significant than in October of 1988, when he predicted the collapse of the entire Soviet system of the Comecon. And if I think of how important that was, and what it meant for history, I think that this will be quite a special day. . . .

So, Lyn, are you ready?

Lyndon LaRouche: Thank you very much.

The cycle of world history which is coming to a close during the current months, began with the April 1945 death of President Franklin Roosevelt. My first pre-science of the fact that this was the beginning of a new cycle of history, a break with the old cycle of history, struck me on the evening that our military unit, which was then passing through India on the way to service in northern Burma, received



EIRNS/Dan Sturman



EIRNS/Helene Möller

Lyndon LaRouche told a webcast audience in Berlin Sept. 6, and hundreds of others who were gathered in locations throughout the world, that, "The cycle of world history which is coming to a close during the current months, began with the April 1945 death of President Franklin Roosevelt." LaRouche called for a "revolution in ideas," to bring about a solution to the global crisis.

the news of the death of President Franklin Roosevelt. Now, during the course of that day, a number of the soldiers came to me, and asked if they would have an opportunity to discuss something with me that evening. So, after the Sun set, we went out and we met, and the question was very simple: What does the death of President Roosevelt mean for us now? Now the question came. I wasn't really surprised by the question, but I was surprised. And I heard the words coming out of my mouth, and I can still remember my reply, because it astonished me—my own reply, to the present day—and I said: "I'm really not certain. But I know that we entered this war under the leadership of a great man. And now, the country is being led by a very little man. I'm afraid for our country."

That was the beginning of a new, current cycle of world history.

More than a year later, as I was back from service in northern Burma, and I was stationed for a while in Calcutta before returning to the United States. I made the acquaintance of a large number of people, because I was simply that kind of person. I simply got the telephone directories out, looked up all the political parties in Calcutta, and made appointments to meet with leaders of these parties, in each case, to find out what really is going on in this country. And in the course of that, having met a large number of the leaders in the Bengal area, there was a case in which one morning, some people assembled in a trolley area on the north side of the Maidan,

between Darma Hata and Chowringhee juncture, and some of these fellows I knew. And they were going out for a routine demonstration to the Governor General's Palace, which was down this long street, which extends from Darma Hata, and this was usually a routine demonstration, protesting for Indian independence, and so forth.

But on this particular day, the guards, who were armed with large bamboo sticks with brass tips on them—it was called a lathee—made a lathee charge against the people, and killed and injured a number of people with these particular weapons. This resulted in a large protest, because the country was explosive in its temper at the time. And so, on the following day, there was an influx, a great influx of people, to protest this.

Now, the Maidan—it's still there—is a central area, a park area, in Calcutta. And the main street, Chowringhee—what was then the most prosperous, the shopping street, and so forth—Chowringhee ran up toward an intersection with Darma Hata Street, which cut across and ran you out to the direction of the Governor General's Palace. So, the crowd got off the trains, and several of them were coming down Darma Hata in the direction of the junction of Chowringhee and Darma Hata. At that point, there were British police, with heavy machine guns, stationed at the street at this junction. And as the protest mob came down the street, they opened full fire with machine gun fire into the mob.



www.kolkataweb.com

LaRouche, stationed in Calcutta at the end of the war, witnessed the Indian struggle for independence against the British Empire. This photo shows the dead and wounded in the streets of Calcutta following the "Direct Action Day," Aug. 16, 1946, after British troops fired on protesters. Some 3-4,000 people died.

On the following day, when I happened to get out there to see what had happened on the previous day, the streets were still covered with the accumulation of dried or semi-dried blood, of these people.

As the result, at that point, the whole population of Bengal virtually swarmed into Calcutta, and the police shut down the trains so more people couldn't come in. But millions of people began marching—around and around the city, day and night. And I would get out in the Maidan area, as a soldier; the British had left town; only Americans were left there, apart from the Indians themselves. And I watched this great surging mob, marching abreast, just marching, marching, marching: And one cry would be "*Jai Hind!*" from the Hindus. And then there'd be a responsive cry, by people in the same ranks, "*Pakistan Zindabad!*" And they were marching together, for their freedom, and against this monstrosity which typified the British role throughout the British Empire, especially in countries which didn't look white enough to satisfy the British monarchy.

'We're Going to Have American Methods'

So, because Roosevelt was dead, and Roosevelt had intended, as he warned Churchill, repeatedly, at the end of the war: "We are not going to use British methods; the world is going to be ruled by *American* methods. We're going to free the colonies! We're going to assist them to develop, including Sub-Saharan Africa." And he had plans for Africa, for its development. "We're not going to have your methods any more, Winston! We're going to have American methods."

But the moment that Roosevelt died, that policy died. And Churchill and the new President of the United States, Truman,

did a number of things, to prevent that from happening.

Recolonization occurred. The Dutch army, the wonderful Dutch, moved into Indonesia to suppress the free people there. The British government, with support from the Americans, took the Japanese prisoners of war *out* of the prisoners-of-war camp in Indo-China, and freed them! Whereas the United States, with Ho Chi Minh, had freed Indo-China from Japanese occupation—Ho Chi Minh, an American ally. And this was the policy in Africa and elsewhere. The repression of the aspiration of peoples, whereas Roosevelt had meant the freedom of peoples who had been oppressed, and assistance from the American war machine now producing materiel required to assist these countries in developing their infrastructure, and developing their economies, and achieving the full purposes of freedom, this had changed.

Now, some decades after these events, a friend of mine who had served as the chief for the OSS operations on the ground in Italy, recounted his visit to the anteroom of the President of the United States, Franklin Roosevelt, where he had accompanied the head of OSS, General Donovan, for Donovan's meeting with Roosevelt. Then, as he described this to me, Donovan came out, gray-faced, saddened. And he said to Max [Corvo], "It's over." And my friend said of that moment: "A bad time for the U.S. and the world at large, became the decades-long story of world history since the day that Franklin Roosevelt died."

In the meantime, some other developments by August of 1945 had confirmed my prescience of April that same year, 1945, of the nation's fate under Truman. The same OSS veteran who had accompanied Donovan into that anteroom of the President's office, had also been a witness on the ground in Italy (because he was doing all the spying against the fascists and so forth), of negotiations which were being conducted on behalf of the Emperor Hirohito of Japan. This was in the Spring of 1945. Hirohito, the Emperor of Japan, had used diplomatic channels, through the Vatican Secretary of State, and specifically through Office of Extraordinary Affairs of the Secretariat of State, which at that time was headed by a Monsignor Montini, later known to the world as Pope Paul VI. And during these negotiations, to which my friend had been privy at that time, the Emperor and other countries (that is, Allied countries), had negotiated what were eventually adopted as the terms of surrender which occurred in 1945, after the bombing of Hiroshima and Nagasaki.

But then, Roosevelt had died.

Now, Truman, who had not known of nuclear weapons until the time he became President, adopted a policy of the most evil man of the last century: Bertrand Russell. Bertrand Russell prescribed that nuclear weapons—because he was involved in the scientific side on the British side—should be used to attack the Soviet Union with a nuclear attack, for which there were no weapons available after Hiroshima and Nagasaki (for reasons I'll explain). And that the purpose of doing this, as Russell published his policy, that he had earlier



President Franklin Roosevelt challenged British Prime Minister Winston Churchill at Yalta, Feb. 4, 1945. "Roosevelt told Churchill: 'We're not going to have your methods any more, Winston! We're going to have American methods. We're going to free the colonies! We're going to assist them to develop, including Sub-Saharan Africa.' "

established, which was British policy and Truman policy, was the policy of preventive warfare against the Soviet Union by a nuclear attack, at a time that they believed that the Soviet Union would not have nuclear weapons. And this attack was to do one thing: Not to defeat the Soviet Union, but to have the Soviet Union submit to *world government*, a world empire, the elimination of the sovereign nation-state by use of nuclear weapons.

And it was near the end of the war, that the United States, after the German surrender, about that period of time, had three nuclear devices, explosive nuclear devices of weapons quality. One was simply an experimental product of a laboratory job, which is the famous Los Alamos test bomb. There were two others: One was a uranium bomb, a laboratory prototype, not a mass-production weapon. The second was a plutonium bomb, again, a laboratory product, not a mass-production thing. So the United States, having a Japan which *had* to surrender, because the main island of Japan was totally isolated, both by the Soviet forces coming down into Manchuria, and by the U.S. Navy, and U.S. Army, Air Force, submarine, etc. blockade: Not a single Japanese ship could get in or out of the main island of Japan. And the main island was collapsing economically, because it depended upon imported raw materials, which it could not get access to, from the continent any more.

So, this was done. Totally unnecessary bombing of Japan! There was no military justification—it was a *crime against humanity!* To postpone a surrender of a defeated adversary,

and bomb the population with a new kind of mass destructive weapon, *not* for the sake of peace, *not* for the sake of winning a war, but for the sake of launching a policy of nuclear imperialism, to eliminate the institution of the sovereign nation-state on this planet! And that was what the policy was, and that was what Truman's policy was.

So, in April, when I had a bad feeling about the death of Franklin Roosevelt, I was more than right.

No sooner had the death of Franklin Roosevelt occurred, than the strategic policies of the Truman Administration followed entirely the policies of Winston Churchill, who was on the way out as Prime Minister at that time. Churchill, Truman, and their accomplices agreed to do exactly what I described, Bertrand Russell's policy: Bertrand Russell, the most evil man of the 20th Century. Hitler was mild compared to Bertrand Russell; he just didn't get the opportunity to do it.

And the policy, then, as today, *of the same faction*, is a policy of imperialism, called "*globalization*." Maastricht is an instrument, for example, of globalization. Maastricht is an implement of imperialism. The policy was to establish world government.

Now, Ben Bernanke, who is the head of the Federal Reserve system, is not particularly intelligent, at least on performance. He said he's going to establish an American world empire, a new Roman Empire all over the world, which, in a sense, is his own muddled understanding (as he has a muddled understanding of about everything else he talks about), of what his purpose is. The model of empire, which the British adopted under Lord Shelburne, after the 1763 Treaty of Paris, the policy of empire was not the Roman Empire policy, but the Venetian empire policy. And you see the policy today, very clearly—but then, Bernanke is too stupid to know what that policy is. He's also stupid about some other things as well, especially economics.

But the policy was a *Venetian* policy, a policy which was established about 1000 A.D., when Byzantium began to collapse and the Venetian financier-oligarchy took over control of a group which became known as the Norman chivalry, which had earlier been used by Byzantium against Charlemagne and his legacy. . . . Charlemagne had been in close collaboration with the Baghdad Caliphate of Haroun al-Rashid, had been a collaborator of Jews from the Middle East with Charlemagne's system, as a policy with Jewry, which had a policy of cooperation with Haroun al-Rashid and Charlemagne.



White House photo/Kimberlee Hewitt

Ben Bernanke, shown here with President Bush after being sworn in as Fed chairman last January, said he wants to establish an American world empire, "But Bernanke is too stupid to know what that policy is. He's also stupid about some other things as well, especially economics."

The Venetian Policy: Clash of Civilizations

What happened is, the Venetians and Norman chivalry declared a policy of anti-Islam, just like today's policy from Washington—the Clash of Civilizations policy. The Clash of Civilizations, which a British intelligence agency, the so-called Arab Bureau, had established as a Clash of Civilizations policy, is the anti-Islamic policy of today, the same policy which had been instituted by the Venetians and their Crusader allies a little over a 1,000 years ago. And with that came, at the same time, massive persecution of the Jews, and denial of their rights throughout Europe. The same policy as Hitler. And Hitler got the policy from the chivalry, who passed the policy to the great Grand Inquisitor Torquemada of Spain, who passed the policy on to the rest of Europe.

So the policy against Islam, the policy against Jewry in various countries, is the same policy, the policy of the Venetian Crusader organization, to this day. That's the enemy. To rule the world by divide and rule, by methods of terror. And so that was the policy at that time.

Now, after that, circumstances and times changed rapidly. In the course of events, Truman was forced to back down, and not run for another term, after '48. Because the Korean War was a mess, the Soviet Union had developed nuclear weapons, and it had developed the nuclear weapons actually on its own, independently from anything they stole from the United

States. The Soviet Union did get the model for the American nuclear weapon—they got it from the British by way of Canada. Stalin had a choice. He said, "If we're going to use nuclear weapons, or display them, we're going to test them as the American model and if they fail, we'll blame the Americans,"—whereas they had a Russian model which worked perfectly fine. And the fact that the Soviets had developed this kind of technology *ahead* of the United States, was demonstrated by the tests of the first hydrogen thermonuclear explosion, which was of military grade in terms of high quality.

So, these events shifted things. Truman was told, "Git, you boy, git!" And a part of the former Roosevelt machine, President and General Dwight Eisenhower, took over the leadership of the Presidency, and probably prevented us from actually going to a nuclear war during the 1950s.

But then, the policy continued!—which is what we have to understand today. The policy continued, despite Eisenhower. Eisenhower *warned* against this at the time he was going out of of-

fice, with his famous good-bye speech, of a privately controlled military-industrial complex. *This is the policy of the Bush Administration today!* Private armies to replace regular armies. Ruin and destroy the regular armies of the military of countries, and replace this by private armies, like some kind of privately owned SS system. That's the policy of the Rumsfeld Defense Department. That's the policy being carried out in Iraq. That's the policy which is intended against Iran. That's the policy which is intended throughout Southwest Asia and beyond. So, the policy goes on, despite the resistance to that, by forces gathered around Eisenhower.

Then you had other developments. You had Macmillan, Harold Macmillan, the Prime Minister of the United Kingdom. A scandal was rigged, to get him out. And after getting him out, after an indecent interval, they brought in Harold Wilson, who destroyed the British economy, and set the pace to help destroy the Roosevelt world system at that time.

We had a picture: Macmillan's out. They went after de Gaulle, with repeated attempts at assassination, by the Nazis. The Secret Army Organization was the Nazis—the section of France which was *for* Hitler, in the French Army. The Synarchists of France, which conducted the attempted assassination of de Gaulle. They got de Gaulle out in another way, broke him in another way. But that was what happened.

Adenauer, under British pressure, was pushed to take

early retirement to get him out of the way. And then, in the middle of the 1960s, they got rid of [Ludwig] Erhard, and ran a junk coalition government, in order to have the United States, through John J. McCloy, appoint John J. McCloy's "pet" as the Chancellor of Germany: Willy Brandt. Willy Brandt would not have gotten a job of even dumping ashes, but for John J. McCloy.

So, you had a process of the destruction of the relics of the institutions upon which European civilization was based, in its better state of affairs, better state of organization, in its process of recovery from the wartime period—the destruction of civilization, destruction of the institutions.

The Committee on the Present Danger and the NPT

In this process, there are some people who have deluded themselves to believe that the Non-Proliferation Treaty is the efficient instrument to prevent thermonuclear war. It is not. The thing to understand, is the policy of Bernard Russell, as nuclear attacks on the Soviet Union. That policy has not gone away. It's still very much alive. It never stopped. When the preventive warfare attack by Russell had failed, they went to a new approach, which is the acceleration of long-range missile devices for delivery of thermonuclear weapons. They used that to provoke the NPT treaty in response to this thing in Cuba. But the policy never went away!

Now, there's an organization in the United States, which keeps coming back to the surface, which represents that policy: It's called the Committee on the Present Danger. The first formation of the Committee on the Present Danger was in the 1940s under Truman. Then the thing was hidden, in the sense that Eisenhower said, "Get rid of it." It was brought back again, in this context.

Then in 1976, when the Presidential candidacies were up, and I was a candidate at that time for President. The Committee on the Present Danger was reorganized around a group around the Trilateral Commission, which included also Scoop Jackson, a nominal Democrat (who's sort of a Stone Age Democrat, now dead, probably more stoned than ever). It was revived again. I had gained private correspondence among these characters, of what they planned to do: They planned to stage a nuclear confrontation with the Soviet Union, once Brzezinski was in charge of the government in the Carter Administration. So, I blew it on national television, particularly in a famous October half-hour address, in which I exposed the thing, and it killed it—and they wanted to kill me!

All right. Now, again, under the guy who really controlled the Bush Administration, which is George P. Shultz—the guy who put Pinochet into power in Chile, the world's worst totalitarian. You want to find a guy who doesn't believe in democracy? Take George P. Shultz: He was the one who created the current Bush Administration. He was the one who convinced poor George Bush to run for President. He was the guy who crafted and created the Bush Administration. He was



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Sen. Henry "Scoop" Jackson, a nominal Democrat, photographed accepting a copy of LaRouche's weekly New Solidarity, in February 1975. "Scoop" was a key figure in relaunching the Committee on the Present Danger: "They planned to stage a nuclear confrontation with the Soviet Union, once Brzezinski was in charge of the government in the Carter Administration." But LaRouche blew the operation in a national television address in 1976.

the sponsor of Condoleezza Rice. He is the one who built up Cheney, sponsored him, and put him in power.

He's behind and controlling the Committee on the Present Danger, today, which is the war committee.

The danger that he will succeed, with his accomplices, in getting Cheney to Offutt Air Force Base, to launch a preemptive, unannounced attack, aerial attack—full-scale—on Iran, is still one of the great dangers at this moment today. This danger leads to a nuclear confrontation.

If you do what they plan to do, and what they are doing, you are working *toward* a nuclear confrontation, but of a new kind, where the world is torn apart by asymmetric warfare of the type you see now in Southwest Asia, which is spreading all over the world, and will continue to spread, unless we stop it.

This will continue, and there's an intention of using nuclear weapons. The Committee on the Present Danger *means nuclear war*—if it's allowed to run its full course.

So, people today have to realize you can not say, that we can hide behind a Non-Proliferation Treaty agreement. And as a matter of fact, the point is, that the U.S. government doesn't care whether Iran develops nuclear weapons or not. *They don't care.* They would just as soon *have* them do it: Because the intention of the U.S. government, that is the Bush Administration, on Iran is *not* that they're upset about the nuclear program in Iran. *They're not in the least bit upset!* They're lying! They're upset about the existence of the Iranian government! The program is not one of non-proliferation: Their program is one of regime change. And regime change means what Bernanke said: world empire.

But it's not a Roman Empire he's talking about, because he's too stupid to know what he's talking about. It's a Venetian-style empire, which is today, if we understand our history, actually the model, the Anglo-Dutch Liberal model.

The Anglo-Dutch Liberal model means sophistry. It means governments which have no principles, they have only sophistry. They do as they damned please. The basis for this, is, "Let money rule the world." This is the policy of John Locke, the policy of Bernard Mandeville, the policy of the British generally, the policy of the Dutch. Just look at the Dutch population: Try to find somebody over 70 years of age, alive in Holland today. That's Liberalism.

So this is the kind of policy we're dealing with, the idea that the bankers shall rule the world. Or financier groups shall rule the world, and governments will simply be playthings of that. You have that in Europe, for example, in the form of the so-called independent central banking system. And an independent central banking system, is not a governmental institution. It is a private institution, which, because the governments submit to the bankers, the governments don't do anything that the independent central banking system doesn't allow. If they do, they may overthrow the government. And parliamentary governments are easily overthrown. So, if you have a parliamentary government, and you have submission to an independent central banking system, your government can be overthrown almost instantly, any time you displease the independent central banking system—which is the financiers behind it.

That's the condition in Europe, today. That's the meaning of Maastricht. It's a step toward imperialism, to destroying the sovereignty of every country in Europe. And they want to do the same thing to the United States and the rest of the world as well.

So that's our policy.

A General Breakdown Crisis of the System

Now, to understand this: What this means, is the policies which were introduced under Truman, under pressure from the Anglo-Dutch Liberals, against the Roosevelt policies,

opened up a change in world history, and opened up a *cycle* in history, which has played out from April of 1945, from the point of the death of Franklin Roosevelt, to the present day. What we are now dealing with, in the world as a whole, is a *general breakdown crisis of that system*. Because the system is breaking down, the bankers at the top level, who understand this, are moving to make fundamental changes in the forms of government and other things immediately. Because the old system is *finished*. It can be a matter of days or weeks, that the entire financial system presently existing in the world *collapses*, and there will be no part of the world which will be exempt from that collapse—a collapse of the United States and Europe.

Let's take just the sequence: Right now, the likely trigger of collapse is the combined British and American real estate investment bubble, with reflections in Europe, which you're seeing in Germany now, especially in recent periods with hedge fund raids, the *Heuschrecken*. If that collapses, this inflation—organized by London, by the Bank of England, their circles, and the Federal Reserve System under Alan Greenspan—depends entirely on hyperinflated investment in real estate. This bubble is about to come down. When the real-estate bubble comes down, the entire system will come down. We're at the point where we can say the month of September is a probable time for a general chain-reaction collapse of the system. This means, immediately, the trans-Atlantic system, but it also means Asia: It means India, it means China. Because these countries, in Asia, now depend upon the market which is represented by the flood of easy overnight money from Japan, into the smart-money operations in Europe and in the Americas.

Therefore, if that system collapses, then the exports of China collapse accordingly. The exports of India collapse accordingly. *There are no Asian solutions!* Some people say if Europe collapses and the United States collapses, that means Eurasia will prosper: *No!* How many poor people are there in Asia? What percentile of the population of India and every other Asian country is poor? Extremely poor? How many poor are there in China? You may have billionaires and millionaires in these countries, but you also have a tremendous number of poor people. And these poor people are much more important than the rich, because they are the population. If you have a chain-reaction, a social crisis in these countries, they will go down into the pit, too, with Europe and the United States.

Therefore, that's the issue we face. The issue we face, is, unless we take measures which are feasible, rationally feasible, to prevent this crash *by a fundamental, immediate change in the international economic and financial-monetary system, there is not much hope for life on this planet for some time to come.*

So, that much, as I said, is a manner of introduction.

Let me turn your attention to something which happened, midstream, so to speak in the course of this development from



EIRNS/Stuart Lewis



EIRNS/Dean Andromidas

LaRouche's discussion with soon-to-be President Ronald Reagan (the two are shown here at a candidates' debate in Concord, N.H., 1980), led to Reagan's adoption of the LaRouche SDI proposal in March of 1983; later, LaRouche's historic address at the Berlin Kempinski Hotel in October 1988 correctly forecast the fall of the Soviet Union and the reunification of Germany.

the death of Roosevelt, to the present moment of crisis, the full cycle. So, let's look back, first of all, to February-March of 1983, and then to October of 1988, and look at that period, and go, for example to understand that, go to the Kempinski Bristol Hotel in Berlin on Oct. 12, 1988. You'll see that on the screen now. [A transcript of excerpt from 1988 speech follows.]

LaRouche's 1988 Forecast

"My purpose of being here in Berlin, as Volker has indicated, is to read into the record in this geographical and political location, a formal statement, a short statement but a formal one, on the subject of U.S. policy, a change in U.S. policy on the prospects of reunification of Germany. Now, this statement among its other effects, will be an included feature of a nationwide half-hour television broadcast which will appear in the United States, before the coming election, and will have some impact on the election.

"I should also qualify, before delivering the statement, that I'm an economist in the tradition of people like Leibniz, Alexander Hamilton in the United States, and Friedrich List, of course, in Germany. My political principles are the same, those of Leibniz, List, Hamilton, and of course, are consistent, therefore, with the politics of Friedrich Schiller and Wilhelm von Humboldt. And like the founders of my republic, I should say, I have an uncompromising belief in the principle of absolutely sovereign nation-state republics. And therefore, I am opposed, and will attempt to prevent, by every means within my power, the attempt to destroy the sovereignties of independent nation-states, by such means as Europe 1992, and anything else which might undermine the sovereignty of any nation.

"However, like Schiller, I believe that every person who aspires to become a beautiful soul must be, at the same time, a true patriot of his own nation but also a world-citizen. For these reasons, during the past 15 years, I've become a specialist in my country's foreign affairs. As a result of this work, I've gained increasing and significant influence among some circles around my own government, on the subjects of U.S. foreign policy and strategy. My role during 1982 and 1983 working with the National Security Council to shape the adoption of the policy later known as the Strategic Defense Initiative, or SDI, is an example of this.

"Although the details are confidential, I can assure you that I speak today at a time that my influence on the policy-shaping in part of the U.S. establishment, is greater than ever before, at this time. Therefore, I can assure you, that the statement I'm about to make, on the subject of proposals and prospects for the reunification of Germany, is a proposal which will be studied most seriously among the relevant establishment circles in my own country.

"Now to the statement itself.

"Under the proper conditions, many today will agree, that the time has come for early steps toward the reunification of Germany, with the obvious prospect that Berlin might resume its role as the nation's capital."

The SDI vs. Economic Collapse

Now the background is the following. As I indicated to you earlier, there was this paper we picked up in 1976 from the Committee on the Present Danger, outlining a threat, a nuclear threat to the then-Soviet Union, as a gimmick, a stunt, a political maneuver. That, on the basis of my reaction to that, which did change some of the politics of the Carter Adminis-

tration: Because we blew the whistle, they couldn't do it. They wanted to get rid of me. But I went to work with an organization which we had founded in that period, the Fusion Energy Foundation, which represented some leading scientists in the United States, and some other countries. Therefore, we had a scientific capability, which enabled us to define the alternatives to the use of ballistic missile barrages as a method of controlling world affairs.

This became a part of my Presidential campaign for the 1980 Democratic Party nomination. And in the process of this, I met personally with Ronald Reagan, who was then a candidate, and then, I had an approach later, after he was President. And I had a certain kind of relationship with the Reagan people at that time. We had a walk-in from a UN-based Soviet official, who said that his government was concerned to try to find, aren't there new options for discussion with the new President. So I sent a message to the relevant people in the institutions of the Presidency, and said that this approach had been made by a Soviet official to us, and I recommended that the U.S. government take up the option of discussion; it would be in the interests of both parties to have such a discussion.

So, the U.S. government, through the U.S. National Security Council, accepted the idea that I should be the interlocutor for a back-channel discussion with the Soviet government, which I conducted between February of 1982 and February of 1983. Now, in this discussion, I outlined the situation and proposed that the Soviet government and the U.S. government, together with others, have the capability of developing a new type of system, which, with their agreement, could prevent the use of a nuclear attack as a successful tactic for changing world politics. We had leading flag-officers in Germany, in France, in Italy, and in the United States, and other relevant people who were associated with me in that period in this project. It seemed to be going well, until Andropov was confirmed as the new Secretary of the Soviet Union. And, we had our last discussion with the Soviet representative in Washington, and he said that his government under Andropov would reject the offer. I outlined to him exactly what the offer would be, that I thought it would be, and said the following. I said, "If"—and I indicated what the offer would be in my view—"If the President of the United States accepts my proposal, and if he presents it to the Soviet government; and if the Soviet government were then to persist in rejecting the offer, the Soviet government would collapse in about five years."

And it did collapse, in about five years.

So, I'm rather good at that sort of thing, in forecasting, and that's a very relevant thing for the situation we're discussing here today: This was a part of the cycle. This was a point which demonstrated that you can change the cycle. You can change the cycle by the agreement of governments, particularly powerful concerts of governments, who, if they agree to change the policy, can change the cycle. The problem is, that

ever since the policies were brought in by the death of Franklin Roosevelt in April of 1945, the world has been running under that policy!

There've been changes in many things. But the policy has remained the same, the strategic policy. *That* has led us to the point that the entire world system, *at this moment, is on the edge of a total chain-reaction collapse.* Not a financial crash, not a depression, but a disintegration of the world economy. Because, the problem today is, as the result of several things—and I'll indicate what the problems are—that between the late 1980s and today, people who are more than ten years older than I, have generally either died out or become inactive. They've been replaced in leading positions, in Europe and in the United States, by people from the upper 20% of income brackets or social status of the respective populations.

That is, people who were born between 1946 and 1957—the 1957 U.S. recession for example—who were brainwashed, extensively, as a policy by what was called the Congress for Cultural Freedom. The brainwashing of an entire generation, from their infancy into this period, resulted in the same kind of effect that happened in ancient Greece, in ancient Athens, when the Cult of Delphi introduced a conditioning through teaching of the education of the youth population of Athens and related Greek cultures, so that Athens went into a crime against humanity against the island of Melos, genocide against the island of Melos. And the entire Greek culture collapsed, as a result of continuance of that policy, which resulted in what was called the Peloponnesian War. And Greece never recovered, to the present day from that policy of Athens.

The Brainwashed Baby Boomers

Similarly, the same policy was introduced by the same social forces behind the Truman Administration, called the Congress for Cultural Freedom, which was very operative in France in particular, in Germany through some of the left-overs of the existentialist movement, and in the United States. So you have a *brainwashing* in sophistry, a modern version of Classical Greek sophistry, in these countries, and you have the problem itself: You have people who are viciously, today, just as bad as the Nazis. But the Nazis had access to a group of resources, of managements who were technically competent. The Nazis were a danger because they were the most technologically competent; Germans were the most technologically competent people in Europe. When you take the most technologically competent part of a population, an economy, you have a machine, which, if it turns to do evil, is very powerful, very effective at doing evil. As a matter of fact, without the United States alliance with Joe Stalin, we would not have defeated the Nazis!

Look at it today: *Today*, in Germany, and other countries in Europe, as in the United States, the generation which retired or died out about 10 to 15 years ago, which had competence, is replaced by a leading generation typified by Ben Bernanke,



EIRNS/Richard Welsh

"People used to think, before the Baby Boomer was invented, that what I'm doing with my life, is going to be realized in my children and my grandchildren. What is beautiful to me, is the fact that my life could make things better for the coming generation. . . ." Here, Civil Rights heroine Amelia Boynton Robinson, a nonagenarian, with a young friend.

a generation of dangerously incompetent people! They're perfectly capable, under certain circumstances, of using weapons to control the world—but they couldn't feed it. They couldn't maintain it, economically.

And that's our problem: That we have this sophistry. They say, "Well, public opinion is what's important to people." You have an alienation of the lower 80% of population strata, by the upper 20%. Politics in the United States is made largely by the upper 20%, and it's already headed toward the approval of the upper 3% in income brackets! What we're trying to break in the Democratic Party, is to break exactly that, to get the Democratic Party to go back to the Roosevelt orientation and go back to the people, the ordinary people: To inspire them, and uplift them. To go into the poor areas in the world, where people are poor, and to win them over, to a way of life which should be accessible to them, for a better way of life. To base politics, not on public opinion, but to base politics on doing *good* for the majority of the population, doing *good* for the coming generations of entire peoples.

And this is where problem lies.

So you have incompetence: Incompetence says, "If I've got money, I don't care." You have parents, who are now between 50 and 65 years of age, and so forth. They had children sometimes. One wonders sometimes how they did that. But they don't seem to care much about them. They consider them more of a nuisance, a problem that has to be controlled. That problem pervades society.

The other aspect of this, which is a correlative, is that economy is not based on money. This is the great illusion.

Money is a necessary instrument of organizing circulation in society. But as we demonstrated under Roosevelt with a system of regulation, there is no intrinsic value in money. The essence of British Liberalism, Anglo-Dutch Liberalism in Europe, is that money has an intrinsic value. The basis of this value is something like gambling, as described by Mandeville, and others of that persuasion. And we have systems which say you have to bend economic policy, to meet the requirements of the circulation of money. Whereas what Roosevelt did was exactly the opposite: We set up a system of regulation, in terms of priorities, in terms of systems of taxation, and so forth, which kept the economy in balance.

Large-Scale Infrastructure Investments

See, the key thing we have to do right now: We have a world which is in a state of collapse, economic collapse,

physical collapse; the infrastructure of Europe is collapsing, the infrastructure of the United States is collapsing. We can no longer continue to support the existing populations in the existing way under these systems. We have to change. We have to have large-scale investments in water management. We have to have large-scale investments in mass transportation, instead of all these automobiles jamming things. We have to have investment in health care; investment in developing the territory, more trees planted and so forth, things of that sort.

You have about 50% of any economy which is soundly organized, modern economy, 50% goes into areas which are neither white-collar work in a sense, nor non-skilled work, but into things which are investments in basic economic infrastructure, which are investments which have a 25- to 50-year life, physical life. And these investments are made possible by government sponsorship of the creation of the capital to be loaned, to be invested in these investments, and also in private investments which are contributions to society. And then by regulating and protecting these by price protection, by fair-price levels rather than free-trade levels. If you're going to invest in a firm, you're not going to bankrupt it by driving the price down to the point that it can't carry its own capital. You're going to regulate! You're going to regulate taxation. You're going to regulate prices, as we did under Roosevelt.

We produced, between the time that Roosevelt entered office, and the end of the war, we produced the greatest economic machine the world had ever seen! We defeated the

Nazis not because we were better soldiers. We weren't. We defeated the Nazis because we had *tons*, where they had hundreds of pounds of raw materials. We contributed to the Soviet ability to defeat the Wehrmacht, by matériel. Tanks, yes! Lots of other things—planes; the ability to make planes, the ability to build tanks: Logistics.

And therefore, you say, 50% of the total national revenue must be considered as going into investment in, and maintenance, of basic economic infrastructure. *No free market.*

In private initiatives, you're looking for ingenuity. You want to product the ingenious, creative, and useful producer. You want to give opportunities. You don't want too many big industries. You have a lot of what we call closely-held industries, where the purpose of the investment is not to make profit for a stockholder. The purpose of the investment is to allow an entrepreneur to build up a firm which is useful to society, and whose motive in existence is not just to make a lot of money, but to be a success, a success in the coming generations of an industry which is useful to society.

An ugly thing that is missing in this, is that people don't understand what value is. Value is not monetary. Monetary value belongs to a slave system, or a degenerate form of society. The source of wealth is not speculation, is not price competition. The source of wealth is science, primarily. The source of wealth is the individual mind's mastery of principles of nature, that no animal could discover; is applying these discoveries of principle to increase man's power per capita, and per square kilometer, in the territory of society.

The same thing is true in culture: Classical culture, which is the mode of developing people's relations with other people, which enables them to cooperate and be more productive; which enables them to think, as people used to do (even in the more poor cultures, people used to think). Before the Baby Boomer was invented, they used to think that what I'm doing with my life, is going to be realized in my *children and my grandchildren. What is beautiful to me, is the fact that my life could make things better for the coming generation, and I can live in such a way, I have a sense of a participation in immortality. Which is done with Classical art, done in similar ways.*

Developing a Beautiful Culture

So the development of a beautiful culture, a beautiful people, who are not beautiful because they've got tattooed or because they wear junk in their faces, or this sort of thing, but beautiful because they sweat and work and scheme, to make sure that the coming generation is better, more capable than their generation. And they will see grandchildren, who are better, in terms of opportunities and skill, than anybody else that they know. They say, "My life is not for nothing. My life means something."

But we live in a culture, which is corrupt, in what way? Corrupt as the Zeus, the Olympian Zeus, as Aeschylus' *Prometheus Bound* describes. We live in a culture which says:

"Be practical. Don't tell me about theory, don't tell me about culture! I want to get my thing off. I want to get sexual satisfaction. I want to get amusement. I want to get some drugs to fix my head, so it doesn't bother me, it doesn't interfere with my pleasure." Hmm?

What we've come into is a society where we treat people like animals. *Don't think.* Don't discover. Don't create. Don't think about immortality. Don't think about coming generations. "Just think about gettin' by an' enjoyin' y'self. Heh-heh-heh!" Hmm? This is what we've done to people! This is our culture!

But if we don't progress, if we don't make scientific and technological progress, then the coming generations will be worse off than we are! Which is the trend today. If we don't develop culture, the next generation will be more brutish than we are. And that's no immortality.

And therefore, economic value comes, first of all, from physical economic value. The ability to provide a better physical standard of life, for members of society, per capita and per square kilometer, that's one value. This is done chiefly by scientific and technological progress. But scientific and technological progress does not work, unless you have cultural progress. And therefore, society depends upon these considerations: That the way ideas are passed around society is based on the culture. And the way you develop, is you improve the culture. The cultures are associated with the languages. Culture, because it involves communication, means that you have to use the medium of language, as all Classical periods of language did. You just don't use words with literal meanings, like they were game parts you throw around to play with. But words are full of irony, full of contradictions, full of insights to how silly what you just said was; how irrelevant it is to reality.

And by great Classical drama, by musical work. You realize that, you don't sing a note. There is no such thing as a fixed note. It's an ironical function of the Pythagorean comma, in counterpoint. And what you see on the score is not what you should hear. You should hear something better, which comes from the interaction and the dynamics of it.

The other part is this: that this kind of mechanistic way of thinking about man, which dominates society today, and allows a lot of evil to occur, is called the mechanistic view of Descartes: We think of people as little pebbles. We think of objects as pebbles. We do statistical checks on details, pebbles, which doesn't mean anything.

Real systems are what are called dynamic: For example, living systems, are different in what way from non-living systems? Dynamics. The same elements react in living systems that exist in non-living ones, but they react differently. But why? Because, as Vernadsky pointed out, dynamics. Society is not a collection of individuals "doing this," all the time interacting and trading. Society is the *interaction* of the people, the interaction of processes. Therefore, you have to think dynamically.



EIRNS/Alexandra Phillips

*Members of the LaRouche Youth Movement at a recent cadre school in California:
 “You’ve got to create a generation which has a leading component within it, of people
 who are the foundation for the future development of science . . . science as a way of
 thinking about what you’re going to do, what you’re going to accomplish.”*

Think Dynamically; Reductionism Doesn’t Work

Look at all your statisticians’ economics, what do they do? They follow statistical methods. Statistical methods are Cartesian, reductionist methods. They don’t work. Every economist, in the sense of forecasting-economist, every economist I know is incompetent, because they think in statistical terms. They’re *taught* to think in statistical terms. They’re incompetent.

You have to think in terms of dynamics. How can you improve the whole process of society, the process of cooperation in society? In production? In the work? So, that’s what the issues are. And that’s what I specialize in, is this question of dynamics. And what we’re doing now, for example, just to get this around, because I know we want to get into more discussion, and I have a lot more to say. But, it can’t all be crammed into one occasion.

We are taking young people, 18, up to 30: We’re taking them, we’re putting them through an educational program, which is based on dynamics. In physical science, they start with the ancient study of *Sphaerics*, which is actually another name for astrophysics, which was passed on as a method from the Egyptians to the Greeks. This is the work of the Pythagoreans, the work of Plato, and similar kinds of things. The tradition of the Platonic Academy through people like Eratosthenes in Egypt, and so forth. We started them with that. Then we have taken them actually into a Riemannian

physics. And the entirety of modern physical science, is located essentially in the methods of Kepler, as this process started by Kepler, in systematic science, moved up through Riemann, through Riemannian dynamics.

So, today, we know that we’ve lost the scientific generation, of mostly my generation and older; they’ve died out. The generation which is trained in schools and colleges today, is generally incompetent in science. It’s not their fault. It’s because they’ve been educated incompetently, they’ve been educated, downgraded, into a Baby-Boomer mode, a post-industrial culture which no longer understands physical science.

So, we’re got to look at the people who are now—if we’re thinking of the future, if we’re thinking about policy—18 to 30. We’ve got to make sure that they’re educated, and they’re developed, to think in terms of dynamics, to think in these terms. You’ve got to create a generation which has a leading component within it, of people who are

the foundation for the future development of science. Science, not as something to contemplate, science as a way of thinking about what you’re going to do, what you’re going to accomplish.

We’ve come to the point that the statistical mechanical systems which are popular and taught today, like that poor idiot Bernanke who knows no better—those systems don’t work. If you adapt to them, you’re a fool; you’re committing cultural suicide. So you’ve got to create, like this case here in Berlin: Berlin is typical of this problem—largely because of Maastricht—but Berlin is not capable of generating sufficient income to maintain its existing population because it has no industry. It’s losing its industry. Without industry it can’t grow. It can’t even continue to exist! The issue is not debatable! The issue is debatable only from the standpoint of either the people who hate Germany, who want to take away the industry; or people who are foolish, who don’t want to work; they don’t want to produce anything. But it’s the fact that the leverage you have when you do creative work, as in modern technologically progressive industrial work, creates more wealth than is required to employ the people who produce it! You create a higher standard of living in the employment of people who produce, than you do in anything else.

The worst economy is one which is a services economy, an *unskilled services economy*, an economy that is doomed, by its own will.



EIRNS/James Rea

The Civil Rights Movement Solidarity (BüSo) campaigns for the reindustrialization of Berlin, in municipal elections scheduled for Sept. 17. Berlin is losing its industry, under the European Union's Maastricht regime, and therefore cannot generate enough income to support its population.

But this is not the characteristic of Germany, of Berlin, or anything else! It's the characteristic of Europe and the United States which were brainwashed by the Congress for Cultural Freedom, the 68ers who were brainwashed into believing "take your clothes off, throw your brains away, and go out and have fun!" And they don't believe in producing! There's no satisfaction about achievement, there's no intellectual satisfaction. They want to be entertained! Because everything they're doing is intrinsically boring. It's only exciting if they didn't do it yesterday. They no longer have pleasure, satisfaction of the ability to understand what a real idea is! The joy of doing work, because you *like* to do the work. You don't do the work because you want the money—yes, you need money to live on. But you do the work, because you *like* it! You have a sense that this is important, that you're doing something important for mankind. You can walk proudly down the street, as a person who's doing something for mankind, who doesn't have to be ashamed of life, of living.

And we've done that to a whole generation, the generation born between 1945 and 1957: We generally have destroyed them, especially those that were told they were going to be the upper class. By going to universities, they were going to be very smart (they weren't going to know anything, but they were going to be very smart). They were going to get ahead, they were going to be important, they were going to get larger incomes than the rest of the people. And they would look

down on the rest of the people as failures, the lower 80%, which is the situation in Europe, and the situation in the United States today.

'Stop Being Monkeys'

What we need to do is simply, recognize these kinds of facts, that we're in a culture which has dynamic characteristics. And there're some people, in society, who have organized to start this society around certain *ideas*, certain systems of organization which have caused this cycle from the death of Roosevelt to the present, this general collapse of civilization worldwide. And we will never free ourselves of this disaster, unless we can get up on our hind legs, and say, "Stop being monkeys," hmm—get up on our hind legs and say, "We're going to change the world system now." We *can* do it. Because when people realize, as they've done before—all great revolutions have done this—when they realize that *they can not go on the way they're going*, there is no possibility for living under this system for the next ten years. Or even five years, or even two! Then they know they *have* to change! And that's the time that revolutions occur.

Now, good revolutions are based not on getting bloody. Good revolutions are based on ideas, and the value of ideas. And the problem we have

today, the biggest problem I see, is that we have people who are not unintelligent, but they're cowards. They will not stick their necks out to exert the kind of leadership that's required, to "damn the torpedoes" so to speak, and *to go against the authority, that is holding society back*. And say to the authority that is holding back, "*You are in the way!*" "*Change or get out of the way!*"

This is the time you make industrial revolutions, cultural revolutions, great leaps forward. This is what happened in Germany with Moses Mendelssohn and Gotthold Lessing, who inspired a Germany which was going into the pit, like the rest of Europe, under Liberalism, and caused an eruption in Germany, which is the German Classic, which rejuvenated other parts of the world—including the United States, including France, and so forth.

So, a revolution in ideas, as typified by the work of Gauss, the work of Leibniz, the work of others; the work of Beethoven, the work of Mozart. These kinds of revolutions have to come along, and break through, and change society, to *stop* doing what is considered conventional. To find leaders who are courageous, who will speak, because what they say is the truth, and they know it, not because they want to be approved of for what they say.

And that's where we stand today.

We'll get into the discussion. I could say a lot more, but this I think is enough.

Conference Dialogue With LaRouche

This transcript has been edited to group questions by topic, and to abridge the moderators' remarks and descriptions of some longer written presentations that were submitted to Mr. LaRouche for his comment. Future issues of EIR will have more coverage of these contributions. Jessica Tremblay and Jonathan Tennenbaum were the moderators in Berlin; Debra Freeman was the moderator in Washington.

Tremblay: Thanks a lot, Lyn. It was very, very exciting, and also gives some incredible perspectives for the work that we're doing here in Europe on this whole question of the Eurasian development.

I just want to explain shortly the way the proceedings will happen. We will be going back and forth between Washington and here in Berlin. We'll take a couple questions here from Berlin, then go back to Washington, and then come back here. . . .

1. United States

Tennenbaum: We have a question here from Dr. Philipp Jenninger, who was the president of the German parliament, Bundestagspräsident, between 1984 and 1988. He was for over 30 years in the German parliament.

He asks, "Will a deepening cooperation between Europe, Russia, China, and India change the relationship between Europe and the U.S.A.? What consequences will this have?"

LaRouche: The problem here is simple; it's an historic problem. What is the United States, and what is Europe? Why did people leave Europe and go to create nations in North America and South America—Europeans? Because what we have in the United States is the European culture. What's the difference? The difference is, is Europe has the legacy, an unresolved legacy of an oligarchical tradition. We [in the United States] have no nobility. We have prostitutes—Hollywood stars, for example—but we don't have a nobility. But in Germany, in France, in Italy, look at the problem if you, as an American, come into these countries, you're confronted with something that shocks you; it disgusts you. The flatulence of a useless, parasitical bureaucracy, of a so-called aristocracy which is of no use. It can't even entertain itself any more.

So, the problem here, is that the United States' function always was to be the European alternative for Europe. Because there are no ideas, there are no categories of ideas or

culture in the United States which did not essentially come from Europe. Now, it's coming from other parts of the world, from Asia more particularly. But, traditionally, the United States was a product of European culture, of people who left Europe to get away from the damn oligarchs! As the United States developed, for example in the late 18th Century, people looked at the United States as a beacon of hope for Europeans. And you had the oligarchs of Europe, who were fighting like the devil, to prevent these ideas from the United States from infecting the population, because that would mean that the oligarchy would have to go out and do some work for a change. So, this is the problem. Therefore, what has happened is, powerful influences from Europe have, from the beginning—especially the Anglo-Dutch Liberals—have concentrated on trying to corrupt and destroy the United States.

Now, this went on in one way for a while, and then after Lincoln's victory against the British agents called the Confederates, the United States became a power. And you have in the case of Germany, the case of Bismarck. Now, Bismarck was most strongly influenced directly by ideas *from* the United States. Most specifically, from Henry C. Carey. And if anyone knows the full work of Henry C. Carey, and knows what his relationship was to Germany, you will know that Bismarck, who was also a follower of Friedrich Schiller in his outlook, was not really an oligarch; he was essentially a farmer, but he was well educated, and he had a sense of trying to make something of Germany. He was a German patriot, working within the framework of an oligarchical-ridden society, and if he had not been fired by the Kaiser, there wouldn't have been any World War I. Because it was his being fired in 1890, that opened the door for what became World War I. You had a stupid Tsar, Nicholas, you had a stupid German Kaiser, and an even more stupid and cretinous Austrian Kaiser, and completely corrupt French, particularly after 1898.

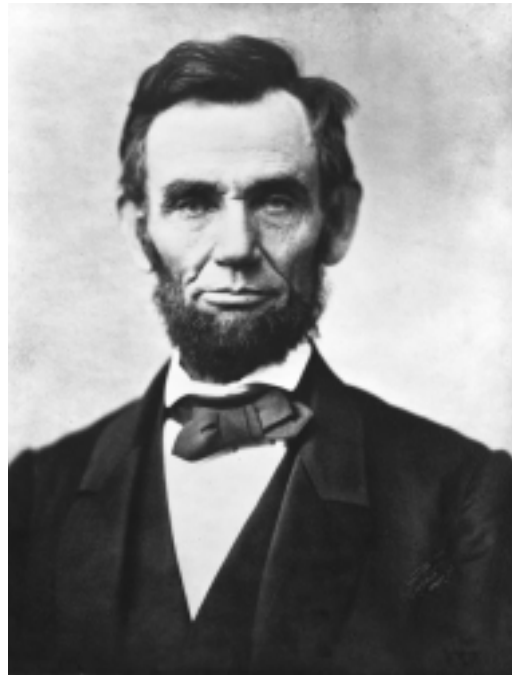
Corruption by Anglo-Dutch Liberalism

So, you have these ideas, which are reflected in Europe from the United States, for example, German industry. The revolution in German industry of the major industries of the late 19th Century, all came from the United States, directly. The electrical industry was an import from the United States. The steel industry; the changes were from the United States. So, the effort has always been for the United States to provide, to return to Europe, in the sense of what the intention had been of the Europeans who created the United States.

Therefore, the enemies have recognized, that only by corrupting the United States, which was too powerful after Lincoln's victory to be destroyed by military invasion, the only way they could destroy the United States was by corruption. And they've done a fine job of it. But the corruption lies—and the Europeans don't like to see it—the corruption is the Anglo-Dutch Liberalism! There are other forms, but that's the worst; the other forms are more obvious. When people say, "Well, the British are better than the Americans."



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After Abraham Lincoln's victory over the British Confederacy, the United States became a world power. Germany's leader Otto von Bismarck (bottom left) adopted the policies of Lincoln's economic advisor Henry C. Carey (top left). Bismarck "was a German patriot, working within the framework of an oligarchic-ridden society, and if he had not been fired by the Kaiser, there wouldn't have been World War I."

You guys are stupid; you don't know what you're dealing with.

That's the problem, and therefore, the *interests* of the United States, particularly now, what's our interest? I'm pretty well integrated, despite all my quarrels with various people, I'm pretty much integrated, and have been historically, since the late 1970s with the leading institutions of the United States. I've been under attack, because I was considered potent and dangerous. But nonetheless, on the other side, I've had a good relationship with various institutions of the United States—the military, the intelligence, and so forth, and so on and so on, the political classes. And we are not Bushites; we are *not* what you see in the Bush government. We're *not* what you see. I'm talking about the people who take care of the United States, not the poor guy who's out there just trying to make a living, just trying to survive. But those of us who are "men of affairs," public affairs, we care. And this government that we have, *is one we don't want*.

The problem is, that some of my friends, who agree with me, in these layers, don't have the guts to do what I do; which is how I get into trouble. But if I didn't get into trouble, we wouldn't have survived, I mean, I *saved* the United States in

2005, after that problem with the election in November 2004. I was brought in on the situation in a big way—I moved in. And we defended Social Security and some other things, and during 2005, I was running a lot of things in the United States. And I still do. And then, they moved to get me out of the way. It didn't work, but they tried hard, and they're running a heavy operation against me, from London, from France, and from the United States. We know who they are; we know what they're doing. We don't know the full scope of it, but we'll find out pretty soon, and we're going to clean the mess up. We're going to get them.

So, that's our role. Our job is to get rid of this succubus we have on our government. Get back in control in dynamic of the U.S. governmental situation, as I was in a position of some influence last year—I still have influence this year—get that moving again. In the time of a crisis, the best chance the world has, is if the United States comes over to the side that I've tried to represent here, for example, today.

Freeman: Before I read the first question from here in Washington, I just wanted to mention, that among the international audiences that are gathered to

listen and participate in this webcast, we have a number of audiences gathered at various universities in Ibero-America, that I would just like to recognize. In Honduras, at the National Pedagogical University in San Pedro Sula. In Bolivia, there are two gatherings—one at San Simon University in Cochabamba, and at Aquino University in the capital, La Paz. In Peru, there is a gathering at the Technological University of Peru in Lima, this is actually part of their Engineering School's anniversary celebrations, and we'd like to welcome them. Also, in Lima, there is a gathering at the Inca Garcilaso de la Vega University, and I believe that actually for both of these schools, this is the first time they've participated. I know that there are gatherings in Argentina and Mexico. I can tell by the questions that are coming in, and also a gathering in Bogota, Colombia, so we'd like to welcome all of you, and hopefully, we will be able to get to your questions.

We have a number of questions, both from Washington, and also from labor leaders and elected officials from across the United States. We also do have a certain number of questions that have come in from those who are participating internationally, but I will start with the questions from the D.C. institutions.

Globalization Has Failed

The first question comes from an economic policy task-force at one of the Washington, D.C. think-tanks, actually at Brookings.

It begins by saying, “Mr. LaRouche, I’d like first to offer greetings to those on the other side of the Atlantic, from what might be considered friendlier and certainly more civilized quarters here in Washington, D.C.” They are definitely more civilized! “Over the course of the next two weeks, a series of critical economic conferences will be occurring both here in the United States and abroad. Our expectation is that those gatherings will either publicly or privately acknowledge the danger of systemic perturbations resulting in seismic changes in global finance and economy. It is also our expectation that U.S. delegates to these gatherings will insist that the remedy lies in the intensification of the policies that brought us to this point in the first place.

“At the same time, there is a growing recognition in the United States that globalization, simply to use a catch-phrase, has not only failed to serve the benefit of the developing sector and of emerging economies, but that it has not worked for us, either. As such, there is increasingly an unwillingness on the part of many to impose measures that this failed policy would otherwise mandate. I wanted to mention that I see Robert Rubin’s resignation from the board of directors of Ford Motor Company, as well as the more recent resignation of Ford’s CEO, Bill Ford, in this light. But obviously, the mere refusal to participate in a destructive policy doesn’t stop that policy, and unfortunately, there are plenty of people across the United States, who are more than willing to carry out those policies.

“So, for those of us who are part of the Washington policy framework, but who are not in government, the question is, how do we best shape, and most efficiently shape our activity to address this situation, especially in light of your recent paper?”

A Malicious Evil

LaRouche: Well, I’m trying to do it, exactly. What we have to do is, we have to think in terms of a world system. We have two problems, first of all. We have to recognize in the first instance, that what is happening to us is not natural. It is not spontaneous. It is not democratic, as some people try to say. It is malicious evil. It was created with the intention of destroying us. Now, Ben Bernanke has said so. Now, Ben Bernanke is a pretty stupid guy, at least on everything he’s said. He’s either stupid, or he’s acting very convincingly, in a very convincing imitation. But, this represents him. That is, he’s saying, “Build an empire!” He’s saying, “Destroy the United States!” He’s the chairman of the Federal Reserve System, and he’s saying, in effect, “Destroy the United States!” They’re part of our enemy! The people who want to destroy the United States, who want to build an empire. The people who want to globalize are the enemy.

If you have a globalized society, you have stupid people. If

you globalize, you destroy the function of culture, of national language culture, in maintaining the intellectual development and the emotional development of the people. So, therefore, you need national cultures, not as ego trips, but national cultures, so you have a dynamic system, in which the entire population can be uplifted through a social process of dynamic character.

And the best example is music, Classical music, and Classical poetry, which are forms of *irony* through which the literal meaning of the language no longer imprisons the person, because irony is able to break through in the form of discovery of the ideas, which are merely hinted, and the hint becomes the reality, and becomes the new power, becomes the beauty. To take people, *uplift them* out of their limited conditions.

The problem is, we have to understand we have an enemy, and we have to understand who the enemy is. It’s not just some sneak thief coming around: It’s a peer review committee in certain parts of industries, which have destroyed the industry. It’s the policymakers. It’s often the lawyers. Maybe we should get rid of the lawyers, maybe we’d have a better chance in the United States. But we’re corrupted. And what you have, we’re fragmented, so the people are becoming individualized. They’re trying to get their pleasure at the expense of somebody else. They’re trying to get ahead of somebody else. It’s an *Ellenbogengesellschaft* [“elbow society,” the Hobbesian opposite to the “benefit of the other”].

And that’s the problem. When we are in crisis, when our people realize that they’re are a bunch of fools, and that *what they’re doing doesn’t work*, then maybe they will come to their senses. My view is, our job is, don’t worry about the fact that people are not responding. Yes, it’s an important factor. But what you have to do is realize reality. Either we’re going to change, or we’re not going to survive.

It’s often been the case, that a sudden shock, which demonstrates to more and more people that the system doesn’t work, is the problem.

Orient Toward the Lower 80 % of the Population

The specific problem which is the greatest in the United States today, is the orientation you see in the Democratic Party. Take the number of Democrats, who are oriented to the DLC [Democratic Leadership Council]—that’s a disease, that’s not a relationship. Because that’s an orientation toward the upper 3% of family-income brackets. And a wealth of disregard of the lower 80% of family-income brackets.

The future of the United States lies, in getting the politicians to stop this crap and go back to start looking at the conditions of life of the great majority, which is the lower 80% of the family-income brackets. We have to do something for the people. The political leader must do something for the people. The 3% can get by quite nicely, they don’t need any help. The upper 20% don’t need much help. The lower 80% needs a lot of help. And the lower 80% is the number of voters,



FEMA photo/Win Henderson

New Orleans, La., Aug. 31, 2005, in the wake of Hurricane Katrina. "The specific problem which is the greatest in the United States today, is the orientation you see in the Democratic Party, who are oriented to the DLC—an orientation toward the upper 3% of family income brackets, and a disregard of the lower 80%."

it's 80% of the voters, it's 80% of the constituency.

The problem is, because *we*—not me, but others, who are in a position of leadership and influence, because *we*, instead of going out and appealing to the people to uplift themselves, to join us in great projects which will uplift the conditions of life, *we* are going to the 3%, and kissing the butt of the 3%—and we call that democracy. I don't know how many people can kiss that butt at the same time, but that's all right.

That's the problem, and we have to recognize, that's the two problems. First of all, we are corrupt. The Baby Boomers are corrupt, especially—the upper 20%, because they kiss the butt of the upper 3%, and they consider that politics. Because they count on getting large contributions from the upper 3% to fund their politics. They don't give a damn about the lower 80%! They say they do, but they don't. If you go to the lower 80%, the fact that you convince them that you really care about them, and you're coming with some ideas that will work for them, with cooperation, *you now have the overwhelming majority*. And if you have the overwhelming majority, you can transform the government of the United States.

Democratic Leaders: What Do We Do Now?

Freeman: This question comes from the Senate Democratic Caucus. "Mr. LaRouche, there is a heated debate among those of us who represent the Democratic leadership in Congress, as to what our priorities should be in the immediate aftermath of the November elections, should we gain control of either or both Houses. Some among us are arguing that we should move immediately to roll back the most damaging legislation enacted by Bush-Cheney and replace it with a positive, innovative agenda designed to begin the necessary pro-

cess of reconstructing what we've allowed to decay, and indeed to proceed to build anew. Others argue that our first priority must be to begin an in-depth investigation of the violations of law by Bush-Cheney, with an eye toward impeachment. Members who advocate this approach argue that it is the only way to keep Bush-Cheney in check, while the business of reconstruction proceeds. However, I'm not at all certain that the American people are psychologically prepared for either. However, I do see their point. Could you please give us some idea of your thoughts on this, because we believe that it is going to be an immediate question."

Cut Out the Sophistry!

LaRouche: Well, you know, it reminds me, these guys who want to find out ways to make legal reforms or something against bad government: they remind me of a eunuch who's engaged in a 20-year-long courtship, without getting married! It shows they have the quality of an emotional political eunuch in them, when they come up with these kinds of policies. And I tell them, my dear Democrats, who think that way, "No, be a eunuch! Become a eunuch!"

Look, we have enough on this case, to bounce these two clowns out of there *now*! The problem is that people who don't have the guts to do it, are saying, "Well, we don't have enough evidence." I mean, you catch a guy committing rape! You say, "Well, I've got to go out and get more evidence before I can stop this thing," eh? That's what's going on now.

They're cowards! The problem is *sophistry*, *sophistry*, *sophistry*. And you know, members of the Congress who would like to have a juicy contribution from circles such as the DLC or other parts of the upper 3%, or even the upper 1%,



EIRNS/Dan Sturman

The LaRouche Youth Movement chorus at George Washington University Sept. 7: "What it's going to take is, when people who have the guts to do so, will stand up as I do, and tell the plain truth, about what needs to be done, and say it in a timely fashion. And you'll find that the people out there will go for it. The people are ready to lynch the entire Congress. Don't kid yourself! They've had it."

of family-income brackets—that's the problem. They don't want to *offend* these guys, because they want their contributions. They don't want to *earn* their election, they want to get somebody to *buy* it for them! And to do that, they will *sell themselves*!

And what it's going to take is, when people who have the guts to do so, will stand up as I do, and tell the plain truth, about what needs to be done, and say it in a timely fashion. And you'll find that the people out there will go for it. The people are ready to lynch the entire Congress, membership of the Congress. Don't kid yourself! They've had it.

Look, let's take a case: Let's take health care. How many people in the United States want to hit, kill, whoever is responsible for current health-care policies? Look at the housing crisis. Do you realize that when the housing bubble blows out, do you know what that's going to mean, throughout the country? Do you realize the potential mass evictions of 40-50% of the so-called homeowners, in a very short period of

time? The shutting down of whole industries, whole sections of the banking community will collapse, and you'll have a chain reaction below that?

Do you think the people aren't out there? They're not waiting for somebody to provide credible leadership? And then you look at what these guys are offering, these candidates, including Democratic candidates! What are they offering those people? Look at what they're offering. Do you think if you were a people, you would vote for those candidates, really? The Democrats are being disgusting! If they would stop being disgusting, and have the guts to do what's obvious and face the truth, you would find that you would have a revolution inside the United States in popular support. The people know that they're turned down. Every time that they see a Democratic candidate go to the upper 3% or the DLC for a contribution to finance their campaign, they vomit—if their stomachs aren't dry for lack of food.

This is the problem. These are not legitimate questions! The question is to have a policy, which goes to the lower 80% and its problems. If you have a policy that goes to solve the problems of the lower 80%, you're going to find out you're hitting on the right track.

2.1 Eurasia: Germany

Tremblay: I have two questions here from Germany. The first is from Dr. Friedhelm Krueger-Sprengel from the Ministerialdirigent, in Germany; a consultant of law, and honorary president of the International Society for Military Law and the Law of War, Brussels.

"Mr. LaRouche, how do you evaluate the new Eurasian movement in Russia? The new Eurasians advocate a close political cooperation from the Atlantic to the Pacific. The center, and thereby central leadership role, would be given to Russia.

"Would such a development weaken the traditional Atlantic Cooperation? Must one assume that the Asian nations, in particular, China, Japan, and India, would form a special center which is politically and economically independent from the U.S.A. and Russia?"

And the second question is "Model for the Westphalian Peace." "Can the Westphalian Peace still serve as a model today, given that Central Europe was then largely depopulated, and weakened by the war, as well as cut into 300 parts, due to the interests of the marginal powers?"

And then I have a question here from a German economist. His question is in German and I've translated it:

"I see the corset of the Maastricht agreements as dangerous for the further development of Germany. Public investment is being stopped for a policy of budget cuts, basically until everybody dies. Do you agreed? Is this true? And how can we elegantly get out of this treaty?

"Currently, I am reading the book of Ludwig Erhard

called *Prosperity for Everyone*, and if you take a look at this book, and look at the current neo-liberal doctrine, it seems almost as if this were a Bolshevik manifesto! Erhard correctly sees that you have to increase the buying power of the many, and basically that's exactly the opposite of what is going on today." And he asks, "Specifically for Germany, should we take a fresh look at Erhard?"

Erhard's Role

LaRouche: Well, first of all, let's take the last one first, because it's the easiest one.

Yes. Erhard was thrown out of government, as part of the same process which involved bringing Willy Brandt into government, by the same people, such as John J. McCloy. Because Erhard was maybe not the best expression of what Adenauer represented, but certainly he represented a policy which was in the best interest of German society. And what happened with him, which coincided with the Wilson government coming into power, consolidating power, in Britain, and with what happened in the assassination of Kennedy, and the effects of that, and the opening of the Vietnam War—this was the destruction of civilization!

What I spoke about the cycle, long cycle today, from the death of Roosevelt to the present time, it was divided into two parts. In the first part, in the first 20 years approximately, in the postwar period, despite the rotten policies of the United States, and other countries, there was a growth in physical economic growth, an improvement in the general standard of living, and various kinds of technological improvements. Undeniable.

Then, suddenly, with the assassination of Kennedy, and the launching of the Vietnam War, you get a downshift. And some people say, this is a phenomenon of the war. Well, the war did contribute to the degeneration. *But!* That was not the cause of the degeneration. Rather the degeneration was the cause of the war, not the war the cause of the degeneration.

So, this thing is crucial. Getting Erhard out goes in the same category with the killing of Kennedy. It's the echo of the killing of Kennedy. It's the pushing by the British to push Adenauer out prematurely, to destroy the de Gaulle-Adenauer agreement, the attempt to kill, repeated effort to kill [de Gaulle], which goes to the other question about the Eurasian policy.

Now, de Gaulle's a fine fellow. But he was not a stupid one, and he was a patriot, and he did fight the fascists. He hated the Synarchists. He would have hated Felix Rohatyn. It was one of his virtues, that he would have hated him. Right? Because he was looking for, he said, "the Atlantic to the Urals," the same thing we did with the SDI. The Atlantic to the Urals was the idea of going all the way to the Pacific, with an idea of development. De Gaulle simply had this list that he adopted, of projects of France. (And they ran out of the projects now. They got the nuclear energy, but they're using that as a weapon now, not as a productive force.)

So, yes, this was a part of the process of destroying Germany. And therefore Erhard is important, in the sense that he was the last expression of a politician in a position of government, who was initiating policies which were constructive. The policies in Germany, the trend in policies by government, *have been downhill all the way*, ever since. And that's because, first of all, it was the policies of Wilson, the influence of Britain, which was the model for this. The coalition government, which was a travesty. Then Brandt came in, with destructive culture. The destruction of the educational system. The destruction of the mind in the German! The Humboldt [educational] program was the essence of Germany! You want to turn the Germans into animals, which they tried to do, and they succeeded to a large degree. So, yes, this is important.

The Westphalian Approach

Now, on the Westphalia thing: There is no alternative to a Westphalian peace. The Westphalian Peace—guess who did it? This was done by Cardinal Mazarin, who convened the session, and changed exactly the opposite policies, those of Richelieu. Now, what happened?

You had in France, under Jean-Baptiste Colbert, the highest rate of technological progress in all European history, *in rate*. The Colbert administration was astonishing. It was the leading driver of European civilization! He launched the science academy. Just look at what happened in science and technology under Colbert, and even the influence of Colbert on those who followed, in terms of fortifications and other things which were expressions—the Monge, Carnot development was an expression of this.

The French Revolution, which was a British operation, run by British Freemasons, and a model for Hitler, shifted the thing so Germany emerged on the back of a destroyed France, which was destroyed by the British, by the imposition of the government, by who? The Duke of Wellington. And the shutting down of the Ecole Polytechnique, or destruction of it in the process.

So, the problem here, is the nature of *man*. Man is not an animal. Therefore the fundamental interest of man lies in that kind of behavior which is not that of an animal: the behavior of creating something. The search for immortality. The search for the rising above bestiality. The search for progress and benefit. So, therefore, what you give people is, you give them the benefit to improve themselves. You promote their improvement, their self-improvement, and that's the basis for your agreement.

The alternative to a Westphalian approach is a Hobbesian approach, which leads to eternal conflict. So, the idea that there's an alternative to Westphalia, or the idea that there are technical reasons why Westphalia worked—no! Westphalia worked for one reason: because of a leadership, an initiative, to end a war that nobody could end. Otherwise, there would have been no Germans left alive at all. And it was not the

ruin that made it possible. All these theories—forget them, they're wrong.

Security vs. Asymmetric Warfare

Now, on the question of law and security. Again, the same thing. We've come to a period in world history—look, we're at the end of war! You can no longer conduct war on this planet! You may have to defend yourself in a war-like manner, but you don't use war as an instrument of policy! Which is what is being done by the British and by the United States—the use of war as a policy matter! The killing power of modern technology, and the alternative of the killing power of security technology, is asymmetric warfare!

What does asymmetric warfare do? It's a caustic force, it destroys society. It's denial of ground, by destruction. And no force can resist the denial of ground, the process of pure destruction. Can pure destruction, which is the only mode of warfare which is possible now, can that be a source of victory, a source of a victorious interest? You can never do it. So therefore the *only* policy, is the policy of mutual interest, the Westphalian policy.

The Westphalian policy is a matter of the *natural moral law*, and moral law has taken vengeance on the stupid, by bringing mankind to a level where the power of man is so great, that to use advanced power, for destruction, brings on the caustic force which is otherwise typified by asymmetric warfare. So, mankind is the power who is going to destroy himself in war.

Therefore, the *military* policy, of a military force is essentially a scientific, engineering policy. It's the thought of using the power which is implicit to cause people to *accept conditions which are to their benefit*. You compel people, in a sense, to accept the advantage, to accept the benefit of scientific and technological and cultural progress. That should be the *law*. Natural law, not Hobbesian law, not Liberal law. What you want to do is take all the Liberals and put them together with the lawyers, and stick them all in the bottom of the ocean.

The Youth Movement

Tennenbaum: I think this is a good occasion to have a couple of words from our heroic candidate here in Berlin, Daniel Buchmann.

Daniel Buchmann: I have nothing prepared as a statement, or comment. I would maybe simply report on the fact, since we have an international audience, that we have a campaign here in the Berlin for the reindustrialization of Berlin. We have a pamphlet here, "*Jugend Will Eine Zukunft*" [Youth Want a Future, Industry for our Capital!] and this is one of 500,000 pamphlets that we distribute here in Berlin, and that we are going to distribute until Election Day September 17th. And I think we are going to be the party or the movement in Berlin, having distributed the most material in Berlin. I think there's no other party which has distributed that much material all over Berlin, and it has reached so many people in



EIRNS/Helene Möller

Daniel Buchmann is the candidate of the BüSo party in the Sept. 17 elections for Mayor of Berlin. LaRouche Youth Movement member Buchmann announced that his campaign has distributed hundreds of thousands of leaflets, newspapers, and pamphlets in Berlin—more than any other party—calling for reviving the great industrial tradition of the city. The pamphlet he holds up says: "Youth Want a Future, Industry for our Capital."

Berlin, bringing them a solution.

And of course, the question to you, Lyn, maybe, would be, what do you see as a prospect, or task, for the Youth Movement here, beyond the election, and what do you think? What should the youth be doing here, what should the youth be doing internationally, to contribute to your efforts, and the efforts of many people in saving civilization?

LaRouche: The first thing you always have to do, is you have to put the emphasis on development of the people. A Youth Movement that is not developing, that is doing good work, will disintegrate. Therefore, the educational aspect of the development, but more than that, the integration of the educational aspect with the organizing process.

Now, first of all, the first problem you have is, get your minds in order, and you know this: You have to improve the singing, and do more of it. You have to. You have to master the [Pythagorean] comma, and understand the comma, because you will never really understand Bach until you understand the comma. And the role it plays in music. You have to practice for this. Because you will find that when you go into a situation, when you sing effectively, you multiply your influence. You sing first, then you reach people. Sometimes, they will scream about it. "You're reaching me, you're reaching me, you're reaching me! Don't do it! Stop it, stop it!" [laughs] "You're destroying my fungus culture."

The other thing is, you have to have a sense of the identity of the generation. And the identity of a generation is located not just in what anybody in the generation does, but what a leading layer of the generation does, which marks the entire generation. This includes, not only the restoration of Classical culture, and by active practice—and music is the one you can trust the most, because the Romantics have really moved into every other area, very effectively.

All we have to do, to do that, is what we're doing with the educational work, now on the Kepler-Riemann work. And you have to develop the core, as a cultural standard of a generation, as the scientific culture. We're going to have to have a population which is 50% involved in machine-tool design-level operation. And you will never do that without a grounding. The grounding has to be in first of all, the Classical Greeks, the Pythagoreans and Plato, and the Platonic Academy through Eratosthenes. And then you have to go to modern.

And the modern is Cusa, as the foundation. The basis of science is Kepler, and the basic work on how the universe works, the organization, the harmonic organization of the Solar System, how it works. To understand the principle of creativity, and to master the idea of dynamics, which almost no one in society today understands, even among top graduates in science.

And therefore, this development of the quality of leadership in the Youth Movement, so it typifies what the new generation, or the new citizen, must become—in music, and in science—by this development process. *That's the strength*, the source of strength. Anything different will not work. It will fail. It's vulnerable.

You've got a bunch of people who are acting against us now internationally—they're all bastards, I know them very well. We've never been able to find out who their parents were. They were left on the doorstep someplace. Anyway—they're out to kill us. And they'll do everything they can to disrupt us. [audio loss] . . . this John Train. This is the same crowd that created fascism. They're operating, they're out to get us. We're going to get them first.

2.2 Eurasia: Russia, India, China, and the SCO

Tennenbaum: The circulation of Lyn's document, the announcement of this event, and some of his recent writings elicited an enormous response, particularly among those nations which are directly involved in the question of the Eurasian cooperation, and others who are very concerned with the world situation, and who agree that we are at a turning point in history.

We received also not simply questions, but also substantive contributions, which for time reasons, we at most can just

indicate a couple of main points.

Prof. S.G. Luzyanin, of the Institute of the Far East of the Russian Academy of Sciences, is a specialist on the Shanghai Cooperation Organization (SCO), and also an expert on security in Central Asia.

Just introducing his paper, he says:

"As for Mr. LaRouche's proposals for large-scale infrastructure projects in Eurasia, I believe that his evaluation and analysis of Eurasian matters are extremely important and timely at this time. Essentially LaRouche's concept gives new approaches to the integration of the Eurasian space. The idea of the Eurasian Land-Bridge precisely fits with traditional Russian approaches and is well suited to the current reality in the world: the formation of a new institution for organized cooperation among peoples and states. I believe that Mr. LaRouche, in developing the concept of the Eurasian Land-Bridge, has found the optimal ratios of geopolitical, physical-geographical, and geo-economic methods. The result is a very promising theory of the fusion of various sciences. . . . I fully support this approach that Mr. LaRouche takes, and his basic conclusions."

Along with this, Professor Luzyanin sent us a paper about the progress of the Shanghai Cooperation Organization, which had its fifth anniversary summit in Shanghai, July 5-17. This organization, whose importance is growing, has, in effect, institutionalized the famous Russia-India-China "triangle," in a certain way, considering that India is an observer.

Also a brief question comes from Prof. Ma Jiali, one of China's leading experts on India, who is very active in Chinese-Indian relations. He works at the China Institute of Contemporary International Relations, which is one of the most important official Chinese government think-tanks, which was founded by Zhou Enlai. He will be attending the November sixth round of the forum on triangular relations between Russia, China, and India. And here's the question:

"My question for Mr. LaRouche is, how to evaluate the substantive cooperation in the future among China, Russia, and India. I have ample evidence to believe that the trilateral relationship among these three countries will overcome various difficulties and develop steadily. Will the development of this cooperation play a positive role in preserving regional and global stability?" He would appreciate your comments.

Look for Global Solutions

LaRouche: Yes. Well, you have to often, in solving a problem, go outside the problem as stated and find the solution outside the problem as stated. This is typical scientific method. Always. Because, if you have a problem, and you have people who are recently expert in a certain area, you generally find they've explored a lot of things, and they have a lot of colleagues with whom they've discussed these things, they've gone through it rather thoroughly. And if they don't have a solution to a problem within the area of their expertise, go outside the area of their expertise and find the solution.

Because, the problem is, is they haven't gone far enough.

It's like the idea of creation, you see. Man is creative and God is creative, is the idea that the universe is constantly changing, it's expanding. It's expanding by going outside itself.

I'll give you an example of this, because it may come up in other questions. Let's take the case of the Sun. Now, a long, *long* time ago, by our standards, the Sun was out there. All by itself, in its particular area. All alone. And it was spinning—it was spinning, probably because, you know, it was fidgety and youthful, didn't know what to do with itself, it was just spinning, spinning wildly. So, it began to spin off material, plasma. It would spin off in the form, naturally of a disk—you know this kind of rotation that you see, hmm? A disk. Now, this disk was being hit by radiation from the Sun. And my conjecture was—and the major laboratory that pointed this out to me said I was right—that polarized radiation would produce what we would use to call the 92-element Periodic Table in the Solar System. And also, it would distill this product, just like fractional distillation, but not quite.

Then you had this work by Kepler, who went through this (and people didn't really study Kepler enough to understand him), because he had two things: Not only did he discover gravitation, but by the same method, he extended that to the dynamics of the whole system, in his idea of harmonics. So this trick, of course, as Jonathan can explain to you, about how [Gauss] discovered the orbit of Ceres and Pallas, on the basis of Keplerian harmonics, by recognizing that the characteristic of the thing in the Kepler system would have to fit a certain harmonic belt.

But look what happened: The Solar System is out there, the Sun's out there, and you get a Solar System. You get a development from the Sun, in the Sun, which is outside the Sun! Then you start looking at galaxies and so forth, and say, "Hey! This universe is not organized the way these teachers tell us!" The universe is created! It's driven by creative principles of creating higher orders of organization, than it itself represents.

And that's the way man should think about man.

People who are stagnant don't do too well.

Go Outside Existing Assumptions

Now, what do we have to go outside? Go outside the existing assumptions, and go into some things that some people know, and some of our friends in Russia know this very well, scientifically. We're bordering two limits, which I've referred to in a number of things I've written recently on this. Two limits: One, fresh water. We are now relying, largely on this planet, on freshwater supplies, or semi-freshwater supplies, which are actually drawing down fossil water or quasi-fossil water. That is, they're either drawing down water which has been stored in the planet for a million years or 2 million years, which once they use it up, it's gone. It will not be replaced. We have that problem, for example, in Northern

Africa. How much of this water is fossil water? If it's fossil water, by drawing it down, you may relieve the problem in the short run, but in long term you're going to have a problem: Where are you going to get a replacement for the water you're using up? And this is worldwide: Probably 20% of the water supplies, freshwater supplies available today, are being consumed at rates faster than they can be replenished by the so-called natural means.

Now, we can, particularly on the level of high-temperature gas-cooled nuclear reactors, we can, actually, efficiently produce water. And if we use it efficiently, we'll use it to grow trees, and other things which will create micro-weather systems so you will build up a natural system of regeneration of supplies with the help of the use of nuclear power. And high-temperature gas-cooled reactors of the thorium type, uranium type and so forth, these will do the job.

Now, next: We've got another problem. The mineral resources on which we rely for human consumption are also limited. Most of the mineral resources we use come from what's called the Biosphere, from billions of years of living processes which have left a deposit, which has been residue of life. Now, we relied upon what we call the richest of these resources, for industrial transformation of these things into finished products of various types. Hmm?

Now, how are we now, with over 6 billion people on this planet, if we begin to try to meet the life requirements of a growing population, now about 6 billion people, we find out that the resources readily accessible which are rich resources in the Biosphere, are not sufficient.

So now, one of the first frontiers of this, is isotopes. Like for example, kalium-40, which is unexplained exactly why it does what it does, but it is selected by biological processes in a certain amount. They seek to have a certain level of kalium-40 in them. So, isotope economies, that is, isotopes of chemical elements, also are a significant factor here. So we are now looking at isotope management, as one of the problems, largely in the health field. Because we're concerned with how living processes react to different isotopes differently, differentially.

So, we are now, if we get to thermonuclear fusion, as a generalized technology, not just a power source, we are now going to be able to start to manage and synthesize some of the things we need, so we can now begin to use things which are considered very low-grade raw materials. They will suddenly become, because of an economic or physical transformation, high grade.

European Machine Tools for Asia

Now, let's look at the problem. The problem is to take Asia. Take India and China as two cases, which are very clear, which help you to make a policy, because they have a similar problem but a different problem. They're the same category of problem, but they have different cultures and they have different characteristics, and different characteristic

problems.

Now, India and China have populations which are about 70% extremely poor. It is no good. And the prospect of society is very poor unless we do something about this; and the prospect for them. So therefore, our concern is to accelerate the rate of technological development in India and China, and similar countries of Asia, *rapidly*, in order to enable India, and China, and similar countries, to be able to upgrade the opportunities for life of their existing population, to raise the standard of living. This means we require a general cooperation, in Eurasia as a whole, to manage this problem, which is a 25- to 50-year problem. That is, the investments we have to make, to solve this problem, means we have to make investments which will have a 25- to 50-year investment life.

We're going to have to change, therefore, we're going to Europe. Now, Europe has a culture which permits us to deal with this problem. But it's pretty much abandoning that culture. Therefore, we're going to have to say, "Cut the crap out, boys! No more yuppie society or hippy society, or whatever. No more! You guys are going back to work! And you're going to do good European work, because that's what the world needs of you. You're going to shut down this, and you're going to shut down that, you're going to get rid of these rock concerts and all this nonsense, and you're going to go back to work. And what you're going to do, is you're all going to be trained to be engineers, you're going to go into doing various kinds of work, because you're going to produce *science-driven work*."

"You're going to eliminate benchmarking, which is a fraud. You're going to go back into machine-tool design. The European of the future will be, the leading European, the most successful ones will generally be *the machine-tool designers*, again!"

Anyone in China or India will say, when they get wise to this, they're going to say, "Hey! You're European, huh? If you're not a machine-tool designer, you're no damned good. We don't need you. What good're you to us?"

So therefore, science and machine-tool design as a very large ratio of the characteristic employment of the population will be the major feature. In other words, you want to have even 50% machine-tool designers, among the total population. Because, it's only on that basis, that Europe is useful to the masses of the population of Asia.

Now, what're we going to do? Can Asians buy this stuff that we're going to be producing? Well, not on a cash basis. But European countries can make long-term agreements with countries in Asia: 25- to 50-year agreements. We can package a whole lot of credit into various packets. So, China will have agreements with Germany—that's sort of an easy one; or India. And what you'll have is nation-to-nation agreements. Which you can't do in Germany right now, but that will change. That is, the German government will make package agreements with the Chinese government or with the Indian government. These agreements will be loan agreements, so

you agree that Germany and China will exchange credit with each other, over a 25-, 50-year period, and the package will have all this credit.

So now, you issue credit, from Germany, to Germans to produce for China. You will also get credit from China on the reverse. You'll plan this thing out in a way, so that over a period of a 25- or 50-year cycle, you will get a wash.

So, instead of borrowing money from a bank, you have the government that creates credit. We can do this in the United States by an Act of Congress. You can't do it under European systems presently by an act of legislation. But you can make agreements with other countries on long-term treaty agreements on terms deferred, and loans.

Now, you take the thing, something like in Germany the old Kreditanstalt für Wiederaufbau, you take that approach, you supply the credit. Now the people in China, the people in Germany, make agreements. And they go to an official government authorizing agency for credit, like the Kreditanstalt did, something like that on a larger scale, international scale. And now, you find that the credit will be issued for the German to produce, or China to produce, and one to buy from the other.

So what you want to do, is you want to specialize European production to meet the requirements of capital improvement in Asia.

In the meantime, you have a vast area—you can't just go out into Central Asia where there're a lot of resources and throughout Central Asia and Northern Asia; you can't do that, because you have to develop the process. You have to make large investments, you have to build cities, you have to build small cities, you have to build large-scale infrastructure projects; otherwise you can not develop the raw materials which lie under the ground. You just can not go out and get the raw materials: You have to *develop* the process of production of these raw materials, and the markets.

So therefore, you have these kinds of agreements. *Therefore!* What you have, is very clearly now, since capital transformation is the basis of the future, for these countries, respectively, your policy has to be long-term policy. Long-term credit policies, state to state. In which the state credit is now used to create a fungible form of lendable credit to state and related agencies. And therefore, you can make as much investment as you want to, as much investment as is reasonable to have.

Then Europe has to change its policy, to qualify itself as a supplier of what Asia wants. And you have to figure out what Europe is going to get back in return for its investment in the development of Asian countries. But you have to change your policy.

So the basic thing, again, is to make a cycle. Instead of letting a cycle happen to you, you build a cycle. It's what any competent investor does, in industry. You make an investment plan: You're going to develop a product, you're going to develop a company. You're thinking ahead one to two

generations of what you're going to do. That's the way you do it. Countries can do the same thing. Countries can say, "We're going to promote this development. We're going to provide more credit easily for this, if somebody can do the job; then, we will go for something else." And that's the way you do it.

So the natural specialization of people who *need* the advantages, of what was a traditional European approach in modern times, in Asia; and Europeans who need a *raison d'être* for nations that're about to go on the junk pile: *Go back to doing what Europeans should do!* in terms of the global division of labor, and it will work out just fine. So you don't need to make some kind of ideological understanding, and ideological framework, or political framework. What you need to do, is simply think: Think about going outside the present arrangements, *to build a system which fits the needs of both, with the needs of the other.*

Time To Reform the Monetary System

Tennenbaum: Prof. Dai Lunzhang, former chief economist of the Central Bank of China, first vice president of the China International Economic Relations Society, speaks of a widening gap between the rich and the poor, which underscores the increasing imbalance of global development, and therefore incurs two dangers, "as Mr. LaRouche said, 1) the danger of uncontrolled conflicts and wars; 2) the danger of a general breakdown of the world financial and monetary system. These dangers are the biggest threats to human society, so I believe LaRouche's point of view is accurate and significant."

He then speaks of China's, and the Chinese government's policy of trying to secure an international environment and evolutionary process, where world peace is maintained, common development is promoted. In that context, he notes that Palestine and Israel have not reached a peace agreement through four rounds of war. Now is the time to look for a solution with diplomatic meetings.

He says that the globalization, in its present form, has increased the level of economic interdependence, but also aggravated the unevenness of development in the world. And he concludes, "It's time to reform the time-worn international economic systems, and the members of the international society should fully cooperate to correct the unreasonable parts of the current system. As Mr. LaRouche mentioned many times, a new round of the Bretton Woods meeting should be held, and a new international economic system should be established." And he quotes a Chinese saying that says, "Reducing pressure could avoid the crash."

Then he adds a couple of questions. "Is it really possible in the present situation to go to a system with fixed-currency parities?" He notes that the original Bretton Woods conference occurred in a very specific context of a shared experience of the Great Depression, of the concentration of power in the hands of a few states, and a dominant power at that time that

was willing to assume a leadership role. Unfortunately, he says, these conditions are not true in today's world. So he asks, on what new political basis could this New Bretton Woods system play? And then he asks, also, what about the United States? Obviously, Eurasian cooperation should not exclude the United States, as it has a critical role to play.

I'll add another question which goes in the same direction, by Prof. Su Jinxiang, who is director of the Center for Globalization Studies at the China Institute for Contemporary International Relations.

And he says: "Hello, Mr. LaRouche. There are some economists in China like me who trust your views on the current world economic situation. We believe you have the best methodology and methods for long-term forecasts. My question is: If a sudden collapse of the dollar, and of the international financial system, is coming, what can China do?"

LaRouche: Well, these questions all converge on the same point. Forget the illusion that money has any intrinsic value. *Money has no intrinsic value.* Money is simply an agreement. It's a contract, that's all. It's a necessary contract, but it's a contract which has to be managed by governments, and the way the U.S. Constitution and its system is designed, is perfect for this purpose.

Now, let's take the case of, should the crash occur. Now, the question has come up, "Well, let the crash occur. Let's revalue currency. Let's devalue the dollar." Well, if you devalue the dollar, the effect is, you're going to start a chain-reaction which will collapse every economy in Asia, and Europe, at the same time. So, you can't devalue the dollar—because you're in a credit system. You're going to collapse the credit system!

What do you do? Well, you think in long-term terms! Can you resolve this problem in one year? No! Can you resolve it in five years? No! Can you resolve it in ten years? Maybe, a little bit. Can you resolve it in 15 years? Well, that's more a possibly. How about 20 years? Ahh, we can do very well then. Thirty years? Oh, we're fine.

Therefore, you have to think in terms of generations. 25 years is a modern generation. That means that the equivalent, your basic young population, is going into a university level of education in quality. That's what you need. That should be an objective. That should be your standard. So therefore, you're going to think in terms of generations.

How a Fixed-Exchange-Rate System Will Work

Now, how would I deal with it if I were President of the United States? And maybe I should be the acting President of the United States. I don't want the job permanently, but maybe I have to take care of some things, while the other boys don't know what to do.

What we have to do is this: "No, I say the dollar will not be devalued! We're going to defend the dollar at its current parity." Now, how do we do that? We do a number of things.

First of all, we find that certain categories of debts—the largest amount of debt in the world system is based on gambling debts. And Chinese, of course, know about gambling debts, it's an old problem there. Gambling debts are not real. You can cancel them. There's no real value there. Cancel them. And that would eliminate some of the pressure.

Now what do you do? You have to convert your debt itself into credit. In other words, if you owe something, and you're going to be able to pay what you owe, then your debt can be fungible on the world market as credit. So therefore, what you do, is you enter into long-term agreements, of 25 to 50 years, and you premise the value on two things: first of all, a system of regulation, of the type we used to have before 1971. Or actually, before the middle of the 1960s, when you still had a system. A system of regulation. You convert unpayable debt into payable, by converting it into long-term obligations which are *fungible*, and therefore, if a debt can be paid eventually, it has value.

So we agree to take the debt that we have, and we convert it into a fungible asset. We then use that fungible asset, to issue credit with a guarantee of participating governments. We must not have fluctuations, however, in the value of money. So, we set up a fixed-exchange-rate system, and we go through a process of reorganization of the world's debt. We cancel debt that has no worth to it. Just cancel it! Gambling debts. Gambling debts will not be paid—*ever!* Finished. I don't care what length or kind. Gone! Nobody can collect on a gambling debt. Finished. Gambling business stops. Now some people in China, or Hongkong, will [audio loss], but they'll do. I think they'll go along with that.

Then, we agree to a fixed-exchange-rate system, over a period of 50 years to come. Thus, we make all the debts which are *valuable* debts, which have a real basis for them, we make them *fungible*, as a source of credit. In other words, we take the debt, pledge it against a credit to be issued, the credit system.

Invest in the Future of Humanity

Now what do we do? We take the credit we generate, and what do we loan it for? We loan it, obviously, into *long-term investments*, not short-term investments. What are long-term investments? Basic economic infrastructure—water management systems; complete communities.

Let's take China, for example. If China's got to deal with a large percentile of poor people, with a large percentile of undeveloped land, the big investment is going to be in new cities, transportation systems, and so forth. To change the *territory* of China, so more people can live happily in China. This is going to be the basis for their ability to increase their productive powers. So therefore, we make an investment, a long-term capital investment in China, in order to make the Chinese people, who are in large degree not productive, because they're too poor, because they don't have needed condi-

tions of life, we now make them so they will *have* the conditions of life. So in a 25-year generation, that generation will step up and be more productive than the previous generation; and the second generation, 25 to 50 years from now, will be even more productive. So, we do that! We make an investment in the future of humanity.

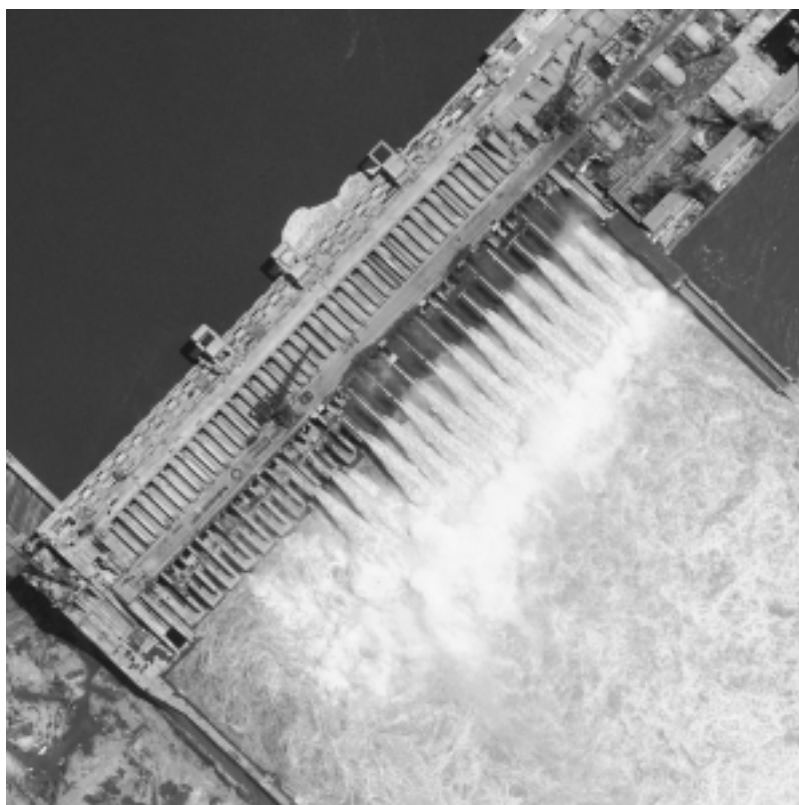
And at the same time, we have to increase the productive powers of labor, which means we have to have a technology-driver, which increases the productive powers of labor. We have to increase the capital-intensity of production. And we're going to Mars, we're going beyond. We're going to reorganize the Solar System. We've got a lot of work ahead of us.

So, if you have that idea of a long-term system, and understand how to set up a system of controls, the way Franklin Roosevelt did, and the Roosevelt Administration did, the secrets are all there! And what you need is a big player, and the United States—if it changes its government, that is, if it changes the personnel in government—can become a big player again: because our Constitution allows us to do this. What it enables us to do, is to use our Constitution as a pivot, to enable other nations of the world which don't have that kind of Constitution, to engage with us in a global system, where we come into treaty agreements, long-term treaty agreements, 25- to 50-year agreements, in order to maintain a fixed-exchange system. You can not have a floating-exchange-rate system, because if the currency fluctuates, the interest rate goes up. If the interest rate goes up, you cut off investments. You've got to have a basic 1-2% simple interest rate in the system. If you're willing to do that, then everything can work—if you're willing to *make* it work. And if you're willing to promote ingenuity.

Reduce the Role of Large Corporations

The best thing to do is to reduce and limit the number of large corporations, because the large corporation does not have an interest in the firm, it has the interest in the money. So therefore, the way to do that is to have more smaller firms, which are closely held, where the leaders of the firm have an interest in what they do for society.

We used to have that in Germany, in the high-tech industries and machine-tool industries, design industries. For example, MBB is a good case of that, in Germany. And anyone who wants to study it, study the German MBB, before it was destroyed by Mercedes Benz, Daimler Benz. Machine-tool design people. Now, how did they function in the aerospace area and related areas? Look at the expert. Well, it was a large company, in a sense, but what did it depend upon? It depended upon firms, which were high-tech firms, sometimes with three employees, a physicist and two other people; or sometimes it had 20 employees. Closely held firms, up to a couple of hundred people. These closely held firms were family firms, or quasi-family firms, and they had



DigitalGlobe

China's magnificent Three Gorges Dam: "China's got to deal with a large percentage of poor people, with a large percentage of undeveloped land. The big investment is going to be in new cities, transportation systems, and so forth, to change the territory, so more people can live happily in China."

an interest in being effective in their communities. They also were the *bulwark* of communities, because what you want in a community, a small city or town, you want a number of industries which are diversified in terms of what they offer. And this is something that makes the community function. Because you have people who are the economic power in the community, aggregately, and they are interested in the community. They live in the community, they want the community to succeed. They want the firm to succeed. Not now, not this year, not to merge it. They want it for two to three generations to come. We used to have a lot of those in Germany. They would be built in other parts of the world. So you have an orientation to protect and promote the kind of investment, the kind of activity, which is useful.

And we need to have a shift now, we need to have a shift in Europe, in general, to a machine-tool-guided emphasis. We don't need mass production industries which produce stamped-out products. We need machine-tool design-based industries, where you can walk into the firm, "I got a problem. Can you fix the problem?" And the fellow will say, "Well, I can't fix it for you, but I know a guy down here who's got a

firm who can do it." And that's the way it works.

So, we want an orientation away from the large corporate idea, the stockholder corporation. Yes, we need large stockholder corporations to start putting things together. *But!* What we need is that the basic structure has to be largely the small firms, which are high-tech driven and machine-tool oriented. And if we do that, and regulate the system to promote that, and give them the advantage, then you're building the society, you're building the people, you're building the culture. Instead of having large areas which are going into destitution, while a few large corporations dominate everything, you have a sprinkling of skill and power of production throughout the local communities. Like the old-fashioned farmer, who, again today, the modern good farmer was the same thing as the machine-tool operator. You had good farmers in an area. You had good industries, small industries in the area. You had a community interest on the part of the leading people who were the producers, the proprietors of these things, in the area. They took care of the community. They make sure the schools are taken care of. That's the kind of society, which we used to understand was a good society. Let's go back to it.

So, we have to force that direction, by insight on a global scale, to the kind of reforms we make in society in general, and in monetary systems, and understand, *that's what we want to do.*

Superpowers and Geopolitics

Freeman: I'd like to take a question from someone in the audience here, Colonel Datta from the Foreign Policy Association, who is also the president of the Indian Veterans Officers Association of America.

Colonel Datta: Good morning, Mr. LaRouche. Thank you for an enlightening and a futuristic talk. In this historical process of the demise of British colonialism, the end of Cold War, and grand upsurge of militant Islam, would you please express your views that, in this context, is America the only superpower, now turning to be the new colonial power in Asia and Middle East? Is the abject failure of its foreign policy, that though "Islam" means "peace," all the avowed terrorists are all Muslims? Thank you.

LaRouche: I don't think these ideas, these schemes of that type work any more. For example, look at the overriding situation, the overriding dynamics in the situation. Let's take the question of so-called raw materials. I mentioned earlier

water and mineral requirements. I talked about the immense poverty of India, the immense poverty in China. On the surface, you have what appears to be success, but you have on the other side terrible problems, like the East Delhi problem. You have in China the same kind of thing. You have billionaires, Communist Party billionaires. It's a unique phenomenon, there, but you also have terribly poor people.

So therefore, there are no solutions under present conditions, that are not in a sense global solutions. They're global solutions which require the institution of the sovereign nation-state, for cultural reasons, because you can not destroy the idea of national cultures as a sovereign interest. You must promote national cultures as a point of sovereign interest.

But because of planetary problems, we require cooperation. *It is simply not possible to live on this planet, unless we learn how to manage it properly. We can live on this planet!* There's plenty of resources for us, if we manage them properly, but we've got to do it. There's no room for empire, of any kind. We've got to go back to emphasize the nation-state. But emphasize, above all, the development of the individual in society.

And to the degree that we solve those problems, I think other problems are soluble. I don't think we can design solutions. Economic systems of 50 years' duration, I can design, and they will work. I know how to make them work. They fit the requirement of the sovereign nation-state. We need to have initiatives, some people who will develop the initiatives which will inspire others. We need leadership. But the idea of new superpowers, no. There's no chance for new superpowers. Any superpower that emerges will be destroyed: So who wants to be a superpower? Only an idiot.

Greetings From Malaysia, Russia

Tennenbaum: I want to just mention that we received a message of greeting from the former Prime Minister of Malaysia, Mahathir Mohamad.

We also have a message from the President of the Russian Academy of Natural Sciences—this is the second largest academy in Russia after the Academy of Sciences of Russia—who's also the rector of Dubna University, Prof. Oleg Kuznetsov, and a colleague, Prof. Boris Bolshakov, who wanted to communicate to our discussion here their view that, "Lyndon LaRouche is well known in Russia as a major scientist, an outstanding economist, and a distinguished American political figure, one of the most important and prominent partisans of the idea of cooperation between the U.S.A. and other countries on the economic development of Eurasia in the spirit of Franklin Roosevelt. The fundamental ideas of LaRouche's physical economy are consonant with the ideas of such scientific luminaries as Gottfried Leibniz, Vladimir Vernadsky, and Pobisk Kuznetsov. They are the basis for profound analysis of the global monetary-financial system and strategic perspectives for mankind's next 50 years."

The statement goes on to point to the enormous gap between the speculative values in the world economy, grown from \$2 trillion to \$450 trillion on the one side, and the physical economy on the other side, and the danger of spreading asymmetric warfare. "This confirms Mr. LaRouche's conclusions. In our view, a new monetary financial system should include key elements of the original Bretton Woods system as well as kilowatt-hours as a universal measure of value." I guess Mr. LaRouche will have something to say about that.

But I want to go on with two other statements. One is a greeting from Yuri Krupnov, who is an expert on education and also on nuclear energy, who is working to form a new kind of political organization in Russia. He says: "First of all, allow me to express my gratitude for your tireless work in the interest of all humanity, on organizing world development. Today, Russia knows you well as an outstanding economist and political figure of our day, a genuine leader for mankind. We wish you strong health. In Russia, we often talk about the 'Siberian constitution.' [laughter] We fully share your concern over global deindustrialization. We believe it is necessary to organize a world coalition for industrial development right away." And he's taking the initiative to form a coalition in Russia, and he asks what you think about creating a world coalition for industrial development.

Nuclear Power and the Isotope Economy

Now, two contributions where I only mention the major point of content. One is from Prof. [Stanislav] Subbotin, from the Kurchatov Institute in Moscow, who's also been engaged with the leader of the Kurchatov Institute, Academician Yevgeni Velikhov, in a study of the future of nuclear energy on a global world basis. And we've had some discussions with Prof. Subbotin, which are ongoing, actually, on the issue of the so-called isotope economy. He simply emphasizes a couple of points in his short paper.

He says that there's no way you're going to solve political and economic reforms or problems of the world in the coming period, unless you have a functioning power system. And, to have a functioning power system, we're going to have to go to high-quality energy on a large scale for a long period of time. And the only way that we have at the moment is fission energy from the heavy elements uranium and thorium. He also notes that the products of the fission process include nuclides of great usefulness to technological civilization, including various forms of metals, including highly precious metals.

"The use of nuclear power opens up a new evolutionary process, which implies a new technological revolution." He also points to the importance of the high-temperature reactors which would be capable of producing hydrogen in large quantities, at high rates of efficiency. And he then summarizes, also, the view that Russia must play a key role in this coming period of a massive expansion of nuclear energy, as opposed to being simply a raw-materials exporter, and says that we

must emphasize in the development of the power industry in the 21st Century, it depends also on science and education. "Science and education must plant now, what will be reaped in 20 to 30 years." He also says that if we don't think in this kind of way, then the world will not be able to proceed or even survive this 21st Century, "since practically all crises are fundamentally intellectual in nature."

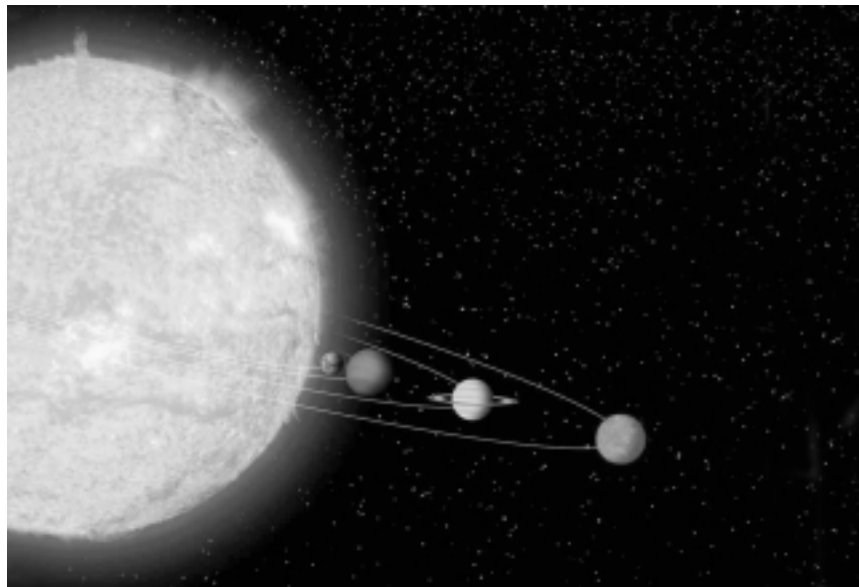
One last brief point from materials that were given to us by the Vernadsky State Geological Museum in Moscow, which is one of the central institutions in Russia to deal with the question of raw materials, geology, from the standpoint of V.I. Vernadsky. The head of the Vernadsky State Geological Museum, Academician Dmitri Rundkvist, who sends his greetings, emphasizes for our consideration here that there—I'll use my own words—kind of a revolution in geology going on, with the discovery of new qualities of large and super-large deposits, as science proceeds. And he says, "These discoveries have fundamentally altered our conceptions about the limits of strategic mineral raw materials in the world." He emphasizes that the problem to be overcome is to create the adequate international cooperation, the necessary large-scale infrastructure investments, and, the cooperation that will overcome the problem of the unhomogeneous distribution of raw materials in the world.

So, I would like perhaps if you would comment on these points.

There's No Fixed Universe

LaRouche: Well, we do have to change our way of thinking about a lot of things. For example, the universe we think in terms of, largely, today—we're taught to think that way, in terms like kilowatts, for example. What's "kilowatts"? Kilowatts don't exist. It's a measure of an effect. The idea of energy, in a reductionist sense, doesn't exist. The universe is created.

Look, I mentioned earlier this question of the Solar System. The Sun is very creative! If you try to draw fixed conclusions about the Sun from study of it in a certain state, and assume that's the steady state that it's going to be in, preferred steady state, you find that that's not true. The Solar System is a product of the Sun, which means it's a product of an *unsteady* state. That the universe is intrinsically *creative*, as Philo said in denouncing Aristotle: that God did not become impotent by virtue of creating a perfect universe. There's no perfect universe which is fixed. The universe by its nature is growing.



NASA/JPL

An artist's depiction of the Solar System. "The Sun is very creative! . . . The Solar System is a product of the Sun, which means it's a product of an unsteady state. That the universe is intrinsically creative, as Philo said in denouncing Aristotle. . . ."

Man is growing, changing. While we may discover a universal physical principle, we apply it to the condition of life, we change the universe! You discover a principle, and you apply it in a way to the universe that it's never been applied before, you are changing the universe.

The nature of man, which no animal can do as such, is to change the universe. We are headed out to take charge of the Solar System more and more, where the decision earlier in the last century to get to the Moon was always the conception of trying to get into the Solar System, and you needed a device in which you could build things—and the nearest place was the Moon—to build large structures which are necessary for getting to Mars, for example. We are headed to control the Solar System. We are headed for some time in the future, we should be able to control and modify the Solar System. Mankind is implicitly out to fix our galaxy and manage it. Mankind is on the way to deal with the universe, on a universal basis. A long time down the road, but there's plenty of time. We won't run out of time. We'll make more time.

So, the problem we have, is that we tend to think about fixed arrangements, the way people play chess. You know, chess players are very bright people sometimes, but they also get stupid by playing too much chess, because they think that everything is a matter of how you solve things in a fixed board, a fixed arrangement. They get no further than Leonhard Euler, who discovered how the knight's move in chess works, and he never got beyond that. He became a great chess player, and a lousy scientist.

So, I have a question here, which is—particularly, Velikhov's observation is very relevant to that. Our view is to

get away from the idea of a fixed universe, a fixed set of real estate, a fixed set of rules. Our objective is to think in a God-like way, in a sense, a creative way. You want to be called “in the image of God”? Well, be creative, eh? And think about solving the problems which we have not yet recognized exist.

And what you have in Russia in particular, one of its great assets, is that, despite the great poverty and the problems we know from Russian history, that from the time essentially from Tsar Peter, when he went to Freiberg Academy, and developed a couple of industries in Russia—mineralogy and so forth, and geology—that that became a source of a great inspiration for Russia, and became an area of its great achievements. And its accomplishments in this area that these scientists refer to, are of that character.

So, this is something that is good for us to be tied into. It’s good for us to look at Russia from that standpoint, to look at this particular aspect of Russian scientific thought, which has its other side as well. But look at this side, the creative side, the impulse to go beyond the fixed order of things, to think of man in a better, higher way, not as a fixed species where we have to discover the fixed rules for all time for man’s behavior. I’d rather say, there are no fixed rules, but our job is to develop, to increase, to improve the quality of mankind, the quality of the human being, the power embodied in a human being, the ability to control the universe more and more, or the *responsibility* to manage the universe, starting with the nearby Solar System, as well as Earth. To think in that way. Thinking in that way, going outside the fixed limits and assumptions, of conventional assumptions, to look at the world you’re not seeing, to look out of the corner of your eye at the thing you don’t see, eh?

It’s a principle of life. Just think about the essence of science. The essence of science, as the Apostle Paul emphasizes, is the Platonic concept in *I Corinthians* 13: Human vision doesn’t show us the real universe. Human vision shows us the effect of the act of the universe on our sensory apparatus, and our cognition of what that means. To understand, to be man, means to step out, outside and beyond the limits of a literal interpretation of our sensory experience. This we call the discovery of a universal physical principle. When you find, that out of the corner of your eye, as in a great poem—out of the corner of your eye, you see something that is not shown to your senses directly, but which *your mind is capable of recognizing exists*. And not only can we discover things that exist, if we can’t see with our senses, by the powers of mind, but we can also *use* those things we discover and *prove* they’re true, by being able to control them, that is how we begin to understand *that mankind is naturally, by nature, a creative force in the universe*. Not simply a cutter-force, not simply a force which can use its power to get more and more power. But as a creative force, *we are going to change the universe, as man*. That’s our destiny. If we think in that way, then we get into the habit of looking out of the corner of our

eye, our senses, and seeing what’s there that we should be able to see.

And then we discover immortality, because even if we die, we changed the universe. We’re immortal.

2.3 Eurasia: Southwest Asia

Tennenbaum: I have now several contributions and questions that deal with the question of Southwest Asia. A contribution to our discussion here was sent by Vladimir Borisovich Isakov, who is the vice-president of the Chamber of Commerce and Industry of the Russian Federation, and who works directly under the President of the Chamber of Commerce, Yevgeni Primakov, former Prime Minister of Russia. Dr. Isakov regretted that he’ll be travelling during the time of our conference, but wished us the best success and submitted for our consideration here, the text of a very important statement that was made just two days ago by Yevgeni Primakov in Moscow, when presenting a new book of his on the history of the whole problem in Southwest Asia and the international events around it.

The book is called *Confidential: The Mideast On Stage And Behind The Scenes*. Primakov was already a very accomplished Arabist/Orientalist before he became, first, Foreign Minister of Russia, and then Prime Minister. Primakov says, “This book is about one of the main aspects of what I have experienced in my life. I have been dealing with the Middle East for over half a century, as a journalist, a scholar and a politician. As [the poet] Yesenin wrote, ‘What we can not see, face to face, / Big things are seen from a distance.’ ”

He refers to the fact that his book may create a certain amount of controversy, and not all people will agree with it.

Primakov reviews six “realities” of the current crisis in the Mideast, including the impossibility of Israel achieving its goals militarily, and the necessity for U.S. involvement in a solution. Despite all the difficulties, says Primakov, “I still advocate, first, that the Quartet, bringing in other participants, work out a compromise settlement plan, and secondly, demand that it be accepted by the parties of the conflict. After all, we have the precedent that Israel came into existence and Palestine was partitioned, not as the result of Jewish-Arab negotiations. The convocation of an international conference, with the active participation of Russia, the U.S.A., Europe and the UN, could be a way to implement the ideas I have indicated.”

Would you care to comment?

Compromise Simply Won’t Work

LaRouche: It won’t work. Compromise won’t work. You have to go with something else. You have to go with the Westphalian policy. The problem in this area is that the root of the problem lies in the fact that the whole region has been a long-time focal point of interests, largely Anglo-Dutch

Liberal-centered interests, engaged with the French Synarchist interests, and this goes much deeper than Sykes-Picot. Sykes-Picot was only on the surface. You want to get to the gut of the thing, you must go on a much deeper level, and it's a much older level. This was created. The crisis was created. And the reason this thing goes on is because the Anglo-Dutch Liberals don't want it to stop! These countries are controlled by Anglo-Dutch Liberal influences.

Look at the case of Benjamin Netanyahu. Netanyahu—you know, you had these fascist movements in the Zionist movement. Netanyahu's father represents one of the worst, and he's one of the worst. He's an American fascist, essentially, and he's an asset of American interests, but also of British interests. The thing is highly corrupt. But it's orchestrated from the outside! So you try to bring things together, that aren't independent. They're slaves of outside interests! They're plenty of Israelis who have no problem with the idea of solving the problem, but they're independent interests. They're not the people who are tied to the outside interests.

If you want to solve the problem of the Middle East, you've got to kick out the British and the Dutch and some Americans, and then you could do it. No problem.

With the water problem, for example. The water problem was understood long before there was a significant Jewish settlement in the Middle East. It's intrinsic to the area. You can not have significant habitation in this area without water! The idea that you shouldn't have nuclear power operating in the region for the water problem alone, is insane.

So therefore, you have to go to the region, and you have to say, what is to the "benefit of the other," of the Westphalian principle. And by taking a firm position, and not compromising on that—don't compromise the benefit of the other! Don't give somebody something to do damage to others! Don't do it! Say, we'll help you. We will do it for your benefit. Period. Cost is not the problem. But you've got to accept the benefit, and you've got to accept the other guy getting a benefit, too.

There is no solution otherwise. The whole history of religious warfare and similar kinds of warfare—don't do it. Don't believe in it. It doesn't work. This whole thing reeks of a

Features of the LaRouche 'Oasis Plan'



EIRNS

The LaRouche "Oasis Plan" for Middle East development is based on the principle of the Peace of Westphalia, the "benefit of the other," and concentrates on providing fresh water through nuclear-powered desalination: "If you want to solve the problem of the Middle East, you've got to kick out the British and the Dutch and some Americans, and then you could do it."

Hobbesian philosophy, and getting people to maintain a Hobbesian philosophy. If the Arabs and the Israelis don't come close to an agreement, somebody will step in and start a war, and start a fight. It happens repeatedly.

The Crisis Comes From Outside the Region

So, the idea of compromise is not the problem. The problem does not lie with the Arab or the Israeli. That's not where the problem lies. The problem lies in those who are brokering the conflict, who want the conflict.

Look, I was in Iraq in April of 1975. And was meeting with some people all over the Arab world, in particular. And

they said, "What's your opinion?" And I said, "Well, what's going on, is that you're going to have Henry Kissinger in a very short period of time, and he's going to start a civil war in Lebanon. And the whole Middle East is going to be blown up, because Henry Kissinger has got a deal to blow up the Middle East, by starting a civil war in Lebanon." So while I was there, the civil war broke out, as I had warned it would happen. And suddenly, all of these Arabs are coming to me and saying, "C'mon, let's meet, let's meet." So we went up to a pumping station, and we talked about it. Nothing good came out of it, except solid interest, but that's the way it works.

Outside operations—in this case, from the United States and Britain, chiefly, with some French complications—started this war! Which had been going on since 1975, that particular war. And if you don't go at the people who did that, and get them out of there, you won't get an agreement. I mean, Primakov means well, but I know the that Westphalian solution is the only one. And they'll say, "Yeah, but that won't work. They won't accept it. Therefore you've got to compromise." And I say, "Don't waste your time." Let 'em kill each other. Because, don't fool anybody. No compromise will work. It has to be Westphalia, or it won't work. And you have to learn that.

Sometimes, you have to go by principle, just like you have to do countries today. You know, you've got whole countries, including the United States, which might *disappear*, disintegrate, within a matter of months from now. That's the reality of the world around us. And if we don't go to real solutions, which sometimes appear to be the "hard" solutions, and fight for them, we're going to find that by buying something cheap—you know, go out and buy a dress that melts when the rain comes?—you find that you're worse off than if you'd never bought it.

Causes of the Bloodbath

Tennenbaum: We have an analysis by Prof. Seyyed Mohammed Selim, professor of political science at Cairo University and a great expert in the region. His contribution is entitled, "The Root Causes of the Bloodbath in the Middle East. Is There a Way Out?" He also advocates the convocation of a multilateral Middle East conference to reach an agreement on the various issues in the region.

We also have a contribution from Gen. Mirza Aslam Beg, former chief of staff of the Pakistani Army, and well-known strategic thinker in Pakistan on the situation in Southwest Asia.

We also have a message from Dr. Mahmood Khallaf, who is a retired general at the Nasser Military Academy in Egypt, who also mentions that the United States is losing the minds and hearts of the Arabs in the Islamic world, and asks what is going to happen with United States interests if the policy is not changed, and also advocates a new Madrid-type of conference for the region.

We have a question coming from Réseau Voltaire in France. I would like to ask Jacques Cheminade to pose the question, and then for Mr. LaRouche to comment.

Who's Doing What To Whom in Lebanon?

Jacques Cheminade: It's from a group of strategic reflection connected to the Réseau Voltaire, so it's more than Réseau Voltaire itself. Réseau Voltaire is a French and international network, which organized in January, the Axis for Peace conference, and is now number-two among all French Internet websites dealing with international policies.

The question is the following: "What do you think, Mr. LaRouche, about the role of the financial system in the unleashing of the Lebanese war, or the war against Lebanon, and about the reason why Saudi Arabia, followed by Egypt and Jordan, decided to give public support to the American-Israeli operation in Lebanon. What is the specific role of the Hariri family of Lebanon, suspected of being connected to the big Israeli-American banks?"

LaRouche: Well, the Hariri family was very close to the Saudi family, so that the two things are very closely connected that way. I think that's the relevant feature there.

The problem here is, we have a highly degenerated situation, which is a byproduct of the playing with the Shi'a against Sunni, and other tendencies in the region. So, you have a degenerated situation, in which to expect the forces in the region to come to agreement. And Lebanon is a very special case, where you've got internal agreement to a large degree among Lebanese, for special reasons, which are obvious. It's a special country, with special characteristics.

But in the region in general, there is a degeneration.

Now, also, in the degeneration, the U.S. is a big factor here. Certain U.S. interests, like the Bush family, for example, is very tied to the bin Laden family, that sort of thing. Osama bin Laden was actually a George H.W. Bush protégé, at one point! And they technically split ways. I'm not sure how far the split went. But it's that kind of situation.

So, you've got the degenerated situation, which has been precipitated in this new form, by the prolongation of the Iraq War. And so, I think, trying to find a way of manipulating the pieces, or looking at the possible manipulation of the pieces in the region, is not a solution. I think the solution has to come from a higher level. The Middle East is not, in a sense, a viable region right now. And if you had the attack on Iran, it would make the whole region—

Look at Turkey. We now have the inevitable from this tripartite division of Iraq: that you now have the Kurdish question is threatening to explode on us, which means you have the whole Transcaucasia area, as well as Iran and so forth—you attack Iran, and there's nothing left to the whole region! Except one spreading hellhole!

So, the problem now is not trying to work from the bottom up and fix the pieces. You either have a global solution, or you have no damn solution whatsoever. That's reality. The



Official site of Andrés Manuel López Obrador

Mexico's Presidential candidate Andrés Manuel López Obrador is confronting the same forces which were imposed on Mexico by the combined British-French-Dutch-Spanish fleet: "To stick a Maximilian on the throne of Mexico, while you have a Benito Juárez in the form of López Obrador, associated with the people—this is an explosive situation for the entire hemisphere of the Americas. . . . And the hemisphere's ready to blow."

time when regional solutions were possible, *is gone*. Now, you have only global solutions, or you have *no solution*. That's the problem that people have with this. They're all trying to find out, "Well, we can't deal with the big problem. Can't we deal with the little problem?" But there are no little problems. The little problems are all—you know, the mice are being trampled by the elephants, and agreements among the mice are not going to solve the problem.

3. Central and South America

Freeman: I want to ask Lyn a question that just came in, from the [LaRouche Youth Movement] encampment in Mexico City. Lyn, the question is this:

"In Mexico, López Obrador proposes a revolution of conscience. How can one help that proposal? What can we do? You know the situation in Mexico. How could Mexico make an economic change, and restructure the institutions in the sense that he is saying, if the global situation doesn't change? In fact, can it? Back in June, you said that Mexico per se could not generate credit. Could you please develop that idea for us a little more, so that we know how to proceed?"

LaRouche: Part of the answer to this thing is often in what appear to be negatives. Look, the so-called Hispanic-origin minority in the United States is the largest single minority group in the United States, designated as such. It's a mixture of people who have been in the United States for two or three generations, down to people who are illegal immigrants today. This is mixed with people from other parts of South

and Central America, of course, but it's the northern Mexico tier which is most heavily represented. Now, if there is not development in Mexico, and if the United States is going through an economic crisis, which would be a social crisis, then the conditions of people on both sides of the border is such that you have an internal security risk within each nation, and across the borders. Absolutely uncontrollable risk.

So anybody who is not going to do something about this, should be sent to prison, where they'll have time to think about it, eh? Because we can not tolerate this.

Now, what's happened—López Obrador has already said, and it's valid, because I recognized the thing immediately, even before he said it. We just happened to collide in saying the same thing. What you have in Mexico today is a replication of the occupation of Mexico by the Emperor Maximilian. That is, the same kind of forces, the same forces which were imposed on Mexico by the combined British, French, Dutch, and Spanish fleet, and with the Austrian pig stuck on the throne, that this is what

is happening now with the case of Calderón. To stick a Maximilian on the throne of Mexico, while you have a Benito Juárez in the form of López Obrador, associated with the people. *This is an explosive situation for the entire hemisphere of the Americas*. And anybody who wants to force the Calderón dictatorship, which is what it's supposed to be—whether that's Calderón's intention or not, I don't know. You want to force that on Mexico? You're going to blow up the hemisphere! And the hemisphere's ready to blow!

Impeach Bush and Cheney Now!

The key thing is, we've got to look at the fact of the matter. What can we do about this? Well, I say we have to get both Cheney and Bush out now. The grounds for doing so—look, Bush is clinically insane. He manifests that, it's an open secret. It's not even an open secret any more, it's a sewer, it's an open sewer. Cheney is a sociopath, who's committed crimes. Why not just impeach the pair of 'em, and get rid of 'em. Send them back to Crawfish Ranch or something.

We have to do it! You see, the times have come when you can not bargain and solve a problem within the terms that are given. You sometimes have to step outside the definition of the problem, and change the problem, rather than trying to solve the problem. In this case, if we can't solve the problem, then we're not willing to solve the problem, we can't mobilize it, we may have an absolutely hopeless situation! Civilizations have gone to Hell before, and this one can go to Hell too. We're on the edge of it. We're on the edge of it, if we don't do something about it. We've got to get Bush and Cheney out of there now! They should be impeached immediately. And any Democrat or Republican who won't do that, is an idiot.

Culture As Science

by Lyndon H. LaRouche, Jr.

September 4, 2006

It is time to follow up what I have published earlier on the issue of “Science and Culture,” as this was posed famously by England’s C.P. Snow¹: *Is there a science of culture which corresponds to the broadly accepted, essential notions of a systematic organization of the subject-matter of physical science?*

From what I have written earlier, on human culture, it is shown that a systemic form of behavior is comparable to the

1. C.P. Snow, *Two Cultures and the Scientific Revolution* (London and New York: Cambridge University Press, 1993 reprint).

systematic notions of universal physical principles otherwise. This statement, while fully true, involves two notions which need to be clarified.

- *First*, human culture differs from behavior of animals in a fashion which is comparable to the difference between living and so-called “inanimate” processes.
- *Second*, certain limited aspects of human culture can be introduced to the behavior of beasts without breaching the qualitative difference, as between the Biosphere and V.I. Vernadsky’s Noösphere, between the human mind and the behavioral potentials of the relevant beasts.



EIRNS/Sylvia Spaniolio

Teams from the LaRouche Youth Movement are re-experiencing the act of discovery of universal physical principles. “This is key for comprehension of the actual meaning of the idea of competent physical science, and also for Classical human culture otherwise.” Here, LYM members in Oakland, Calif., demonstrate the principle of the catenary.

That is to emphasize that beasts, pet dogs for example, can acquire a well-ordered capacity for response to human culture and its affective aspects, but without the cognitive feature of human behavior to which the beast has become conditioned to respond with a certain *affective* appropriateness.

For this very reason, a review of the cultured relationship between dogs, as family household pets, and mankind, is, as Cardinal Nicholas of Cusa would, implicitly, have agreed, one of the most relevant of the complementary studies of the precisely definable line of principled separation between mankind and all lower forms of life. As the Cardinal emphasized the crucial point here, the dog is able to participate in mankind, as man must participate in the Creator, as Cusa's faithful follower, Johannes Kepler, did.

* * *

The essential, absolute difference between man and animal, is an expression of the fundamental distinction, as by V.I. Vernadsky, between man and beast, as this separation is expressed by the pervasively distinctive characteristic of what Vernadsky identified as *the Noösphere*. In the matter of general practice, this difference is expressed in terms of the fact that there is no direct, literal form of *organic* communication—as if to say “wiring”—among the cognitive powers of individual persons. Yet, the individual's cognitive (i.e., scientifically creative, and Classical artistic) processes, must necessarily affect the development of the living processes, such as the health, of the human individual.

It is within the bounds, so to speak, of those processes for which there is no connection of likeness to “wiring,” that the commonly characteristic feature of both science (properly conceived) and Classical forms of culture lies. It is, therefore, within the bounds of that common feature, that the differences between the two lie to be defined and distinguished.

The common feature of what is fairly named the discovery of a universal physical-scientific principle, is what is typified by Johannes Kepler's uniquely original discoveries of both universal gravitation and the subsumed principle of ordering of the harmonic determination of the orbital pathways within the Solar System as a whole. As the point was emphasized in the anti-reductionist method of *Sphaerics* shared among such Classical Greek circles as the Pythagoreans, Socrates, and Plato, truly universal physical principles can be demonstrated by appropriate actions which prove the efficiency of certain principles as universal in nature, but these principles, which the Pythagoreans and Plato put under the categorical name of *dynamis*, a term from Classical Greek which Gottfried Leibniz introduced to modern physical science as *dynamics*, are not directly “visible” to sense-perception. Animals and René Descartes can recognize the sensory effects of such principles, but can not recognize the principle as such; only the cognitive processes specific to the sovereign individual mind can recognize such a principle of this category of *dy-*



EIRNS/Helene Möller

It is urgent that we capture the nature of the human species, LaRouche writes, which produces fundamental science and Classical modes of artistic expression “in celebration of the inherent nobility of the nature and worth of the human individual's creative powers.” Here, LYM organizers in Germany, singing in the Berlin district of Pankow.

namic, as such.

Principles which fit the category of *dynamics*, once discovered by one mind, correspond to a cognitive experience, by that mind, which can be replicated by another individual mind, as teams from the LaRouche Youth Movement (LYM) organization are re-experiencing the act of discovery of both universal gravitation, in particular, and the dynamical-harmonic organization of the Solar field of gravitation in general. This is key for comprehension of the actual meaning of the idea of competent physical science, and also for Classical human culture otherwise.

The discovery of a universal physical principle is a socially replicatable act of the cognitive powers of the individual mind; Classical culture is founded on a higher order of comprehension: the comprehension of the social process of organizing the behavior of society, which takes the transmission of

ideas of the quality of universal physical principles, as the subject of the same quality of cognitive powers of the individual to the social processes represented, typically, by the feasibility of replication of the discovery of a universal physical principle through appropriate methods of experimental replication of proof.

Hence, for example, in physical science, the use of a so-called “pure mathematics” as a substitute for science, as in the use of the pathological state of scientific incompetence exhibited by so-called “benchmarking,” is a form of functional insanity with the foreboding of even probably fatal consequences in the naïve design of aircraft, by resort, as since approximately 1989-1991, to substituting benchmarking methods for physical methods of previously traditional design-engineering practice. This is more readily understood by contrasting the competent methods of physical geometry, known as *Sphaerics*, practiced by the Pythagoreans and Plato, for example, with the intrinsically fraudulent method employed by the Euclid of *Euclid's Elements*.

The adoption of aprioristic notions, such as notions of a “self-evident” set of definitions, axioms, and postulates, as the basis for a mathematics, implicitly defines a virtually Babylonian “flat Earth” scheme as the formal universe of plane and solid geometry, and uses such a pathological form of “pure mathematics” as a weapon deployed as a set of alleged canons. Such is the practice by the Babylonian priesthoods disguised as modern “peer review committees,” to cripple science in a manner echoing the thunders of the pro-satanic Olympian Zeus of Aeschylus’ *Prometheus Bound*. The function of such “peer review” practices, is to eliminate the practical recognition of a universal physical principle from science, by substituting a reductionist form of mathematical deduction for actual knowledge of an experimentally validated universal physical principle such as Kepler’s uniquely original, experimental mode of discovery of universal gravitation and its associated Solar-systemic harmonic orderings.

Hence, “pure mathematicians,” especially those addicted to modern forms of the so-called positivism of Ernst Mach, as by Ludwig Boltzmann and his school, or, worse, the radical empiricism of the school of Bertrand Russell and such of the latter’s devotees as Norbert Wiener and John von Neumann, hover on the brink of a plunge into either virtually autistic or schizophrenic modes of insanity, even mass-insanity. In these two cases, we are dealing with highly developed minds, such that it is not lack of talent for formal education which has created their pathological form of deficiency, but, rather, an acute mental-pathological disorder, either of lack of the capacity for empathy for the social nature of the human individual in society, or a virtually schizophrenic deadening of the relevant semblances of a human conscience, as under the influence of the shamelessly Satanic personality of Aleister Crowley associate Bertrand Russell. The result of either case is a compulsion to view man and nature alike, in a social-pathologically mechanistic view, expressing functionally

systemic hostility to mankind and nature generally, as both Wiener and von Neumann exhibited such psychopathological traits characteristically in their work.²

It is the attempt to confine the notions of physical science to the terms cohering with the Olympian Zeus’ ban on man’s knowledgeable use of fire or nuclear power, which has thus created that pathological dichotomy of physical science and Classical artistic practice, to which C.P. Snow referred. Substitution of the aprioristic practices akin to those of *Euclid's Elements* for the act of discovery of the universe’s design according to experimentally defined universal physical principles, as the combined work of Kepler and Bernhard Riemann, is exemplary of all competent modern European science, in the defining of the nature and role of universal physical principles, is a substitution which has been a crucially determining influence in the Twentieth Century’s ruin of modern physical science and the virtual elimination of knowledge of the methods and principles of Classical artistic composition.

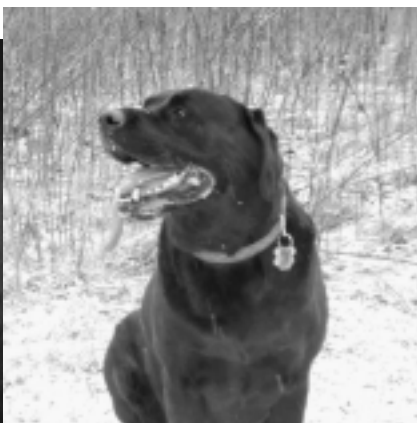
The Human Individual As a Cognitive Being

The enduring accomplishment of V.I. Vernadsky’s combined view of the Biosphere and Noösphere, as characteristically *dynamic*, rather than mechanistic systems, is that it forces us today to place the emphasis on the distinguishing principle of the Noösphere in defining the principled basis for functional notions of relations within society. Hence, all social sciences today, including economics and politics, and also problems of human mass and individual psychopathology, must be subsumed under the controlling principle of that which distinguishes the Noösphere absolutely from all inferior expressions of the principle of life. Such is the best modern approach to a richer understanding of man as made in the likeness of the Creator.

Since the original discoveries by Johannes Kepler and such of his explicit followers as Fermat, Leibniz, Gauss, Dirichlet, Riemann, and Albert Einstein, it is clear, that when mankind acts to effect a change in the universe of action by applying a discovered such principle to the Solar system, or the larger universe, this application tends to change the universe, such that mankind then stands revealed more clearly as in the likeness of what the great Philo of Alexandria defined as the personality of the Creator who is not bounded by a mistaken commentator’s notion of the Creator’s limitation by his own Creation.

The corollary of that, is that it is only when the individual and society, base the ordering of the society’s practice on such principled steps of progress in the universe as the application of discovered universal physical principles to

2. E.g., Wiener’s notion of “cybernetics,” his *Human Use of Human Beings*, and the pathological notion of “artificial intelligence” by von Neumann, Marvin Minsky, and Noam Chomsky, are notable examples of this social-pathological, mechanistic misconception of mankind.



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"Animals and René Descartes can recognize the sensory effects" of universal principles, but not "the principle as such," notes LaRouche. "Only the cognitive processes specific to the sovereign individual mind can recognize such a principle of this category of dynamic, as such."

raise the universe, or at least part of its whole, to a higher physical standard, that man is behaving as in the likeness of the Creator.

In known history, Satan is of the type of the Olympian Zeus of Aeschylus' *Prometheus Bound*. It is the anti-Prometheans, in the sense of that reading, who are the expression of Satanic forces within society. The conception of man as human cattle, the which the Olympian Zeus would enforce, is the essence of evil. For example, chattel slavery, as introduced to Transatlantic practice by the Spanish of Torquemada's Spain, by the Anglo-Dutch Liberal system later, and as defended by the virtually Satanic insurrection against the U.S.A. by Lord Palmerston's Confederacy assets, is a clear example of the Satanic principle at work. Similarly, the post-1865 practice, by some Yankees of the Liberal persuasion, in not educating children of former slaves, and also others, "above their expected social station in life," is an example of the Satanic principle of the Olympian Zeus at work. Similarly, the contemporary Malthusians, who have reigned more and more in policy-shaping during the post-1968 developments, must be included among the overtly Satanic tendencies. However, also, for the same reason, much of the work of the academic and related "peer review" establishment, is also Satanicly inclined.

There are three outstanding examples from the known history of European civilization since the ancient Greece of Thales, Solon, the Pythagoreans, Socrates, and Plato, which, like the Christianity of the Apostles John and Paul, have focussed on this point as a matter of systemic principle for society as a whole. These are the assembled Socratic dialogues of Plato, the ecumenical doctrine of Cardinal Nicholas of Cusa, and the role of Cardinal Mazarin in organizing the principle of "the benefit of the other" as the principle of uni-

versal natural law on which the great 1648 Treaty of Westphalia was premised.

There are two leading aspects to this central principle of those sources. First, that those aspects of national cultures which share affinity, in the sense of natural law, with that central principle, must be defended as the sovereign instrument of self-government by a people. Second, that those sovereign nation-states must be united under the sharing of the same universal principle expressed, so, by the exemplary 1648 Treaty of Westphalia.

We have come to a time in which the power to conduct warfare, either as a use of powerful modern technologies, or in the

deadly form of asymmetric warfare, does not permit warfare in any mode but the absolute requirements of self-defense. Warfare launched for any other purpose constitutes a capital crime against all humanity, whatever other purpose might be posed.

The conditions of peace, can not be the silly, counterproductive proposal, based on the foolish doctrine of negation of the negation, by Immanuel Kant. The principle must be, like the 1648 Treaty, a purely positive affirmation of love for all mankind premised on those individual cognitive powers which distinguish man from the beasts.

These cognitive powers are expressed in competent physical science, as by the ancient Pythagoreans and Plato, and by the modern physical science launched, initially, by Cardinal Nicholas of Cusa's contributions to the continuing work of the great ecumenical Council of Florence, as Kepler, Fermat, Leibniz, Gauss, Dirichlet, Riemann, Einstein, and Vernadsky typify the essential work of fundamental physical scientific progress. However, this were not sufficient. We must capture the principle of scientific thought; but, it were more urgent that we capture the nature of the human species which produces that science and the complementary expressions of Classical modes of artistic expression in celebration of the inherent nobility of the nature and worth of the human individual's creative powers.

As we move now into the great dialogue among peoples and their nations, to avert the monstrous calamity of economic collapse and war which now confronts us all, we must put the issues I have summarized here in the forefront of our discussions. It is time to grasp more fully that divine mission of all mankind which must unite the respectively sovereign nations to a common global purpose for our actions within the universe as a whole.

John Train and Corruption Of Public Television

by Tony Papert

In early 2003, the 20th year of an aggressive campaign to compel public television to become a conduit for “neo-conservative” a/k/a Synarchist propaganda, Pat Mitchell, president of the Congressionally established Public Broadcasting System (PBS), accepted an invitation to tea with Lynne Cheney in her residence in Washington’s Naval Observatory, as Ken Auletta reported in *The New Yorker* on June 7, 2004. It is Lynne Cheney, with her ties to Britain’s Baroness Symons and Tony Blair, who sits at the top of the Synarchist food-chain in American politics, not her blinded enforcer of a husband, the Vice President.

That same 20-odd-year right-wing campaign also gave birth to the fraudulent film “The Path to 9/11,” which ABC Television intends to air on Sept. 10. It was leftist-turned-rightist David Horowitz, for instance, who created the Committee for Media Integrity in 1988, to cut off funding for public television unless it played and paid him and his “neo-conservative” cothinkers. Horowitz then created the “Wednesday Morning Club” in 1992 to prepare a right-wing takeover of Hollywood, and more recently connived with the “Youth with a Mission” cult to launch “The Path to 9/11” hoax in 2006.

Auletta reports that there with Mrs. Cheney to greet Mitchell was Michael Pack, who proposed that the Vice President’s wife host a series of one-hour television programs aimed at middle-school students. “We brought Pat Mitchell there to see if it was acceptable to have the Vice President’s wife be on a show on public television,” Pack later explained. But within weeks, Pack had to recuse himself from the project when he was appointed senior vice president and head of all television programming at the Corporation for Public Broadcasting (CPB), which rations PBS’s Federal funding and that of local stations. The Lynne Cheney Hour project was put on ice.

But who is Michael Pack? He appeared on the scene in the late 1980s as a corrupt producer of “documentaries” for public television, and also of sex-education films on homo-

sexuality for public schools. Corrupt not because he is a neo-conservative, a supporter of the Bush “faith-based initiative,” the Iraq War, and all the rest. No. Corrupt because in every one of his “public” television documentaries, he has been *paid to lie* by private interests. In 1998, for instance, Pack was producing a documentary on the police beating of Rodney King in Los Angeles. The Summer 1998 newsletter of the Law Enforcement Legal Defense Fund closed with the following postscript: “We are not finished paying for the production costs of ‘The Rodney King Incident,’ so we’d appreciate any donations you are able to send. Those contributing at least \$50 will receive a video tape of the film. There is a reply envelope enclosed for your convenience. . . .”

Did the policeman mailing in his \$50, know that Pack was getting \$75,000 for the same “documentary” conduited from the neo-conservative Olin Foundation?

In 1994, as part of the campaign to take over Hollywood, Pack partnered with neo-con film critic Michael Medved to produce “Hollywood vs. Religion.” James Dobson’s “Focus on the Family” picked up part of the tab.

But the greater part of Pack’s documentary efforts were paid for more simply: by checks from the Northcote-Parkinson Foundation, the private foundation of New York investment banker John Train, also the founder and architect of the “Get LaRouche Task Force” which sent Lyndon LaRouche to jail on false charges in 1989. But although Train is a millionaire, this was not Train’s money, or even that of his tax-exempt foundation. The money originated with other foundations, and was merely passed through Northcote Parkinson. For the most part, the sources were the funders of the so-called conservative revolution: the Olin and Bradley Foundations. Another was the Ford Foundation. Still another was the Bodman Foundation, a cash-cow for the “Get LaRouche” operation, through the American Family Foundation and the latter’s Cult Awareness Network (since renamed).

The amounts which Pack obtained through Train’s foundation were significant: often from \$200,000 to \$750,000 or



Harper & Row

John Train, a New York investment banker, founded the "Get LaRouche Task Force" in 1983. His foundation funds Michael Pack's "documentaries."

more per year. Nor was that the only source: Others included the taxpayer dollars of the CPB itself. More than once has Pack garnered half a million dollars for a single "documentary." Let the reader decide whether these huge sums actually went into the films of a producer famous for his "talking heads" documentaries.

The frauds which Pack was paid to perpetrate are too long to report here. In "God and the Inner City," he tried to sell Bush's faith-based initiative to bribe black ministers. His life of George Washington was narrated by neo-con ignoramus Richard Brookhiser, copyrighted by the Straussian Claremont Institute, and featured John Train in the credits. As head of television at the CPB from 2003-06, Pack had a \$70 million production budget, with which he paid similar producers for "documentaries" interviewing notorious neo-cons Richard Perle on the "Case for War," Robert Kaplan on "Inside the American Empire," and Frank Gaffney on "Islam vs. Extremists."

He even paid ex-LaRouche associates Dan Polin and Ken Mandel to produce "The Trial of Saddam Hussein." And therein hangs a tale. It is Michael Pack's connection to ex-LaRouche associates which is the incriminating proof against Pack and his puppeteer, John Train.

Train: An American Tory

Born in 1928, John Train is part of the Anglophile financier oligarchy denounced by Franklin Roosevelt as "the American Tories." Train's family fortune came, in great measure, from the 19th-Century profits of Enoch Train and Company, a clipper-ship firm that served as a junior partner of the British East India Company in the opium trade. Train's grandfather on his mother's side was a founding partner of JP Morgan.

Train has a long history in the dirtiest parts of the "bankers' CIA." He established the *Paris Review* in 1951 as a front for the Congress for Cultural Freedom, which brainwashed the Baby Boomer generation with modernist countercultural perversion,—all in the name of "fighting communism." As part of the "secret government" apparatus of spook Walter

Raymond and Ollie North, Train headed the Afghan Relief Committee, which funded butcher Gulbuddin Hekmatyar ("fighting communism").

But Train's filthiest deed for this network was triggered by President Reagan's March 23, 1983, television address, embracing LaRouche's plan for what Reagan called a "Strategic Defense Initiative," to break the Cold-War deadlock of thermonuclear "mutually assured destruction" in favor of agreement to use revolutionary new technologies, both for nuclear defense, and for development of the Third World, in what physicist Edward Teller called "the common aims of mankind."

The U.S. government had taken up LaRouche's proposal, but Russia's new General Secretary, Yuri Andropov, flatly rejected it. If the Soviets had agreed as well, the events of the past quarter-century would have been completely different. Instead of an economic collapse of the Eastern bloc, followed immediately by that of its former opponents, we would have experienced a combined ramping up of both for the tasks of this new century.

Train set out to strangle this hope and imprison its author; if he could not kill LaRouche outright, he was determined that he rot in jail for the rest of his life.

Exactly one month after Reagan's televised address, on April 23, 1983, Train convened at his home, the first of at least three meetings of the "Get LaRouche Task Force." Participants included National Security Council consultant Roy Godson; FBI informant John Rees; Mira Lansky Boland of the ADL; a representative of PFIAB Chairman Leo Cherne's Freedom House, a private intelligence outfit; ultra-right Pittsburgh billionaire Richard Mellon Scaife; LaRouche-baiter Chip Berlet; and several dozen journalists from media outlets including NBC-TV, *Readers Digest*, *Business Week*, the *New Republic*, and the *Wall Street Journal*. The purpose was to launch a media slander campaign against LaRouche which would lead to his indictment, conviction, and imprisonment. Ten major media slanders followed within the next 30 months.

In 1987, Train established the Northcote Parkinson Fund, primarily to fund public television initiatives promoting "free market economics and politics." From the beginning, the recipients of most of the funds were Michael Pack and his associates.

During approximately 1979-81, Pack infiltrated Dan Polin, his business partner in his company Manifold Productions, into the environment of LaRouche's associates. Then, in 1988, Pack and Polin induced former LaRouche associate Ken Mandel to form another phony PBS outfit, "Great Projects Productions," with Polin. The hand-off from Manifold to Great Projects was a two-part series on "America's Political Parties" (1988 and 1992), in which both companies and all three principals participated, and shared the largesse conducted through John Train with his Venetian methods.

The crime against public television was an element in a far greater crime.

LAROUCHE TO RUMSFELD

FDR Defeated the Nazis, While Bushes Collaborated

This leaflet was issued on Sept. 4, 2006 by the LaRouche Political Action Committee. Following it is extensive documentation of Prescott Bush's role in the Anglo-American "Hitler Project."



DOD/Tech Sgt. Cherie A. Thurlby

Secretary of Defense Donald Rumsfeld is comparing opponents of Administration policy in Iraq, to those who appeased Hitler in the 1930s. "With the growing lethality and availability of weapons," he said in Salt Lake City on Aug. 29, "can we truly afford to believe that somehow vicious extremists can be appeased?" Lyndon LaRouche has called for Congressional hearings on who really collaborated with the Nazis—including President Bush's grandfather, Prescott Bush.

Lyndon LaRouche responded forcefully and directly on Sept. 3 to Secretary of Defense Donald Rumsfeld's recent insane accusations that Democrats who opposed the Bush Administration were "appeasers," like those who capitulated to Hitler in the 1930s. Rumsfeld delivered two speeches and penned a *Los Angeles Times* op-ed during the week of Aug. 28-Sept. 3, repeating the "appeasement" charges, and then sent a letter to Congressional Democrats, ostensibly retracting his remarks, but, in fact, reiterating the same charges.

LaRouche blasted Rumsfeld, reminding him that it was President Franklin Delano Roosevelt who defeated Hitler and the Nazis, while many American right-wingers of the 1930s and '40s were promoters of Mussolini, Hjalmar Schacht, and Hermann Goering. And among the extreme American Fascists and Nazis of the period, there were some who openly sympathized with Adolf Hitler, by intention or practice. "Rumsfeld ought to know, unless his mental capacities are failing him, that it was FDR who had to fight the American right wing in order to defeat Hitler," LaRouche said. "Without Franklin Roosevelt leading the fight, Hitler would have almost certainly been victorious, and the world would have perhaps still been under the genocidal boot of Hitler's successors today.

"The anti-FDR tradition in America is the American expression of fascism," LaRouche continued. "It was FDR's alliance with the Soviet Union of Josef Stalin, an alliance that was joined by Winston Churchill, that defeated Hitler and the Nazis."

LaRouche demanded, "The U.S. Congress should hold hearings today on the issue of fascism, and the history of those Americans who collaborated with the Nazis and the Fascists prior to and during World War II—just as the Congress did at the end of the war."

Prescott S. Bush and the UBC

In that context, LaRouche reminded Rumsfeld that the current President's own grandfather Prescott S. Bush was a director of the Union Banking Corporation, an asset of German steel cartel boss Fritz Thyssen, who proudly admitted that he was Adolf Hitler's earliest and biggest financial backer, in his book *I Paid Hitler* (1941). From 1924-1942, the UBC was the New York City bank holding company for all of Thyssen's U.S. corporate operations. The arrangement was made with Thyssen by W. Averell Harriman, and several Brown Brothers Harriman directors, including Roland Harriman and Prescott Bush, were directors and shareholders of UBC, even after Hitler took power in Germany and invaded Eastern Europe. Bush remained a managing director of UBC right up to the moment that the U.S. government moved to shut the bank down.

On Oct. 20, 1942, under the Trading with the Enemy Act, the U.S. Congress seized all of the assets of the Union Banking Corporation of 39 Broadway, New York, New York. The seizure was approved by Leo T. Crowley, the U.S. Alien Property Custodian. By the end of October 1942, the U.S. Congress had seized a total of four Thyssen entities—all run through the UBC. The other seized entities were: Hamburg-American Line, Holland-American Trading Corp., and Seamless Steel Equipment Corp. Far from being shell companies, these entities were involved in supplying crucial materiel to Nazi Germany. U.S. Congressional hearings at the close of World War II revealed that the United Steel Works Corporation of Thyssen, which was interlocked with UBC, had been the main supplier of steel, iron, and explosives for the Nazi war machine ("Elimination of German Resources for War," hearings before a Subcommittee of the Committee on Military Affairs, United States Senate, July 2, 1945).

"Does Mr. Rumsfeld really want to revisit the issue of Nazi appeasement and collaboration?" LaRouche pointedly asked.

Then and Now

LaRouche next turned to the Bush Administration's own record of totalitarianism, typified by Rumsfeld's and Vice President Dick Cheney's persistent efforts to create a privatized secret military force, and to adopt some of the very same torture techniques perfected by the Nazi SS, at locations like Guantanamo Bay and Abu Ghraib prison.

"Let us not ignore the role of George Shultz, the man behind the Bush Presidency, the power of Vice President Cheney, and the promotion of Don Rumsfeld as Secretary of Defense. Even leading Republicans know Shultz to be an outright totalitarian, who has used the Bush Presidency to impose a 'Pinochet Model' of top-down dictatorship and radical free-market economics upon the United States. Shultz's promotion of the privatization of war, on the SS model, has been backed," LaRouche noted, "by Felix Rohatyn."

LaRouche continued, "Is it not the right-wing current of

today, typified by Cheney, Shultz, Rumsfeld, and the foolish George W. Bush, who are the real Nazi appeasers? Isn't that the truth, Mr. Rumsfeld?"

LaRouche concluded: "I call upon the U.S. Congress to launch immediate hearings into this whole issue of appeasement. These hearings should take place prior to the November midterm elections. Nothing on the agenda of the U.S. Congress should take higher priority than this matter. Donald Rumsfeld, a top official of the Bush Administration, has made this an issue of national debate, and the record must be set straight. Congress is the proper venue."

The Hitler Project

by Anton Chaitkin

The following is Chapter 2 from EIR's 1992 book George Bush: The Unauthorized Biography, by Webster Griffin Tarpley and Anton Chaitkin. The book was reprinted in 2004 by ProgressivePress.com. It can be purchased from EIR News Service.

Bush Property Seized—Trading With the Enemy

In October 1942, ten months after entering World War II, America was preparing its first assault against Nazi military forces. Prescott Bush was managing partner of Brown Brothers Harriman. His 18-year-old son George, the future U.S. President, had just begun training to become a naval pilot.

On October 20, 1942, the U.S. government ordered the seizure of Nazi German banking operations in New York City which were being conducted by Prescott Bush.

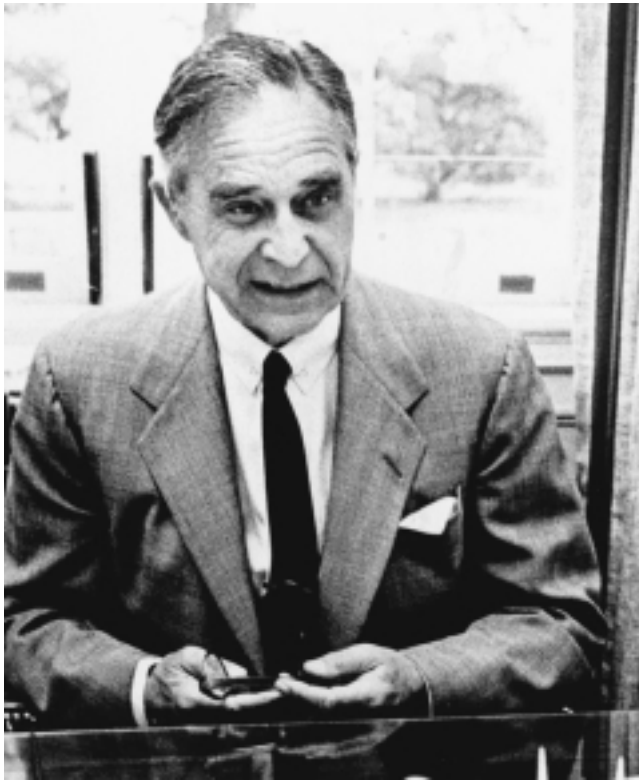
Under the *Trading with the Enemy Act*, the government took over the **Union Banking Corporation**, in which Bush was a director. The U.S. Alien Property Custodian seized Union Banking Corp.'s stock shares, all of which were owned by Prescott Bush, E. Roland "Bunny" Harriman, three Nazi executives, and two other associates of Bush.¹

The order seizing the bank "vest[s] [seizes] all of the capital stock of Union Banking Corporation, a New York corporation," and names the holders of its shares as:

"E. Roland Harriman—3991 shares"

[chairman and director of Union Banking Corp. (UBC); this is "Bunny" Harriman, described by Prescott Bush as a

1. Office of Alien Property Custodian, Vesting Order Number 248. Signed by Leo T. Crowley, Alien Property Custodian, executed October 20, 1942; F.R. Doc. 42-11568; Filed, November 6, 1942. 7 Fed. Reg. 9097 (November 7, 1942). See also the *New York City Directory of Directors* (available at the Library of Congress). The volumes for the 1930s and 1940s list Prescott Bush as a director of Union Banking Corp. from 1934 through 1943.



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Prescott Bush, grandfather of President George W. Bush, was the director of Averell Harriman's Union Banking Corp. Virtually all the Nazi trade with the United States was under the supervision of the Harriman-Bush interests.

place holder who didn't get much into banking affairs; Prescott managed his personal investments]

"Cornelis Lievense—4 shares"

[president and director of UBC; New York resident bank-
ing functionary for the Nazis]

"Harold D. Pennington—1 share"

[treasurer and director of UBC; an office manager em-
ployed by Bush at Brown Brothers Harriman]

"Ray Morris—1 share"

[director of UBC, and a partner of Bush and the Har-
rimans]

"Prescott S. Bush—1 share"

[director of UBC, which was co-founded and sponsored
by his father-in-law George Walker; senior managing partner
for E. Roland Harriman and Averell Harriman]

"H.J. Kouwenhoven—1 share"

[director of UBC; organized UBC as the emissary of Fritz
Thyssen in negotiations with George Walker and Averell Har-

riman; managing director of UBC's Netherlands affiliate un-
der Nazi occupation; industrial executive in Nazi Germany;
director and chief foreign financial executive of the German
Steel Trust]

"Johann G. Groeninger—1 share"

[director of UBC and of its Netherlands affiliate; indus-
trial executive in Nazi Germany]

"all of which shares are held for the benefit of . . . members
of the Thyssen family, [and] is property of nationals . . . of a
designated enemy country. . . ."

By October 26, 1942, U.S. troops were underway for
North Africa. On October 28, the government issued orders
seizing two Nazi front organizations run by the Bush-Harri-
man bank: the **Holland-American Trading Corporation**
and the **Seamless Steel Equipment Corporation**.²

U.S. forces landed under fire near Algiers on November
8, 1942; heavy combat raged throughout November. Nazi
interests in the **Silesian-American Corporation**, long man-
aged by Prescott Bush and his father-in-law George Herbert
Walker, were seized under the Trading with the Enemy Act
on November 17, 1942. In this action, the government an-
nounced that it was seizing only the Nazi interests, leaving
the Nazis' U.S. partners to carry on the business.³

These and other actions taken by the U.S. government
in wartime were, tragically, too little and too late. President
Bush's family had already played a central role in financing
and arming Adolf Hitler for his takeover of Germany; in fi-
nancing and managing the buildup of Nazi war industries for
the conquest of Europe and war against the U.S.A.; and in the
development of Nazi genocide theories and racial propa-
ganda, with their well-known results.

The facts presented here must be known, and their impli-
cations reflected upon, for a proper understanding of President
George Herbert Walker Bush and of the danger to mankind
that he represents. The President's family fortune was largely
a result of the Hitler project. The powerful Anglo-American
family associations, which later boosted him into the Central
Intelligence Agency and up to the White House, were his
father's partners in the Hitler project.

President Franklin Roosevelt's Alien Property Custodian,
Leo T. Crowley, signed Vesting Order Number 248, seizing
the property of Prescott Bush under the Trading with the En-
emy Act. The order, published in obscure government record
books and kept out of the news,⁴ explained nothing about the

2. Alien Property Custodian Vesting Order No. 259: Seamless Steel Equip-
ment Corporation; Vesting Order Number 261: Holland-American Trading
Corp.

3. Alien Property Custodian Vesting Order No. 370: Silesian-American Corp.

4. The *New York Times*, December 16, 1944, ran a five-paragraph page 25
article on actions of the New York State Banking Department. Only the last
sentence refers to the Nazi bank, as follows: "The Union Banking Corpora-

Nazis involved; only that the Union Banking Corporation was run for the “Thyssen family” of “Germany and/or Hungary”—“nationals . . . of a designated enemy country.”

By deciding that Prescott Bush and the other directors of the Union Banking Corp. were legally *front men for the Nazis*, the government avoided the more important historical issue: In what way *were Hitler’s Nazis themselves hired, armed, and instructed* by the New York and London clique of which Prescott Bush was an executive manager? Let us examine the Harriman-Bush Hitler project from the 1920s until it was partially broken up, to seek an answer for that question.

Origin and Extent of the Project

Fritz Thyssen and his business partners are universally recognized as the most important German financiers of Adolf Hitler’s takeover of Germany. At the time of the order seizing the Thyssen family’s Union Banking Corp., Mr. Fritz Thyssen had already published his famous book, *I Paid Hitler*,⁵ admitting that he had financed Adolf Hitler and the Nazi movement since October 1923. Thyssen’s role as the leading early backer of Hitler’s grab for power in Germany had been noted by U.S. diplomats in Berlin in 1932.⁶ The order seizing the Bush-Thyssen bank was curiously quiet and modest about the identity of the perpetrators who had been nailed.

But two weeks before the official order, government investigators had reported secretly that “W. Averell Harriman was in Europe sometime prior to 1924 and at that time became acquainted with Fritz Thyssen, the German industrialist.” Harriman and Thyssen agreed to set up a bank for Thyssen in New York. “[C]ertain of [Harriman’s] associates would serve as directors. . . .” Thyssen agent “H.J. Kouwenhoven . . . came to the United States . . . prior to 1924 for conferences with the Harriman Company in this connection. . . .”⁷

When exactly was “Harriman in Europe sometime prior to 1924”? In fact, he was in Berlin in 1922 to set up the Berlin branch of W.A. Harriman & Co. under George Walker’s presidency.

tion, 39 Broadway, New York, has received authority to change its principal place of business to 120 Broadway.”

The *Times* omitted the fact that the Union Banking Corporation had been seized by the government for trading with the enemy, and the fact that 120 Broadway was the address of the government’s Alien Property Custodian.

5. Fritz Thyssen, *I Paid Hitler*, 1941 (Port Washington, N.Y.: Kennikat Press, 1972 reprint), p. 133. Thyssen says his contributions began with 100,000 marks given in October 1923, for Hitler’s attempted “putsch” against the constitutional government.

6. Confidential memorandum from U.S. Embassy, Berlin, to the U.S. Secretary of State, April 20, 1932, on microfilm in *Confidential Reports of U.S. State Dept., 1930s, Germany*, at major U.S. libraries.

7. October 5, 1942, Memorandum to the Executive Committee of the Office of Alien Property Custodian, stamped CONFIDENTIAL, from the Division of Investigation and Research, Homer Jones, Chief. Now declassified in United States National Archives, Suitland, Maryland annex. See Record Group 131, Alien Property Custodian, investigative reports, in file box relating to Vesting Order Number 248.

Thyssen Has \$3,000,000 Cash in New York Vaults

Union Banking Corp. May Hide Nest Egg for High Nazis He Once Backed

By M. Jay Racusin

In the tide of economic warfare now surging over the world, the New York Herald Tribune has discovered that Fritz Thyssen, the German industrialist who was Adolf Hitler's original patron on a prodigious scale a decade ago, has \$3,000,000 in American cash salted away in the bank vaults of downtown New York.

In the American colony of Thyssen enterprises perhaps the most interesting is the Union Banking Corporation, 39 Broadway, nominal guardian of the \$3,000,000 cache, all in United States currency—a sort of nest egg for Herr Thyssen or perhaps for some of his high-placed Nazi friends when the present troublous days are over.

Among other Thyssen interests in New York are half a dozen corporations engaged in the shipping, export and import trades, centering chiefly about the coal and steel industries and operating under the wing of the Union Banking Corporation. These organizations did a thriving business in rolling up dollars for Herr Thyssen in years past, but have been brought virtually to a standstill during the last year by the war.

One of the most fascinating associations

(Continued on page 22, column 2)

Fritz Thyssen

The front page of the New York Herald Tribune, July 31, 1941, identified the Bush-Harriman banking complex at 39 Broadway as the headquarters for Hitler’s chief fundraiser, Fritz Thyssen, through the front company Union Banking Corp. Prescott Bush managed this and other Nazi facilities; the entire banking complex was set up by George Herbert Walker, W’s great-grandfather.

The Union Banking Corporation was established formally in 1924, as a unit in the Manhattan offices of W.A. Harriman & Co., interlocking with the Thyssen-owned **Bank voor Handel en Scheepvaart** (BHS) in the Netherlands. The investigators concluded that “the Union Banking Corporation has since its inception handled funds chiefly supplied to it through the Dutch bank by the Thyssen interests for American investment.”

Thus by personal agreement between Averell Harriman and Fritz Thyssen in 1922, W.A. Harriman & Co. (alias Union Banking Corporation) would be transferring funds back and forth between New York and the “Thyssen interests” in Germany. By putting up about \$400,000, the Harriman organization would be joint owner and manager of Thyssen’s banking operations outside of Germany.

How important was the Nazi enterprise for which President Bush’s father was the New York banker?

The 1942 U.S. government investigative report said that Bush’s Nazi-front bank was an interlocking concern with the Vereinigte Stahlwerke (United Steel Works Corporation or

German Steel Trust) led by Fritz Thyssen and his two brothers. After the war, congressional investigators probed the Thyssen interests, Union Banking Corp., and related Nazi units. The investigation showed that the Vereinigte Stahlwerke had produced the following approximate proportions of total German national output:

- 50.8% of Nazi Germany's pig iron
- 41.4% of Nazi Germany's universal plate
- 36.0% of Nazi Germany's heavy plate
- 38.5% of Nazi Germany's galvanized sheet
- 45.5% of Nazi Germany's pipes and tubes
- 22.1% of Nazi Germany's wire
- 35.0% of Nazi Germany's explosives⁸

This accounts for many, many Nazi submarines, bombs, rifles, gas chambers, etc.

Prescott Bush became vice president of W.A. Harriman & Co. in 1926. That same year, a friend of Harriman and Bush set up a giant new organization for their client Fritz Thyssen, prime sponsor of politician Adolf Hitler. The new **German Steel Trust**, Germany's largest industrial corporation, was organized in 1926 by Wall Street banker Clarence Dillon. Dillon was the old comrade of Prescott Bush's father Sam Bush from the "Merchants of Death" bureau in World War I.

In return for putting up \$70 million to create his organization, majority owner Thyssen gave the Dillon Read company two or more representatives on the board of the new Steel Trust.⁹

Thus there is a division of labor: Thyssen's own confidential accounts, for political and related purposes, were run through the Walker-Bush organization; the German Steel Trust did its corporate banking through Dillon Read.

The Walker-Bush firm's banking activities were not just politically neutral money-making ventures which happened to coincide with the aims of the German Nazis. All of the firm's European business in those days was organized around anti-democratic political forces.

In 1927, criticism of their support for totalitarianism drew this retort from Bert Walker, written from Kennebunkport to Averell Harriman: "It seems to me that the suggestion in connection with Lord Bearsted's views that we withdraw from Russia smacks somewhat of the impertinent. . . . I think

8. *Elimination of German Resources for War*: Hearings Before a Subcommittee of the Committee on Military Affairs, United States Senate, Seventy-Ninth Congress; Part 5, Testimony of [the United States] Treasury Department, July 2, 1945. Page 507: Table of Vereinigte Stahlwerke output, figures are percent of German total as of 1938; Thyssen organization including Union Banking Corporation pp. 727-731.

9. Robert Sobel, *The Life and Times of Dillon Read* (New York: Dutton-Penguin, 1991), pp. 92-111. The Dillon Read firm cooperated in the development of Sobel's book.



Bank of England Gov. Montagu Norman (right) with Reichsbank President Hjalmar Schacht. Norman, a former partner of Brown Brothers, was the most avid of Hitler's supporters within British ruling circles; Schacht, who became Hitler's Economics Minister, was Norman's protégé.

that we have drawn our line and should hew to it."¹⁰

Averell Harriman met with Italy's fascist dictator, Benito Mussolini. A representative of the firm subsequently telegraphed good news back to his chief executive Bert Walker: "... During these last days . . . Mussolini . . . has examined and approved our c[o]ntract 15 June."¹¹

The great financial collapse of 1929-31 shook America, Germany, and Britain, weakening all governments. It also made the hard-pressed Prescott Bush even more willing to do whatever was necessary to retain his new place in the world. It was in this crisis that certain Anglo-Americans determined on the installation of a Hitler regime in Germany.

W.A. Harriman & Co., well-positioned for this enterprise and rich in assets from their German and Russian business, merged with the British-American investment house, Brown Brothers, on January 1, 1931. Bert Walker retired to his own G.H. Walker & Co. This left the Harriman brothers, Prescott Bush, and Thatcher M. Brown as the senior partners of the new Brown Brothers Harriman firm. (The London, England branch of the Brown family firm continued operating under its historic name—Brown, Shipley.)

Robert A. Lovett also came over as a partner from Brown Brothers. His father, E.H. Harriman's lawyer and railroad chief, had been on the War Industries Board with Prescott's father. Though he remained a partner in Brown Brothers Harriman, the junior Lovett soon replaced his father as chief executive of Union Pacific Railroad.

Brown Brothers had a racial tradition that fitted it well for

10. George Walker to Averell Harriman, August 11, 1927, in W. Averell Harriman papers at the Library of Congress (hereafter designated "WAH papers").

11. "Iaccarino" to G.H. Walker, RCA Radiogram Sept. 12, 1927.

the Hitler project. American patriots had cursed its name back in U.S. Civil War days. Brown Brothers, with offices in the U.S.A. and in England, had carried on their ships fully 75 percent of the slave cotton from the American South over to British mill owners.

Now, in 1931, the virtual dictator of world finance, Bank of England Governor Montagu Collet Norman, was a former Brown Brothers partner, whose grandfather had been boss of Brown Brothers during the U.S. Civil War. Montagu Norman was known as the most avid of Hitler's supporters within British ruling circles, and Norman's intimacy with this firm was essential to his management of the Hitler project.

In 1931, while Prescott Bush ran the New York office of Brown Brothers Harriman, Prescott's partner was Montagu Norman's intimate friend Thatcher Brown. The Bank of England chief always stayed at the home of Prescott's partner on his hush-hush trips to New York. Prescott Bush concentrated on the firm's German activities, and Thatcher Brown saw to their business in old England, under the guidance of his mentor Montagu Norman.¹²

Hitler's Ladder to Power

Adolf Hitler became Chancellor of Germany January 30, 1933, and absolute dictator in March 1933, after two years of expensive and violent lobbying and electioneering. Two affiliates of the Bush-Harriman organization played great parts in this criminal undertaking: Thyssen's German Steel Trust; and the Hamburg-Amerika Line and several of its executives.¹³

Let us look more closely at the Bush family's German partners.

Fritz Thyssen told Allied interrogators after the war about some of his financial support for the Nazi Party: "In 1930 or 1931 . . . I told [Hitler's deputy Rudolph] Hess . . . I would arrange a credit for him with a Dutch bank in Rotterdam, the Bank für Handel und Schiff [i.e., Bank voor Handel en Scheepvaart (BHS), the Harriman-Bush affiliate]. I arranged the credit . . . he would pay it back in three years. . . . I chose a Dutch bank because I did not want to be mixed up with German banks in my position, and because I thought it was better to do business with a Dutch bank, and I thought I would have the Nazis a little more in my hands. . . ."

"The credit was about 250-300,000 [gold] marks—about the sum I had given before. The loan has been repaid in part

to the Dutch bank, but I think some money is still owing on it. . . ."¹⁴

The overall total of Thyssen's political donations and loans to the Nazis was well over a million dollars, including funds he raised from others—in a period of terrible money-shortage in Germany.

Friedrich Flick was the major co-owner of the German Steel Trust with Fritz Thyssen, Thyssen's longtime collaborator and occasional competitor. In preparation for the war crimes tribunal at Nuremberg, the U.S. government said that Flick was "one of leading financiers and industrialists who from 1932 contributed large sums to the Nazi Party . . . a member of 'Circle of Friends' of Himmler who contributed large sums to the SS."¹⁵

Flick, like Thyssen, financed the Nazis to maintain their private armies called Schutzstaffel (S.S. or Black Shirts) and Sturmabteilung (S.A., storm troops or Brown Shirts).

The Flick-Harriman partnership was directly supervised by Prescott Bush, President Bush's father, and by George Walker, President Bush's grandfather.

The Harriman-Walker Union Banking Corp. arrangements for the German Steel Trust had made them bankers for Flick and his vast operations in Germany by no later than 1926.

The **Harriman Fifteen Corporation** (George Walker, president, Prescott Bush and Averell Harriman, sole directors) held a substantial stake in the Silesian Holding Co. at the time of the merger with Brown Brothers, January 1, 1931. This holding correlated to Averell Harriman's chairmanship of the **Consolidated Silesian Steel Corporation**, the American group owning one-third of a complex of steelmaking, coal-mining, and zinc-mining activities in Germany and Poland, in which Friedrich Flick owned two-thirds.¹⁶

14. Interrogation of Fritz Thyssen, EF/Me/1 of Sept. 4, 1945 in U.S. Control Council records, photostat on page 167 in Anthony Sutton, *An Introduction to The Order* (Billings, Mt.: Liberty House Press, 1986).

15. *Nazi Conspiracy and Aggression, Supplement B*, by the Office of United States Chief of Counsel for Prosecution of Axis Criminality, U. S. Government Printing Office (Washington, D.C., 1948), pp. 1597, 1686.

16. "Consolidated Silesian Steel Corporation - [minutes of the] Meeting of Board of Directors," October 31, 1930 (WAH papers), shows Averell Harriman as Chairman of the Board.

Prescott Bush to W.A. Harriman, Memorandum December 19, 1930 on their Harriman Fifteen Corp.

Annual Report of United Konigs and Laura Steel and Iron Works for the year 1930 (WAH papers) lists "Dr. Friedrich Flick . . . Berlin" and "William Averell Harriman . . . New York" on the Board of Directors.

"Harriman Fifteen Corporation Securities Position February 28, 1931," WAH papers. This report shows Harriman Fifteen Corporation holding 32,576 shares in Silesian Holding Co. V.T.C. worth (in scarce depression dollars) \$1,628,800, just over half the value of the Harriman Fifteen Corporation's total holdings.

The *New York City Directory of Directors* volumes for the 1930s (available at the Library of Congress) show Prescott Sheldon Bush and W. Averell Harriman as the directors of Harriman Fifteen Corp.

"Appointments" (three typed pages), marked "Noted May 18 1931

12. Andrew Boyle, *Montagu Norman* (London: Cassell, 1967).

Sir Henry Clay, *Lord Norman* (London: MacMillan & Co., 1957), pp. 18, 57, 70-71.

John A. Kouwenhoven, *Partners in Banking . . . Brown Brothers Harriman* (Garden City: Doubleday & Co., 1969).

13. Coordination of much of the Hitler project took place at a single New York address. The Union Banking Corporation had been set up by George Walker at 39 Broadway. Management of the Hamburg-Amerika Line, carried out through Harriman's American Ship and Commerce Corp., was also set up by George Walker at 39 Broadway.

The Nuremberg prosecutor characterized Flick as follows:

“Proprietor and head of a large group of industrial enterprises (coal and iron mines, steel producing and fabricating plants) . . . ‘Wehrwirtschaftsführer,’ 1938 [title awarded to prominent industrialists for merit in armaments drive—‘Military Economy Leader’]. . . .”¹⁷

For this buildup of the Hitler war machine with coal, steel, and arms production, using slave laborers, the Nazi Flick was condemned to seven years in prison at the Nuremberg trials; he served three years. With friends in New York and London, however, Flick lived into the 1970s and died a billionaire.

On March 19, 1934, Prescott Bush—then director of the German Steel Trust’s Union Banking Corporation—initiated an alert to the absent Averell Harriman about a problem which had developed in the Flick partnership.¹⁸ Bush sent Harriman a clipping from the *New York Times* of that day, which reported that the Polish government was fighting back against American and German stockholders who controlled “Poland’s largest industrial unit, the Upper Silesian Coal and Steel Company. . . .”

The *Times* article continued: “The company has long been accused of mismanagement, excessive borrowing, fictitious bookkeeping and gambling in securities. Warrants were issued in December for several directors accused of tax evasions. They were German citizens and they fled. They were replaced by Poles. Herr Flick, regarding this as an attempt to make the company’s board entirely Polish, retaliated by restricting credits until the new Polish directors were unable to pay the workmen regularly.”

The *Times* noted that the company’s mines and mills “employ 25,000 men and account for 45 percent of Poland’s total steel output and 12 percent of her coal production. Two-thirds of the company’s stock is owned by Friedrich Flick, a leading German steel industrialist, and the remainder is owned by interests in the United States.”

In view of the fact that a great deal of Polish output was being exported to Hitler’s Germany under depression conditions, the Polish government thought that Bush, Harriman,

and their Nazi partners should at least pay full taxes on their Polish holdings. The U.S. and Nazi owners responded with a lockout. The letter to Harriman in Washington reported a cable from their European representative: “Have undertaken new steps London Berlin . . . please establish friendly relations with Polish Ambassador [in Washington].”

A 1935 Harriman Fifteen Corporation memo from George Walker announced an agreement had been made “in Berlin” to sell an 8,000 block of their shares in Consolidated Silesian Steel.¹⁹ But the dispute with Poland did not deter the Bush family from continuing its partnership with Flick.

Nazi tanks and bombs “settled” this dispute in September 1939 with the invasion of Poland, beginning World War II. The Nazi army had been equipped by Flick, Harriman, Walker, and Bush, with materials essentially stolen from Poland.

There were probably few people at the time who could appreciate the irony, that when the Soviets also attacked and invaded Poland from the East, their vehicles were fueled by oil pumped from Baku wells revived by the Harriman/Walker/Bush enterprise.

Three years later, nearly a year after the Japanese attack on Pearl Harbor, the U.S. government ordered the seizure of the Nazis’ share in the Silesian-American Corporation under the Trading with the Enemy Act. Enemy nationals were said to own 49 percent of the common stock and 41.67 percent of the preferred stock of the company.

The order characterized the company as a “business enterprise within the United States, owned by [a front company in] Zurich, Switzerland, and held for the benefit of Bergwerks-gesellschaft George von Giesche’s Erben, a German corporation. . . .”²⁰

Bert Walker was still the senior director of the company, which he had founded back in 1926 simultaneously with the creation of the German Steel Trust. Ray Morris, Prescott’s partner from Union Banking Corp. and Brown Brothers Harriman, was also a director.

The investigative report prior to the government crackdown explained the “NATURE OF BUSINESS: The subject corporation is an American holding company for German and Polish subsidiaries, which own large and valuable coal and zinc mines in Silesia, Poland and Germany. Since September 1939, these properties have been in the possession of and have been operated by the German government and have undoubt-

W.A.H.” (among the papers from Prescott Bush’s New York Office of Brown Brothers Harriman, WAH papers), lists a meeting between Averell Harriman and Friedrich Flick in Berlin at 4:00 P.M., Wednesday April 22, 1931. This was followed immediately by a meeting with Wilhelm Cuno, chief executive of the Hamburg-Amerika Line.

The “Report To the Stockholders of the Harriman Fifteen Corporation,” Oct. 19, 1933 (WAH papers) names G.H. Walker as president of the corporation. It shows the Harriman Fifteen Corp.’s address as 1 Wall Street—the location of G.H. Walker and Co.

17. *Nazi Conspiracy and Aggression, Supplement B, op. cit.*, p. 1686.

18. Jim Flaherty (a BBH manager, Prescott Bush’s employee), March 19, 1934 to W.A. Harriman.

“Dear Averell:

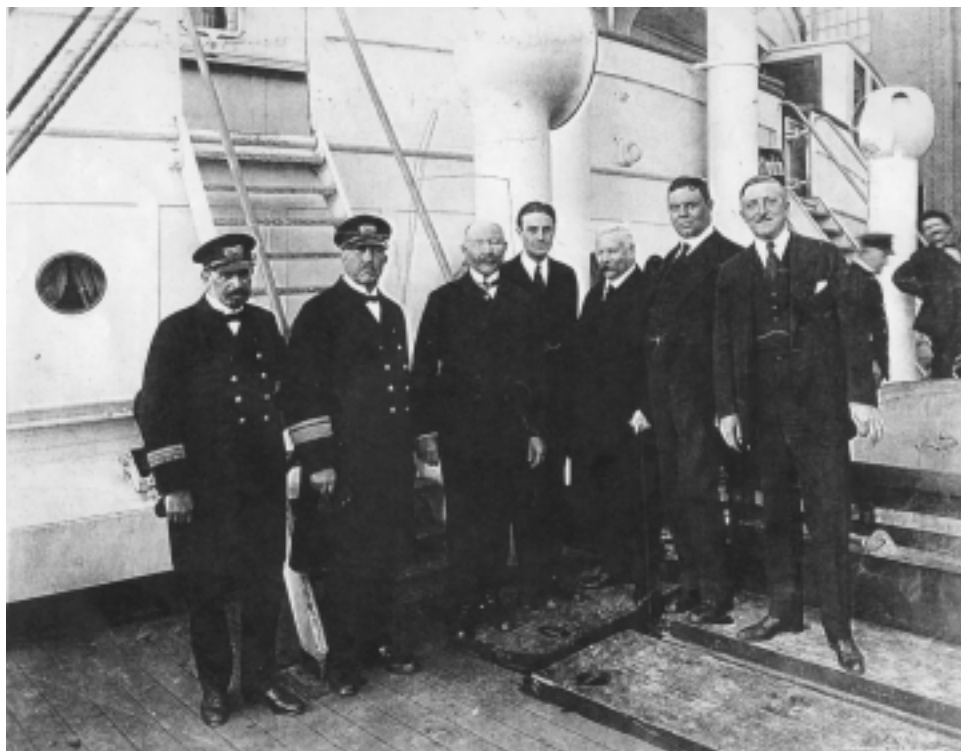
“In Roland’s absence Pres[cott] thought it advisable for me to let you know that we received the following cable from [our European representative] Rossi dated March 17th [relating to conflict with the Polish government]. . . .”

19. Harriman Fifteen Corporation notice to stockholders Jan. 7, 1935, under the name of George Walker, President.

20. Order No. 370: Silesian-American Corp. Executed Nov. 17, 1942. Signed by Leo T. Crowley, Alien Propaganda Custodian. F.R. Doc. 42-14183; Filed Dec. 31, 1942; 8 Fed. Reg. 33 (Jan. 1, 1943).

The order confiscated the Nazis’ holdings of 98,000 shares of common and 50,000 shares of preferred stock in Silesian-American.

The Nazi parent company in Breslau, Germany wrote to Averell Harriman at 59 Wall St. on Aug. 5, 1940, with “an invitation to take part in the regular meeting of the members of the Bergwerksgesellsch[af]t Georg von Giesche’s Erben. . . .” WAH papers.



National Archives

Owner Averell Harriman (center), with Hamburg-Amerika employees. This photo was seized in 1942 by the U.S. government from Nazi publicity files. The company was the pivot for the entire Anglo-American Hitler Project.

edly been of considerable assistance to that country in its war effort.”²¹

The report noted that the American stockholders hoped to regain control of the European properties after the war.

Control of Nazi Commerce

Bert Walker had arranged the credits Harriman needed to take control of the Hamburg-Amerika Line back in 1920. Walker had organized the **American Ship and Commerce Corp.** as a unit of W.A. Harriman & Co., with contractual power over Hamburg-Amerika’s affairs.

As the Hitler project went into high gear, Harriman-Bush shares in American Ship and Commerce Corp. were held by the Harriman Fifteen Corp., run by Prescott Bush and Bert Walker.²²

It was a convenient stroll for the well-tanned, athletic,

21. Sept. 25, 1942, Memorandum To the Executive Committee of the Office of Alien Property Custodian, stamped CONFIDENTIAL, from the Division of Investigation and Research, Homer Jones, Chief. Now declassified in United States National Archives, Suitland, Maryland annex. See Record Group 131, Alien Property Custodian, investigative reports, in file box relating to Vesting Order Number 370.

22. George Walker was a director of American Ship and Commerce from its organization through 1928. Consult *New York City Directory of Directors*.

“Harriman Fifteen Corporation Securities Position February 28, 1931,” *op. cit.* The report lists 46,861 shares in the American Ship & Commerce Corp.

See “Message from Mr. Bullfin,” Aug. 30, 1934 (Harriman Fifteen section, WAH papers) for the joint supervision of Bush and Walker, respectively director and president of the corporation.

handsome Prescott Bush. From the Brown Brothers Harriman skyscraper at 59 Wall Street—where he was senior managing partner, confidential investments manager, and advisor to Averell and his brother “Bunny”—he walked across to the Harriman Fifteen Corporation at One Wall Street, otherwise known as G.H. Walker & Co.—and around the corner to his subsidiary offices at 39 Broadway, former home of the old W.A. Harriman & Co., and still the offices for American Ship and Commerce, and of the Union Banking Corporation.

In many ways, Bush’s Hamburg-Amerika Line was the pivot for the entire Hitler project.

Averell Harriman and Bert Walker had gained control over the steamship company in 1920 in negotiations with its post-World War I chief executive, **Wilhelm Cuno**, and with the line’s bankers, M.M. Warburg. Cuno was thereafter completely dependent on the Anglo-Americans, and became a member of the Anglo-German Friendship Society. In the 1930-32 drive for a Hitler dictatorship, Wilhelm Cuno contributed important sums to the Nazi Party.²³

Albert Voegler was chief executive of the Thyssen-Flick German Steel Trust for which Bush’s Union Banking Corp. was the New York office. He was a director of the Bush-affiliate BHS Bank in Rotterdam, and a director of the Harriman-Bush Hamburg-Amerika Line. Voegler joined Thyssen

23. Cuno was later exposed by Walter Funk, Third Reich Press Chief and Under Secretary of Propaganda, in Funk’s postwar jail cell at Nuremberg; but Cuno had died just as Hitler was taking power. William L. Shirer, L., *The Rise and Fall of the Third Reich* (New York: Simon and Schuster, 1960), p. 144. *Nazi Conspiracy and Aggression, Supplement B, op. cit.*, p. 1688.

and Flick in their heavy 1930-33 Nazi contributions, and helped organize the final Nazi leap into national power.²⁴

The **Schroeder** family of bankers was a linchpin for the Nazi activities of Harriman and Prescott Bush, closely tied to their lawyers Allen and John Foster Dulles.

Baron Kurt von Schroeder was co-director of the massive Thyssen-Hütte foundry along with Johann Groeninger, Prescott Bush's New York bank partner. Kurt von Schroeder was treasurer of the support organization for the Nazi Party's private armies, to which Friedrich Flick contributed. Kurt von Schroeder and Montagu Norman's protégé Hjalmar Schacht together made the final arrangements for Hitler to enter the government.²⁵

Baron Rudolph von Schroeder was vice president and director of the Hamburg-Amerika Line. Long an intimate contact of Averell Harriman's in Germany, Baron Rudolph sent his grandson Baron Johann Rudolph for a tour of Prescott Bush's Brown Brothers Harriman offices in New York City in December 1932—on the eve of their Hitler-triumph.²⁶

Certain actions taken directly by the Harriman-Bush shipping line in 1932 must be ranked among the gravest acts of treason in this century.

The U.S. Embassy in Berlin reported back to Washington that the “costly election campaigns” and “the cost of maintaining a private army of 300,000 to 400,000 men” had raised questions as to the Nazis' financial backers. The constitutional government of the German republic moved to defend national freedom by ordering the Nazi Party private armies disbanded. The U.S. Embassy reported that the **Hamburg-Amerika Line was purchasing and distributing propaganda attacks against the German government, for attempting this last-minute crackdown on Hitler's**

forces.²⁷

Thousands of German opponents of Hitlerism were shot or intimidated by privately armed Nazi Brown Shirts. In this connection, we note that the original “Merchant of Death,” Samuel Pryor, was a founding director of both the Union Banking Corp. and the American Ship and Commerce Corp. Since Mr. Pryor was executive committee chairman of Remington Arms and a central figure in the world's private arms traffic, his use to the Hitler project was enhanced as the Bush family's partner in Nazi Party banking and trans-Atlantic shipping.

The U.S. Senate arms-traffic investigators probed Remington after it was joined in a cartel agreement on explosives to the Nazi firm I.G. Farben. Looking at the period leading up to Hitler's seizure of power, the Senators found that “German political associations, like the Nazi and others, are nearly all armed with American . . . guns. . . . Arms of all kinds coming from America are transshipped in the Scheldt to river barges before the vessels arrive in Antwerp. They then can be carried through Holland without police inspection or interference. The Hitlerists and Communists are presumed to get arms in this manner. The principal arms coming from America are Thompson submachine guns and revolvers. The number is great.”²⁸

The beginning of the Hitler regime brought some bizarre changes to the Hamburg-Amerika Line—and more betrayals.

Prescott Bush's American Ship and Commerce Corp. notified Max Warburg of Hamburg, Germany, on March 7, 1933, that Warburg was to be the corporation's official, designated representative on the board of Hamburg-Amerika.²⁹

Max Warburg replied on March 27, 1933, assuring his American sponsors that the Hitler government was good for Germany: “For the last few years business was considerably better than we had anticipated, but a reaction is making itself felt for some months. We are actually suffering also under the very active propaganda against Germany, caused by some unpleasant circumstances. These occurrences were the natural consequence of the very excited election campaign, but

24. See “Elimination of German Resources for War,” *op. cit.*, pp. 881-882 on Voegler.

See Annual Report of the Hamburg-Amerikanische-Packetfahrt-Aktien-Gesellschaft (Hapag or Hamburg-Amerika Line), March 1931, for the board of directors. A copy is in the New York Public Library Annex at 11th Avenue, Manhattan.

25. *Nazi Conspiracy and Aggression—Supplement B*, *op. cit.*, pp. 1178, 1453-1454, 1597, 1599.

See “Elimination of German Resources for War,” *op. cit.*, pp. 870-72 on Schroeder; p. 730 on Groeninger.

26. Annual Report of Hamburg-Amerika, *op. cit.*

Baron Rudolph Schroeder, Sr. to Averell Harriman, Nov. 14, 1932. K[night] W[ooley] handwritten note and draft reply letter, Dec. 9, 1932.

In his letter, Baron Rudolph refers to the family's American affiliate, J. Henry Schroder [name anglicized], of which Allen Dulles was a director, and his brother John Foster Dulles was the principal attorney.

Baron Bruno Schroder of the British branch was advisor to Bank of England Governor Montagu Norman, and Baron Bruno's partner Frank Cyril Tiarks was Norman's co-director of the Bank of England throughout Norman's career. Kurt von Schroeder was Hjalmar Schacht's delegate to the Bank for International Settlements in Geneva, where many of the financial arrangements for the Nazi regime were made by Montagu Norman, Schacht, and the Schroeders for several years of the Hitler regime right up to the outbreak of World War II.

27. Confidential memorandum from U.S. Embassy, Berlin, *op. cit.*

28. U.S. Senate “Nye Committee” hearings, Sept. 14, 1934, pp. 1197-1198, extracts from letters of Col. William N. Taylor, dated June 27, 1932 and Jan. 9, 1933.

29. American Ship and Commerce Corporation to Dr. Max Warburg, March 7, 1933.

Max Warburg had brokered the sale of Hamburg-Amerika to Harriman and Walker in 1920. Max's brothers controlled the Kuhn Loeb investment banking house in New York, the firm which had staked old E.H. Harriman to his 1890s buyout of the giant Union Pacific Railroad.

Max Warburg had long worked with Lord Milner and others of the racialist British Round Table concerning joint projects in Africa and Eastern Europe. He was an advisor to Hjalmar Schacht for several decades and was a top executive of Hitler's Reichsbank. The reader may consult David Farrer, *The Warburgs: The Story of A Family* (New York: Stein and Day, 1975).



National Archives

Max Warburg (above), a German Jew, assured his American business partners, Harriman and Bush, on March 27, 1933 that the Hitler government was beneficial for Germany. A few days later, on April 1, the Nazi Party announced its boycott of Jewish merchants (right). The placard reads, "Germans, defend yourselves, do not buy from Jews."



were extraordinarily exaggerated in the foreign press. The Government is firmly resolved to maintain public peace and order in Germany, and I feel perfectly convinced in this respect that there is no cause for any alarm whatsoever."³⁰

This seal of approval for Hitler, coming from a famous Jew, was just what Harriman and Bush required, for they anticipated rather serious "alarm" inside the U.S.A. against their Nazi operations.

On March 29, 1933, two days after Max's letter to Harriman, Max's son, Erich Warburg, sent a cable to his cousin, Frederick M. Warburg, a director of the Harriman railroad system. He asked Frederick to "use all your influence" to stop all anti-Nazi activity in America, including "atrocious news and unfriendly propaganda in foreign press, mass meetings, etc." Frederick cabled back to Erich: "No responsible groups here [are] urging [a] boycott [of] German goods[,] merely excited individuals." Two days after that, On March 31, 1933, the **American-Jewish Committee**, controlled by the Warburgs, and the **B'nai B'rith**, heavily influenced by the Sulzbergers (*New York Times*), issued a formal, official joint statement of the two organizations, counselling "that no American boycott against Germany be encouraged," and advising "that no further mass meetings be held or similar forms of agitation

30. Max Warburg, at M.M. Warburg and Co., Hamburg, to Averill [sic] Harriman, c/o Messrs. Brown Brothers Harriman & Co., 59 Wall Street, New York, N.Y., March 27, 1933.

be employed."³¹

The American Jewish Committee and the B'nai B'rith (mother of the "Anti-Defamation League") continued with this hardline, no-attack-on-Hitler stance all through the 1930s, blunting the fight mounted by many Jews and other anti-fascists.

Thus the decisive interchange reproduced above, taking place entirely within the orbit of the Harriman/Bush firm, may explain something of the relationship of George Bush to American Jewish and Zionist leaders. Some of them, in close cooperation with his family, played an ugly part in the drama of Nazism. Is this why "professional Nazi-hunters" have never discovered how the Bush family made its money?

The executive board of the **Hamburg-Amerika Line (Hapag)** met jointly with the North German Lloyd company board in Hamburg on Sept. 5, 1933. Under official Nazi supervision, the two firms were merged. Prescott

Bush's American Ship and Commerce Corp. installed Christian J. Beck, a long-time Harriman executive, as manager of freight and operations in North America for the new joint Nazi shipping lines (**Hapag-Lloyd**) on Nov. 4, 1933.

According to testimony of officials of the companies before Congress in 1934, a supervisor from the **Nazi Labor Front** rode with every ship of the Harriman-Bush line; employees of the New York offices were directly organized into the Nazi Labor Front organization; Hamburg-Amerika provided free passage to individuals going abroad for Nazi propaganda purposes; and the line subsidized pro-Nazi newspapers in the U.S.A., as it had done in Germany against the constitutional German government.³²

In mid-1936, Prescott Bush's American Ship and Commerce Corp. cabled M.M. Warburg, asking Warburg to represent the company's heavy share interest at the forthcoming

31. This correspondence, and the joint statement of the Jewish organizations, are reproduced in Moshe R. Gottlieb, *American Anti-Nazi Resistance, 1933-41: An Historical Analysis* (New York: Ktav Publishing House, 1982).

32. *Investigation of Nazi Propaganda Activities and Investigation of Certain Other Propaganda Activities*: Public Hearings before A Subcommittee of the Special Committee on Un-American Activities, United States House of Representatives, Seventy-Third Congress, New York City, July 9-12, 1934—Hearings No. 73-NY-7 (Washington, D.C., U.S. Govt. Printing Office, 1934). See testimony of Capt. Frederick C. Mensing, John Schroeder, Paul von Lilienfeld-Toal, and summaries by Committee members.

See *New York Times*, July 16, 1933, p. 12, for organizing of Nazi Labor Front at North German Lloyd, leading to Hamburg-Amerika after merger.

Hamburg-Amerika stockholders meeting. The Warburg office replied with the information that “we represented you” at the stockholders meeting and “exercised on your behalf your voting power for Rm [gold marks] 3,509,600 Hapag stock deposited with us.”

The Warburgs transmitted a letter received from Emil Helfferich, German chief executive of both Hapag-Lloyd and of the Standard Oil subsidiary in Nazi Germany: “It is the intention to continue the relations with Mr. Harriman on the same basis as heretofore. . . .” In a colorful gesture, Hapag’s Nazi chairman Helfferich sent the line’s president across the Atlantic on a Zeppelin to confer with their New York string-pullers.

After the meeting with the Zeppelin passenger, the Harriman-Bush office replied: “I am glad to learn that Mr. Helfferich [sic] has stated that relations between the Hamburg American Line and ourselves will be continued on the same basis as heretofore.”³³

Two months before moving against Bush’s Union Banking Corp., the U.S. government ordered the seizure of all property of the Hamburg-Amerika Line and North German Lloyd, under the Trading with the Enemy Act. The investigators noted in the pre-seizure report that Christian J. Beck was still acting as an attorney representing the Nazi firm.³⁴

In May 1933, just after the Hitler regime was consolidated, an agreement was reached in Berlin for the coordination of all Nazi commerce with the U.S.A. The **Harriman International Co.**, led by Averell Harriman’s first cousin Oliver, was to head a syndicate of 150 firms and individuals, to conduct *all exports from Hitler’s Germany to the United States*.³⁵

This pact had been negotiated in Berlin between Hitler’s economics minister, Hjalmar Schacht, and John Foster Dulles, international attorney for dozens of Nazi enterprises, with

the counsel of Max Warburg and Kurt von Schroeder.

John Foster Dulles would later be U.S. Secretary of State, and the great power in the Republican Party of the 1950s. Foster’s friendship and that of his brother Allen (head of the Central Intelligence Agency), greatly aided Prescott Bush to become the Republican U.S. Senator from Connecticut. And it was to be of inestimable value to George Bush, in his ascent to the heights of “covert action government,” that both of these Dulles brothers were the lawyers for the Bush family’s far-flung enterprise.

Throughout the 1930s, John Foster Dulles arranged debt restructuring for German firms under a series of decrees issued by Adolf Hitler. In these deals, Dulles struck a balance between the interest owed to selected, larger investors, and the needs of the growing Nazi war-making apparatus for producing tanks, poison gas, etc.

Dulles wrote to Prescott Bush in 1937 concerning one such arrangement. The German-Atlantic Cable Company, owning Nazi Germany’s only telegraph channel to the United States, had made debt and management agreements with the Walker-Harriman bank during the 1920s. A new decree would now void those agreements, which had originally been reached with non-Nazi corporate officials. Dulles asked Bush, who managed these affairs for Averell Harriman, to get Averell’s signature on a letter to Nazi officials, agreeing to the changes. Dulles wrote:

Sept. 22, 1937
Mr. Prescott S. Bush
59 Wall Street, New York, N.Y.

Dear Press,

I have looked over the letter of the German-American [sic] Cable Company to Averell Harriman. . . . It would appear that the only rights in the matter are those which inure in the bankers and that no legal embarrassment would result, so far as the bondholders are concerned, by your acquiescence in the modification of the bankers’ agreement.

Sincerely yours,
John Foster Dulles

Dulles enclosed a proposed draft reply, Bush got Harriman’s signature, and the changes went through.³⁶

In conjunction with these arrangements, the German Atlantic Cable Company attempted to stop payment on its debts to smaller American bondholders. The money was to be used instead for arming the Nazi state, under a decree of the Hitler government.

Despite the busy efforts of Bush and Dulles, a New York court decided that this particular Hitler “law” was invalid in the United States; small bondholders, not parties to deals

33. American Ship and Commerce Corporation telegram to Rudolph Brinckmann at M.M. Warburg, June 12, 1936.

Rudolph Brinckmann to Averell Harriman at 59 Wall St., June 20, 1936, with enclosed note transmitting Helfferich’s letter.

Reply to Dr. Rudolph Brinckmann c/o M.M. Warburg and Co, July 6, 1936, WAH papers. The file copy of this letter carries no signature, but is presumably from Averell Harriman.

34. Office of Alien Property Custodian, Vesting Order Number 126. Signed by Leo T. Crowley, Alien Property Custodian, executed August 28, 1942. F.R. Doc. 42-8774; Filed September 4, 1942, 10:55 A.M.; 7 F.R. 7061 (Number 176, Sept. 5, 1942.)

July 18, 1942, Memorandum To the Executive Committee of the Office of Alien Property Custodian, stamped CONFIDENTIAL, from the Division of Investigation and Research, Homer Jones, Chief. Now declassified in United States National Archives, Suitland, Maryland annex. See Record Group 131, Alien Property Custodian, investigative reports, in file box relating to Vesting Order Number 126.

35. *New York Times*, May 20, 1933. Leading up to this agreement is a telegram which somehow escaped the shredder. It is addressed to Nazi official Hjalmar Schacht at the Mayflower Hotel, Washington, dated May 11, 1933: “Much disappointed to have missed seeing you Tuesday afternoon. . . . I hope to see you either in Washington or New York before you sail.

“with my regards W.A. Harriman” (WAH papers).

36. Dulles to Bush, letter and draft reply in WAH papers.

between the bankers and the Nazis, were entitled to get paid.³⁷

In this and a few other of the attempted swindles, the intended victims came out with their money. But the Nazi financial and political reorganization went ahead to its tragic climax.

For his part in the Hitler revolution, Prescott Bush was paid a fortune.

This is the legacy he left to his son, President George Bush.

An Important Historical Note: How the Harrimans Hired Hitler

It was not inevitable that millions would be slaughtered under fascism and in World War II. At certain moments of crisis, crucial pro-Nazi decisions were made outside of Germany. These decisions for pro-Nazi actions were more aggressive than the mere “appeasement” which Anglo-American historians later preferred to discuss.

Private armies of 300,000 to 400,000 terrorists aided the Nazis’ rise to power. W.A. Harriman’s Hamburg-Amerika Line intervened against Germany’s 1932 attempt to break them up.

The 1929-31 economic collapse bankrupted the Wall-Street-backed German Steel Trust. When the German government took over the Trust’s stock shares, interests associated with Konrad Adenauer and the anti-Nazi Catholic Center Party attempted to acquire the shares. But the Anglo-Americans—Montagu Norman and the Harriman-Bush bank—made sure that their Nazi puppet Fritz Thyssen regained control over the shares and the Trust. Thyssen’s bankrolling of Hitler could then continue unhindered.

Unpayable debts crushed Germany in the 1920s, reparations required by the Versailles agreements. Germany was looted by the London-New York banking system, and Hitler’s propaganda exploited this German debt burden.

But immediately *after* Germany came under Hitler’s dictatorship, the Anglo-American financiers granted debt relief, which freed funds to be used for arming the Nazi state.

The North German Lloyd steamship line, which was merged with Hamburg-Amerika Line, was one of the companies which stopped debt payments under a Hitler decree arranged by John Foster Dulles and Hjalmar Schacht.

Kuhn Loeb and Co.’s Felix Warburg carried out the Hitler finance plan in New York. Kuhn Loeb asked North German Lloyd bondholders to accept new lower interest steamship bonds, issued by Kuhn Loeb, in place of the better pre-Hitler bonds.

New York attorney Jacob Chaitkin, father of coauthor Anton Chaitkin, took the cases of many different bondholders who rejected the swindle by Harriman, Bush, Warburg, and Hitler. Representing a woman who was owed \$30 on an old steamship bond—and opposing John Foster Dulles in New York municipal court—Chaitkin threatened a writ from the

sheriff, tying up the 30,000 ton transatlantic liner *Europa* until the client received her \$30. (*New York Times*, January 10, 1934, p. 31, col. 3).

The American Jewish Congress hired Jacob Chaitkin as the legal director of the boycott against Nazi Germany. The American Federation of Labor cooperated with Jewish and other groups in the anti-import boycott. On the other side, virtually all the Nazi trade with the United States was under the supervision of the Harriman interests and functionaries such as Prescott Bush, father of President George Bush.

Meanwhile, the Warburgs demanded that American Jews not “agitate” against the Hitler government, or join the organized boycott. The Warburgs’ decision was carried out by the American Jewish Committee and the B’nai B’rith, who opposed the boycott as the Nazi military state grew increasingly powerful.

The historical coverup on these events is so tight that virtually the only exposé of the Warburgs came in journalist John L. Spivak’s “Wall Street’s Fascist Conspiracy,” in the pro-communist *New Masses* periodical (Jan. 29 and Feb. 5, 1934). Spivak pointed out that the Warburgs controlled the American Jewish Committee, which opposed the anti-Nazi boycott, while their Kuhn Loeb and Co. had underwritten Nazi shipping; and he exposed the financing of pro-fascist political activities by the Warburgs and their partners and allies, many of whom were bigwigs in the American Jewish Committee and B’nai B’rith.

Given where the Spivak piece appeared, it is not surprising that Spivak called Warburg an ally of the Morgan Bank, but made no mention of Averell Harriman. Mr. Harriman, after all, was a permanent hero of the Soviet Union.

John L. Spivak later underwent a curious transformation, himself joining the coverup. In 1967, he wrote an autobiography (*A Man in His Time*, New York: Horizon Press), which praises the American Jewish Committee. The pro-fascism of the Warburgs does not appear in the book. The former “rebel” Spivak also praises the action arm of the B’nai B’rith, the Anti-Defamation League. Pathetically, he comments favorably that the League has spy files on the American populace which it shares with government agencies.

Thus is history erased; and those decisions, which direct history into one course or another, are lost to the knowledge of the current generation.

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37. *New York Times*, Jan. 19, 1938.

Jackson Hole As The ‘Temple of Doom’

by the Editors

The Aug. 25 Jackson Hole Federal Reserve conference made Chairman Ben Bernanke’s call for a return to Roman-style imperialism, together with the onrush of Lyndon LaRouche’s forecast of Loudoun County, Virginia’s “Ground Zero”-centered collapse of the U.S. mortgage-bubble, the leading theme of relevance in the currently escalating international discussions of world policies for the immediate crisis-ridden future of the planet as a whole, LaRouche said on Aug. 26.

That theme was the focus of a notable leading editorial in the London *Guardian*, by “Stop-the-War-Coalition” spokesman Andrew Murray, who defined the drive toward empire by Anglo-American circles, typified by the names of President G.W. Bush and Prime Minister Tony Blair, as “the central issue of our time.”

Essentially, Bernanke has now, thus, proposed publicly, to overthrow the U.S. Federal Constitution. Technically, Bernanke is almost as bad at history as he is in the field of economics. His adoption of the Roman Empire as the model for the kind of imperialism which his faction is attempting to pull off, is just one more symptom of his incompetence in the fields of both history and economics. What he is actually working to bring into being is the model of the *ultramontane* alliance of medieval Venetian financier oligarchs and the Crusading Norman chivalry: not an empire under a Roman-style world emperor, but a hodge-podge like that Fourteenth-Century New Dark Age into which the *ultramontane* system degenerated, after its defeat of the last Staufer remnant of Charlemagne’s reforms.

Nonetheless, with all of this and that to be discussed, fervently, the presently breaking global conditions of spreading asymmetric warfare, general economic breakdown-crisis, and lunatic drives of certifiable madmen, such as the Nero-like George W. Bush, Jr., have brought the world as a whole

into a U.S.-centered, global maelstrom of tumultuous tragic indecision, which might be the end of civilization on this planet for generations to come.

The threat of degeneration into Fourteenth-Century-style imperialism, and its doom, is the immediate reality of currently converging trends. But that discussion, however necessary, does not provide a remedy for such an outcome. It is time for a new Renaissance, like that centered on the mid-Fifteenth-Century great ecumenical Council of Florence. Discussing the dead will not bring the doomed back to life. A positive, practicable alternative to the present, inevitably onrushing breakdown-crisis of the existing world and U.S. economic system, a true renaissance, must be the foremost topic on our agendas.

The issue posed to all humanity at this moment is the issue of the LaRouche PAC’s Sept. 6 Berlin webcast conference (see *Feature*). It is necessary to discuss the present crisis. It were preferable, rather than attempting to write the autopsy report for a soon-dead civilization, to focus our attention on the alternative, as this is already indicated by several reports produced by spokesman LaRouche, in the run-up to that Berlin webcast conference.

There is no region of the world, which is an exception to the doom inherent in the presently habituated trends in decision-making in the transatlantic community. What is going on in any part of the world, is irrelevant, except as it bears on changing radically the recent trends in policy-shaping which have dominated the transatlantic world and beyond since the death of President Franklin Roosevelt, and, especially, since the unsolved assassination of the President John F. Kennedy who was considered a threat by those who were determined to prevent a return to the paradigmatic economic policy-shaping typified by President Roosevelt. When the

Kennedy assassination is viewed in the context of the attempts on Charles de Gaulle, and on others of similar policy-characteristics, and taking into account the accelerating ouster of Chancellor Konrad Adenauer, and the Congress for Cultural Freedom and American Family Foundation crowds, there is no real mystery concerning the actual motive, and general nature of the source of the relevant orders in these cases.

Documentation

Bernanke's Imperialism

In his keynote speech, "Global Economic Integration: What's New and What's Not?" at the Federal Reserve's 30th annual economic symposium held Aug. 25 at Jackson Hole, Wyoming, Fed Chairman Ben Bernanke insisted that the U.S. government must resist policies of the American System of physical economy—e.g., protectionism and investment in infrastructure—and instead, should follow in the footsteps of the Roman Empire and British East India Company, through globalization.

Bernanke praised the Romans' "far-flung empire," saying its "unification promoted trade and economic development." Next, he hailed the "trading companies created by the English and the Dutch," which controlled much of trade in the 16th Century. Globalization took "another major leap forward" during the post-Napoleonic period (1815-1913), Bernanke said, when trade followed a "core-periphery" pattern, in which manufactured goods flowed from core countries to those on the periphery, while raw materials and agricultural products flowed in the other direction. And he praised "Britain's embrace of free trade and free capital flows" in the 19th Century.

"One important exception" to this pattern was "the United States, which, over the course of the 19th Century, made the transition from the periphery to the core," he noted. "The share of manufactured goods in U.S. exports rose from less than 30% in 1840 to 60% in 1913."

Bernanke spoke out against needed infrastructure investment, in favor of speculation in financial markets which, he said, are "more mature." "In the 19th Century, international portfolio investments were concentrated in the finance of infrastructure projects—such as the American railroads—and in the purchase of government debt. Today, international investors hold an array of debt instruments, equities, and derivatives, including claims on a broad range of sectors."

Bernanke called on policymakers to resist those who are "seeking the passage of protectionist measures," instead urging Washington to build a consensus to reap the "potential benefits" of increased globalization.

Entropy Runs Down-Hill

The Great Fool's Oil Swindle

by Lyndon H. LaRouche, Jr.

August 31, 2006

The spreading delusion, that the so-called petroleum-crisis can be conquered by the reduction of living plants, such as corn, to a substitute for petroleum, will go down in history with the John Law Bubble and Ponzi scheme, as one of the sorriest mass-delusions ever to plunge a modern nation into destitution and general ruin. The motive which lures credulous people into condoning such unscientific swindles, is essentially of the form expressed by those who are candid about their motives: "To Hell with society; I—me, me, me!—need the money now!"

The quickest way which modern science offers to clarify that point, is the proof by the great Twentieth-Century scientist, Vladimir Vernadsky, first, of the relative rate of increase of the Biosphere, relative to the non-living processes of our planet, and, second, the relative increase of what Vernadsky defined as the combined living and sedimentary mass of the Noösphere.

In brief: The exemplary basis for the creation of the conditions needed for sustaining human life on this planet, is the action of chlorophyll in transforming low-energy-flux-density solar radiation received near the surface of our planet, into the higher energy-flux-density forms of plant life, on which the satisfactory management of the Earth's climate, and progress of human life depend. The key to the physical organization of economic conditions of human life, is the increase of what is termed, as a rule-of-thumb, low energy-flux-density of received solar radiation, to successively higher levels of energy-flux-density, as typified by the succession of production by chlorophyll, use of water-power, burning of wood, burning of coal, coke, petroleum, nuclear-fission, and thermonuclear fusion. The relative decrease of the relative scale of the ostensibly abiotic mass of the planet Earth, to the relatively increasing mass of the Biosphere, and the increase of the mass of the Noösphere to the mass of the Biosphere, illustrate the physical principle to be considered.

The ratios of increase of Biosphere to abiotic planetary mass, and of Noösphere to Biosphere, express a fundamental principle of the organization of the known physical universe: a principle fairly identified as anti-entropy. This is also the

principle of anti-entropy exhibited by the generation of the organized Solar System, with its characteristic Periodic Table, from the basis in a fast-spinning solitary Sun, with its lower state of organization, to the composition of the Solar System today.

The only basis for sustaining a modern level of human population on this planet, lies in the effects of scientific and related technological and cultural progress. That progress depends, inclusively and characteristically, on mankind's promotion of the density of useful living plant-life per capita and per square kilometer, in which trees represent a higher state of organization and quality of the climate and environment for mankind than the vegetables we grow for the food-cycle: trees absorb more of the Solar radiation!

To create a more moderate climate, promote green cover, with an emphasis on trees. At the same time, conserve the environment by increasing reliance on the use of increasing high-energy-flux-density sources of power, such as nuclear-fission and thermonuclear-fusion today. All of these required policies, assume the common physical-economic form of increase of physical, as distinct from merely monetary capital-intensity per capita and per square kilometer. Above half of that investment in physical capital-intensity must be, presently, in the development and maintenance of basic economic infrastructure in, chiefly, the so-called public sector.

In the U.S.A. prior to the rise of the 68ers, the notions which I have just outlined above, represented conventional wisdom. With the coming into maturity of the present upper 20% of family-income brackets within the 50-to-65 age-interval, there was a so-called "cultural paradigm-shift" downward, away from a producer society, to a consumer society, from a physical economy, to a low-paid, either non-productive, or marginally productive "services economy."

This Baby-Boomer-led, ideological downshift in intelligence and in morality, is typified by the campaign against nuclear-fission and thermonuclear fusion as the indicated power sources for reaching into a healthy economic future. This represented the same policy of the satanic Olympian Zeus of Aeschylus' *Prometheus Bound*. The doctrine, from the Apollo Delphi cult's Zeus, to the present day, is known in political history as a characteristic expression of what was known then, as now, as "the oligarchical principle." This takes the form of the doctrine that the upper 3% of family-income brackets are to be served, and the lower 80% must slip, more and more into penury and servitude of manual, unskilled labor. Not accidentally, this is the oligarchical principle expressed by the George W. Bush Administration, and by Democrats who purse their lips in the contemplation of the buttocks of the upper 3%.

The tactic of the pro-oligarchical upper 3% and its pursed-lip lackeys, is to fool the credulous into the delusion that "fool's oil" now is a comfort-zone, the future of humanity be damned.

Senate Hearing Cheers Great Biofuels Bubble

by Marcia Merry Baker

The latest update on the impact and expansion of the Great Biofuels Bubble was presented to the Senate, at a Sept. 6 full committee oversight hearing on the "Federal Renewable Fuels Programs," held by the Environment and Public Works Committee. Witnesses from the Environmental Protection Agency (EPA) and the Departments of Energy (DOE) and Agriculture (USDA) gave testimony, on what amounts to drastic shifts in farming, threats to the food supply, and a stampede by big money funds to get in on the action.

Sounding no alarms, eight Senators—Democrat and Republican alike—weighed in on how to further the wild process. Ranking Minority Leader, Sen. Jim Jeffords (I-Vt.), reminded people that he had first sponsored a renewable fuels initiative to replace gasoline in the 1970s, with his "Replacement Motor Fuels Act of 1979" bill. Sen. Johnny Isakson (R-Ga.) said that construction of a new 100-million gallon ethanol plant is to start this October in Mitchell County.

Federal Bubble Mandate

This Senate Committee has oversight, because it oversees the Environmental Protection Agency, which was mandated, under "EPAct"—the Energy Policy Act of 2005," to decree annual Renewable Fuel Standards (RFS), beginning with 2006, on the volume and make-up of biofuel that must be blended into gasoline. Thus, this law created what's called "market reliability" for the mad-dash underway into biomass refineries, distribution and speculation.

EPA Acting Assistant Administrator William Wehrum said, "The renewable volume [to be blended into gasoline] begins at 4 billion gallons in 2006, and increases to 4.7 billion gallons in 2007, 5.4 billion gallons in 2008, and continues to scale up to 7.5 billion gallons in 2012. EPAct requires that EPA annually establish the percentage requirement, which will apply individually to refiners, blenders, and importers to ensure the total volume of renewable fuels specified for that year in EPAct is achieved." True, this year's 4.8 billion gallons of ethanol is barely 3% of the gasoline used nationally, but when it comes to bubblenomics, size doesn't matter.

On Sept. 7, the EPA issued its proposed new rules for 2007, which introduced a new feature: a "marketplace" for

buying and selling under- and over-used allotments among the entities involved in meeting the RFS.

In fact, today's pace of new biofuels capacity and output exceed EPA mandates. In 2000, 1.6 billion gallons of ethanol (mostly corn) were produced in the U.S.A.; in 2005 this had grown by 150% to 4 billion. But then a 20% jump occurred from 2005 to 2006. This year, nearly 5 billion gallons will be produced. Over 100 corn ethanol plants are running in 20 states, with 42 new ones and 7 expansions under construction. Once this capacity is completed, ethanol output in the United States will be 7.7 billion gallons a year, which is expected well before the EPA mandate of 7.5 billion gallons in 2012. And this doesn't even factor in the 60 ethanol plants now in the "talking" stage.

We want to proceed even faster, was the message of Alexander Karsner, Assistant Secretary of the DOE's Office of Energy Efficiency and Renewable Energy. The DOE is pushing all kinds of R&D programs to add other "energy feedstocks" to the refineries, besides corn, to figure out how to "convert corn stalks, sawdust, or waste paper into fuel ethanol, and to do so cost-effectively and on a large industrial scale." The DOE and the USDA already give grants under the "Biomass Research and Development Act of 2000," to study converting wood chips, citrus peel, potato skins, and other biomass into liquid fuel, but now the R&D interest is reaching the mania stage.

The DOE and USDA did a study in 2005, known as the "Billion Ton Study," which Karsner said, "indicates that there are enough agricultural and forestland resources in the U.S. to sustainably produce up to 1.3 billion tons of biomass feedstocks by 2030. This would be enough feedstock to potentially produce at least 60 billion gallons of ethanol." This would be roughly 30% of yearly motor gasoline used.

Admitting that the idea is just "a resource potential study," Karsner nevertheless gave a wild-eyed vision of farmers and foresters everywhere producing "dedicated energy crops." He said that "Different regions could potentially support different feedstock crops—for example, switchgrass in the South Central region and willow in the Northeast."

The Biofuels Bubble That Ate Your Lunch

Such shifts would radically change the landscape, undercutting the food chain, already strained from globalization. USDA Chief Economist Keith Collins reported that in 2000 about 6% of U.S. corn production went into ethanol. In 2005, about 14% of the U.S. corn crop was so used. This year, it is expected that 20% of the U.S. corn crop will be converted into motor ethanol; and next year, it could be 26%. In volume, the amount of corn now going into ethanol is about the same as what the U.S. typically exports. Either that corn export flow is eliminated, or use of corn for domestic livestock feed is stifled, or some other trade-off occurs, if corn-for-ethanol becomes king.

Staying within the biofuels logic, Collins gave a "value-free" briefing to the Senators on whether corn output can be expanded, and what trade-offs to expect. While corn yields may go up a bit, mainly, more land needs to be cropped for ethanol. "If exports and feed use are to be maintained, corn acreage would have to rise to about 90 million acres in 2010 . . . nearly 10 million more than the average planted during 2005 and 2006." He proposed that farmers could start corn-growing on land now in the Conservation Reserve Program, which was set up to nominally protect the environment (by not growing row crops). Collins said that the USDA has done a study to estimate that "4.3 to 7.2 million acres currently enrolled in the CRP could be used to grow corn or soybeans in a sustainable way."

More bluntly, Collins said, that as corn commands higher prices because of pressure from ethanol-use, then "land must be bid into corn production and away from other crops." Yes, food supplies will be affected. He noted that Brazil and Argentina should be expected to start exporting corn to world markets that the U.S. no longer serves.

Even with all these shifts and trade-offs, Collins points out that, "Corn stocks are likely to be increasingly tight and corn prices high, so the corn sector will be highly vulnerable to market disruptions. . . ." In fact, the USDA estimates that because of the current High Plains drought, the U.S. corn crop this year will be down by 7% from 2004. The famous "Corn Palace," in Mitchell, S.D., the 114-year-old building that is a tourist site, which is decorated every year with corn designs, will not be re-covered in 2006. Governors are begging for Federal farm relief.

No matter. The DOE, USDA, and EPA are co-hosting a "national renewable energy conference to help create partnerships and strategies necessary to accelerate commercialization of renewable industries and distribution systems. The conference, 'Advancing Renewable Energy: An American Rural Renaissance,' is scheduled for Oct. 10-12 in St. Louis."

Flying into biofuels are a swarm of hedge funds, and well known names such as Bear Stearns. Stock share values of Archer Daniels Midland, cartel leader in ethanol, have almost doubled over the past year. Bill Gates has bought into \$84 million worth of Pacific Ethanol, Inc. based in Fresno, California, which is not even built yet. Mania grips the farm states, where farmer-owned facilities are making hyper-profits, because ethanol prices are double their costs of production. Initial Public Offerings have been snapped up this summer for VeraSun and a couple of others.

The DOE is courting the crowd. In August the DOE "Biomass Program" held a "30x'30" workshop for "industry and academia," which Karsner said, "refers to the theoretical potential of replacing 30% of current U.S. gasoline consumption with ethanol, or producing about 60 billion gallons of ethanol by the year 2030."

U.S. Census Bureau's Report on Income and Poverty Is False

by Paul Gallagher

The U.S. Census Bureau's major report of the year, the annual analysis of "real" incomes, poverty, and health insurance in the U.S. population, was full of more—and more recent—county data than ever before this year (the calendar-year 2005 report); but it measured that data against completely fraudulent standards like the infamous Consumer Price Index (CPI) and the long out-of-date official "poverty line." The result was national and international media "economic" coverage which is simply false—real wages and household incomes are continuing to fall for all but the wealthiest Americans, and household poverty is continuing to mount. (Ironically, in the second week of September strong doubts began to be raised by California local officials about the new city and county population data in the report as well.)

The Census Bureau's "Income, Poverty, and Health Insurance Coverage in the United States, 2005" was presented to the media on the morning of Aug. 29 with three basic conclusions: Americans' median income gained; poverty stopped rising; but more Americans lacked health insurance. The first two conclusions—which dominated much national and international coverage of the report as "an indicator of the U.S. economy"—are false. Furthermore, the same fabrication characterized the report of the Bureau of Labor Statistics (BLS) on August 2006 employment and wages, released three days later on Sept. 1.

"They are lying their heads off" to conceal an ongoing U.S. economic collapse, was Lyndon LaRouche's response to international media coverage of the Census report. LaRouche commented that the people who wrote the public report "had to have been using a Bush League calculator." This annual report is nationally and internationally watched and has political importance. In this case it covers up, just before a major mid-term election, the social impacts of the outsourcing, asset-stripping, and destruction of the United States' formerly industrial economy. This destruction has drastically accelerated since 2001, under Cheney-Bush and the synarchist financial networks they have given *carte blanc* with that economy.

Bent Measuring Rods

The Census Bureau measured its income data against fraudulent standards. The Consumer Price Index (CPI) has been systematically falsified by several decades of applying "quality adjustment factors," "hedonic indices" and "substitution formulae": To reduce its apparent prices of goods, such

as automobiles, well below the *actual* prices of those goods; and to remove inflating goods from the CPI calculations altogether, substituting lower-cost supposed "equivalents" for them. Crucially, this falsification has been extended to *housing prices* by the hoax of "imputed rent" rather than actual price. So what Census and the Bureau of Labor Statistics call "real" income changes, are measured by highly *unreal* inflation measures in the price index.

But the Bureau found—even measuring against the CPI—that the "real" median *earned* income of men in the American workforce had fallen in 2005 for the fourth year in a row, by a substantial 1.8%; and that of women, for the third consecutive year, by 1.3%. Real median *household* income was reported to have risen by 1.1%. But Census official David Kilpatrick, in presenting the report, acknowledged that this statistic resulted from more people working per household, and from 2005 being a banner year for *unearned income* such as dividends and capital gains.

More important: This increase was concentrated in the upper 20% of households by income, which in 2005 engrossed a record 51.4% of all national income—it had only been in 2002 that this wealthiest quintile equalled the combined income of the other 80% of households for the first time in U.S. history. Furthermore, the supposed household "real"-income increase was reported entirely among households headed by people over 65; all other households' median income fell by 0.7%; the drop was larger for households headed by 35-44 year-olds, and 45-54 year-olds—the core of the workforce. Over the four years 2001-05, median income of households with at least one parent aged 25-34 fell by 5.9%.

Across the deindustrialized Midwest and Northeast states, local press coverage in response to the Census showed the truth: Outright median wage drops (without regard to inflation) in industrial states from 2004-2005.

For example: In Michigan, the median household income fell from \$46,445 in 2004 to \$46,038 in 2005, marking the first time industrial Michigan has ever been below the national median household income—the state is losing 20,000 auto jobs a year; the *Saginaw News* reported real median household income in that county has actually declined by \$5,336—a huge 15% drop—in six years, and poverty has steadily risen, "reflecting deindustrialization"; in Pennsylvania, average hourly wages for the 41-80th income percentiles fell from \$14.55 to \$14.21, the third consecutive annual drop for mid-

dle-income workers in the state; in Missouri, the median income of households has steadily declined from 2001 through 2005, decreasing by \$5,000 overall; Median household income in the eight counties surrounding Cleveland fell by \$1,778 over the last five years; while in the city itself, it dropped by \$6,294.

Plenty of other evidence was in the Census report, of the decline in real incomes and the increasing impoverishment of American households. Household debt rose in 2005 to 132% of disposable income. In the lower 2/5 of income brackets, 23% of households use more than 40% of their income on debt payments. The average American family pays 19.4% of its entire income for debt service. For the first time since the Depression, the personal savings rate for the nation fell below zero—total national savings were shrinking, being spent. Retirement became more difficult: Some 9% of men over 75 years old work; 21% of men between 70-74, and 12% of women that age, work; between the ages of 65 and 69, a third of men and 23% of women work.

Another key indicator of impoverishment is being seen in auto sales, both falling in numbers and shifting to smaller vehicles as households sink under debt and inflation. A Sept. 7 Global Insight, Inc. webcast was held to report “the U.S. auto sales market downshifted in August [2006],” reaching a very poor and unexpected annual sales rate of 16 million; furthermore, “the pace of sales weakened considerably in the closing weeks of August,” and “all production schedules are in jeopardy.” The firm now estimates/forecasts a total production cut by *all* automakers in North America of 4.6% in the 3rd quarter, and 6.5% in the fourth quarter.

Across the formerly industrial belt of U.S. states and the Northeast, the Census report’s claim of poverty levels having stabilized, was treated, by implication, as a fraud. The *Baltimore Sun* headlined it, “As Affluent Got Richer, Working Class Fell Behind.” The *Detroit Free Press* headline was “Median Income Up in Michigan—So Is Poverty.” The *Boston Herald* showed the irony that according to the census, the Northeast had the biggest increase in household income in 2005, and a supposed decline in poverty; yet, in Massachusetts, home foreclosures are up 50%-100%, county by county, for months; in Boston, a third of households are spending more than half their income on housing.

Again on Sept. 1, the BLS reported that average weekly earnings of U.S. employees had dropped by another substantial 1% from July to August 2006, as more industrial jobs disappeared—but media reporting, fastening on a miniscule 0.1% rise in the average *hourly* wage, lied that “Americans’ earnings rose.”

55-70 Million Actually Poor

The Census report claimed that the major measures of poverty in America were all unchanged from 2004 to 2005, with 37 million people in official poverty. Any real measure of basic household subsistence—after 20 years of rapidly

inflating medical-care costs, a decade of skyrocketing housing costs, six years of energy-price spikes, and ballooning household debt—would find the “poverty line” for a family of four not at the official \$19,000, but at \$35-40,000 annual income; it would find not 37 million, but 55-70 million Americans fallen into poverty. The poorest counties and poorest regions in the country got poorer in 2005—as major newspapers of the former industrial belt, such as the Cleveland *Plain Dealer*, made clear, even amid the lying reports of the Census Bureau’s findings. Even officially, the percentage of American families in “deep poverty”—less than half the official “poverty line” income—went up, reaching nearly 6 million.

The U.S. housing bubble, even before it started collapsing in 2006, was rapidly deepening poverty from 2000 through 2005. The official Federal poverty level, or “poverty line,” was adopted in 1964, taking the Agriculture Department’s 1955, very conservatively estimated “*low-cost food budget* for a family of three or more,” and multiplying by three, to estimate a supposed basic household income requirement for the poor; in the decades since then, it has simply been adjusted for inflation (i.e., by the increasingly suppressed CPI), and for more exact household sizes. Thus, aside from what a “conservative” low-cost 1955 food budget would buy in 1964, the inflation adjustment for the poverty line since 1964 has been absurdly low; and more important, the assumption that food costs are one-third of a household budget has been maintained, although today, one-sixth would be a better approximation. In particular, the more medical care costs escalate; the more housing prices and rents hyperinflate; the deeper into poverty goes the household supposedly at or just above the poverty line.

The Brookings Institution has calculated the baseline “family self-sufficiency level,” meeting only the most basic needs, at \$36,000 for a family of four—double the official poverty level. The median income of all Hispanic households, and all African-American households, was below that \$36,000 level in 2005. The National Academy of Sciences (NAS) ten years ago proposed a new poverty measure reflecting how housing costs and medical costs were ballooning in household budgets, but it has not been adopted. Duke University professor David Brady, from these considerations, estimates current U.S. poverty at 18%, or 54 million people; some NAS scholars estimate it to be as high as 70 million, double the Census Bureau’s claimed “stabilized” figure.

In poverty-heavy Texas, official poverty rates have not increased much, but in 2005, one-quarter of all workers there were making less than \$8.75/hour. A household of four, with two such full-time jobs, is still well below that self-sufficiency level estimated by Brookings. At the other end of the scale, in the second wealthiest county in America—Fairfax, Virginia—the median house costs the median household 54% of its income, and households with incomes of \$75,000 and more are rendered poor by their housing, and need county assistance!

Is Mexico a Nation, or A Private Looting Field?

by Nancy Spannaus

In the wake of the unprecedented blockage of outgoing Mexican President Vicente Fox's scheduled delivery of the Sept. 1 State of the Union speech, and the formal decision by the Federal Electoral Commission to confirm the fraudulent election of Felipe Calderón as President, the Mexican institutional crisis is taking shape around the crucial issue of economic policy. None other than Fox's State of the Union speech itself spilled the beans, by revealing in its statistical appendix that, over the six years of his Presidency, the amount of public funds pouring into the ongoing bailout of the country's foreign-controlled private banking sector was nearly *three times* that which was invested into the oil industry, upon which the bulk of the revenue of the nation depends.

Fox's admission was hidden in a mass of figures, but what it reveals is crucial for understanding the stakes in the unfolding dual power situation in the U.S.'s southern neighbor. The official documents that Fox's government supplied, expose a deliberate, year-by-year underfinancing of the state oil company Pemex, as part of a scheme to bankrupt it preparatory to its privatization. It is this scheme which the synarchist international bankers behind PAN candidate Calderón, are determined to implement, in their desperate attempt to "solve" the global financial breakdown crisis through looting uninhibited by sovereign national governments.

For this reason, the international bankers who are calling the shots have been adamant that they cannot allow the rightful winner of the Mexican Presidential elections, Andrés Manuel López Obrador of the Revolutionary Democratic Party (PRD), to be acknowledged as the victor. The LaRouche Youth Movement (LYM) in Mexico put it sharply in their Sept. 1 leaflet, which cited Lyndon LaRouche's evaluation: "These international bankers are determined to rip off the

entire hemisphere, and they want to make a horrible example of Mexico in order to succeed in doing it to the countries south of the Mexican border. That's the strategic motive."

As López Obrador has consistently emphasized, and did again in the official statement which we excerpt here, his commitment is to a government which provides for the general welfare. The fact that López Obrador has determined to continue to fight to fulfill that commitment, holds out the potential that the current injustice will be overturned.

Thinking Outside the Box

But how can the tide be turned? asked members of the LYM who have been organizing nonstop in López Obrador's encampments around Mexico City over the past month, in a question they addressed to LaRouche during his Sept. 6 webcast.

The key to the solution, LaRouche replied (see full answer on p. 35), lies in what happens with economic policy, particularly in the United States. If there is not development in Mexico, and if the United States goes through an economic crisis which would also be a social crisis, then the conditions of people on both sides of the border will create an uncontrollable internal security risk on both sides of the border. This is paradigmatic of the global situation as well.

So, LaRouche asked, "what can we do about this? Well, I say we have to get both Cheney and Bush out now. . . . We have to do it! You see, the times have come when you cannot bargain and solve a problem within the terms that are given. You sometimes have to step outside the definition of the problem, and change the problem, rather than trying to solve the problem.

"In this case, if we can't solve the problem, and we're not willing to solve the problem, we can't mobilize it, we may

have an absolutely hopeless situation! Civilizations have gone to hell before, and this one can go to hell too. We're on the edge of it. We're on the edge of it if we don't do something about it. We've got to get Bush and Cheney out of there now. They should be impeached immediately. If any Democrat or Republican won't do that, they're an idiot."

Stalemate

Meanwhile, within Mexico, the political balance of power remains totally unresolved.

The most stunning exemplar of the fact that the new illegitimate government will not be able to govern without suicidal acts of repression, came on the night of the State of the Union, Sept. 1. The government authorities, who had already militarized the Congress, had anticipated that López Obrador would lead tens of thousands, if not more, of his supporters to the Congress to protest, or otherwise try to stop, the delivery of Fox's speech. Instead, López Obrador declared in the early evening, that the crowd would not march.

Calling his opponents fascists, he declared: "We have to take care of ourselves, and not fall for any provocation. We are the ones who have to decide when we are going to make decisions; they are not going to impose their conditions on us. We are not going to fall into any trap."

Instead, ten minutes before the President was due to deliver the speech in the Congress, the PRD delegation in Congress and its allies from other smaller parties moved with dignity to the podium, and announced that they would not leave until the military were removed from the inside and outside the Congress. They sang the national anthem, shouted slogans, and stayed put.

President Fox, who was already en route when informed of what had happened, arrived to find himself end-played. In a hallway outside the congressional assembly room, he simply handed his written speech over to a small group of Congressmen and Senators from his party, the National Action Party (PAN), and went home. In Mexico City's central square, the Zócalo, where López Obrador's supporters have been camped out, wild cheers erupted from the crowd watching the proceedings on giant screens.

If Fox cannot address the Congress, can Calderón, who was declared the winner on Sept. 5, actually govern? That will be determined by events outside Mexico, as well as in that nation's capital.

The National Democratic Convention

As this article is written, the tension is building toward the next inflection point in this battle, the convening of a National Democratic Convention in the Zócalo on Sept. 16. López Obrador has called this assembly for the purpose of deliberating on, and forming, an alternate government which, unlike that of Calderón, will be devoted to protecting the general welfare. It is widely anticipated that over a million Mexicans will gather in response to this call.

In fact, López Obrador's proposal that an alternate legitimate Presidency be established, is not unprecedented in Mexican history. As Mexico City PRD President Martí Batres reminded people in the Zócalo on Aug. 29, Mexico has had "a usurper in the palace and a legitimate President in the street" before, specifically during the period when traitorous Mexican monarchists recognized Maximilian, imposed by French troops in 1863, as the emperor of Mexico. "The Presidency was wherever Benito Juárez was," Martí Batres said. "The Presidency traveled the country with Benito Juárez, while the usurpers occupied the offices, occupied the Palace." Juárez refused an amnesty offered by Maximilian.

Ultimately, after a period of years, Juárez regained his rightful position as President in a sovereign nation, in a process that was not unrelated to the success of the Republican Party of Abraham Lincoln in restoring the sovereignty of the United States of America.

This historical alliance between the United States and Mexico, itself echoed in the alliance between Lyndon LaRouche and Mexican President José López Portillo in 1982, has been a major point of emphasis by the small, but highly influential LYM during this Mexican crisis. The LYM has found an exceptional responsiveness to the universal principles of history, science, and Classical culture, such as is often encountered in a mass strike period, when the fate of a nation hangs in the balance. But Mexican patriots cannot win this war alone. For victory, patriotic forces, especially in the United States, will have to move to destroy the looting plans of the synarchist bankers, once and for all.

Documentation

The following are excerpts from a Sept. 5 speech presented by Mexican Presidential contender Andrés Manuel López Obrador, to his supporters in the Mexico City Zócalo Plaza.

Friends: On this fateful day, so difficult for democracy in Mexico but which opens the way for launching a new era, I want to . . . tell you that I am never going to abandon the fight for my ideas and for my convictions.

I am never going to abandon the fight for a new economy, for a new way of making policy, and for a new, more just and more humanitarian social coexistence.

I tell you, I pledge to you, that I will never accept traditional politics, where the only thing that counts are interests, except for the interests of the people.

I tell you that I am never going to compromise with the political mafia nor with white-collar criminals.

I am never going to submit to the class-conscious, to the racists, to the fascists who hypocritically pretend to be people of good will.

I am never going to stop helping and protecting Mexico's humble, dispossessed, and poor.

And never, never, will I betray the people of Mexico.

We are going to continue in this struggle with much dignity and with our principles before us. That is my response to the Court's ruling today.

The judges of the Electoral Court of the Federal Judiciary yielded; they lacked the daring, the dignity, the pride, the bravery to act as free men. They opted to rubber-stamp the electoral fraud. In this way, the people's will was violated and the constitutional order fractured.

As everyone knows, as is common knowledge, both the candidate of the right as well as the Electoral Court refused a vote by vote, poll by poll recount. They refused to make the election transparent. All of this is easily explained . . . because the candidate of the right did not win the Presidential election. . . .

In light of all this, I state my decision to reject the ruling of the Electoral Court of the Federal Judiciary, and refuse to recognize anyone who seeks to present himself as the Executive power, without having a legitimate and democratic representation.

At the same time, I believe that given this attack on constitutional legality and democratic life, we Mexicans must resume exercising the people's sovereignty, and abolish once and for all the corrupt and privileged regime that rules our country. We take up this decision today . . . with the conviction that by recovering the exercise of our sovereignty, the people will feel free to give themselves the institutions and policies which will allow them to uphold their basic rights.

We, the Mexican people, remember. We knew how to defend our sovereign rights at crucial moments of our history, because, as was said in 1814 with the constitutional decree for the freedom of Mexican America, the people have the incontestable right to establish the government that best meets their needs, and to change, modify, or abolish it altogether when their happiness so demands it, and that is what we are going to do.

For all these reasons, I repeat my proposal to constitute a new government, through the National Democratic Convention, a government that will have the necessary legitimacy to refound the Republic and reestablish the constitutional order. . . .

I know that many of you are surely asking yourselves, what comes next, what are we going to do? . . .

It doesn't require much thought to understand the script that our adversaries are going to follow. . . .

First, they are going to seek legitimacy abroad. All the acknowledgements from foreign governments are going to arrive . . . that same old policy of seeking abroad for the legitimacy they don't have at home. . . .

Second, jumping on the bandwagon. You are going to see how the corporations and other such are going to declare their support, popularly known as hand-kissing. . . .

Third, subordination of the media, by burning incense to the candidate of the right, to the illegitimate, spurious President, to the fool they want to impose. . . .

Four, spectacular deeds designed to confuse the people and trick them once again, by claiming that they are going to be different and that, now, things are really going to change.

It isn't going to work, because these are different times and, above all, our people are thinking differently. . . and that is the most important, because when the people's thinking changes, everything changes.

Point five. They are going to start handing out crumbs, to try to win over the humble people, the poor, by trafficking in the needs and poverty of the people.

[T]he people don't want crumbs. The people want justice. That is why they are fighting. . . .

And the last point in this script is going to be negotiating with us. They are going to try by any and all means to have what they call dialogue and negotiation.

I want to tell you all in this plaza that the leaders, the legislators, the governors-elect of the Coalition, and the many citizens in this movement, have all risen to the occasion.

We are in unknown terrain, where things are not business as usual. It is not going to be easy, as they will try to coopt us, buy us through the guise of negotiation with leaders of the opposition. . . .

That is the strategy of our adversaries, but what is ours? What are we going to do? What comes next?

First of all is the revolution of conscience that we have begun, the mental revolution. All that we have been doing for the past month, this peaceful civil resistance, this process of teaching-learning. . . .

And I speak of a revolution of conscience because those in charge of the institutions simply have no respect for the people or for the constitutional mandate.

And thus, although my adversaries may not like it, to hell with their institutions!

We are never again going to allow our people to be humiliated. The people are waking up, and have said enough. . . . We are going for the transformation of the country, beginning with a revolution of conscience.

We are going to move forward toward the Democratic National Convention. We have the right to exercise our sovereignty, a right consecrated in the Constitution of Apatzingán, reaffirmed in the Constitution of 1857, and driven home with the 1917 Constitution, which is the current law of the land.

Article 39 of the Constitution . . . establishes that the people always have the right to change the form of their government, and that is what we are going to do. We are going to exercise our sovereignty in shaping our government.

Now things are very clear in our country. That is better than the pretense and hypocrisy. . . . We have nothing to be ashamed of. We are fighting for a new nation. We are fighting . . . for the rights of all Mexicans . . . with decisiveness, with determination, with courage, with patriotism. Viva Mexico!

Fascist Netanyahu Meets Cheney for The Next Round of War Planning

by Dean Andromidas

Is history repeating itself after only four months?

Benjamin “Bibi” Netanyahu, chairman of the Israeli Likud party, met in Washington with Vice President Dick Cheney Sept. 5, and although neither has revealed what transpired between them, there is little doubt that Iran, and preparation for “another round” against Hezbollah in Lebanon were high on the agenda. This was not the duo’s first meeting this year: On June 17, Netanyahu and Cheney, along with Secretary of Defense Donald Rumsfeld, met semi-secretly at an American Enterprise Institute conference in Beaver Creek, Colorado (see “Cheney and Netanyahu Conspiring for War?” *EIR* June 30, 2006). It was only a few weeks later, that the brutal Israeli offensive against Lebanon began.

Two days after his latest meeting with Cheney, Netanyahu addressed a luncheon organized by the Hudson Institute in New York City, where he promised that “when Prime Minister”—only then to laugh and wink as he corrected himself to “if Prime Minister”—he would ensure that Israel breaks with the policies of Oslo, and returns to the “Iron Wall” doctrine of the late Vladimir Jabotinsky, the Zionist fascist leader who once pleaded with Adolf Hitler to accept him as an ally. Jabotinsky asserted that Arabs would only accept Israel when they met the “Iron Wall” of Israeli military might, the *New York Sun* reported in its adulatory coverage on Sept. 8. Netanyahu said that when Israel abandoned that strategy by signing the Oslo Accords, the Palestinians responded with terrorism, just as Jabotinsky had warned.

In a meeting with 15 U.S. Senators during his visit, Netanyahu lobbied for Cheney’s policy of threatening Iran with military force if it does not halt its nuclear program. Speaking at a press conference after the meeting, he told reporters that the military option against Iran should be “layered into” a tough set of sanctions. Bibi claimed to see cracks within the Iranian leadership, and that economic sanctions and the threat of military force might convince Iran to end its nuclear program. He warned that Israel would be the first target of Iran’s nuclear weapons—but not the last.

According to the *New York Sun*, at his New York luncheon Netanyahu assured his audience that President Bush is preparing to ditch the United Nations to take on Iran alone. “Netanyahu told his audience more than once” that not enough atten-

tion has been paid to President Bush’s statement in his Tuesday war on terror speech, that “the world’s free nations will not allow Iran to develop a nuclear weapon.” Not that the “United Nations won’t allow,” Netanyahu said, but that the “free nations” of the world won’t allow. “Netanyahu called it a sign that on the Iranian problem, the president was preparing to stop working through the United Nations and instead work with whoever would join him,” the *Sun* reported.

The avowed fascist also praised globalization as a “God-send” for Israel and “for everyone,” while hallucinating over the economic growth which he asserted his reforms as Finance Minister had brought to Israel.

New War on Lebanon

Ever since the implementation of the United Nations-brokered cease-fire agreement in Lebanon went into effect last month, Bibi has been talking about preparing for the “next round” against Hezbollah which could see the war spread to Syria and Iran. In an interview Aug. 15, with a group of U.S. right-wing, pro-Israeli web blogs, organized by Rick Richman of *Jewish Current News*, just hours after the cease-fire went into effect, Netanyahu clearly stated his strategic intentions.

Bibi called the Lebanon-Israeli war the “first salvo in the Free World’s battle against Sunni, or rather Shi’ite fundamentalism,” in which Iran is determined to develop nuclear weapons in order to build an “Islamic empire . . . and that’s why President Bush’s commitment to prevent Iran from arming itself with nuclear weapons is the most important decision of our time.”

For Bibi, the recent war was only the “first round. More will come, and we’ll have to prepare,” he threatened. Calling for a joint U.S.-Israel campaign, he said, “There ought to be a division of labor. Israel should dismantle the Hezbollah military machine and destroy the missile arsenal. That has not yet been achieved, but it will have to be achieved down the line, and equally, the United States should lead its own, or an international effort, to disarm Iran of nuclear weapons.” Admitting that the “first round” was a joint Cheney-Israel operation, Bibi said, “This was the agenda before this war began, and it is still the agenda after this war has ended, or

after this round of this war has ended.”

Make no mistake: The drive for the next war is not coming from Israel, but from the synarchist financial interests who stand behind Cheney and Netanyahu, best represented by their patron, George Pratt Shultz.

Netanyahu also appeared at a seminar at the National Museum of American Jewish History in Philadelphia, where he was the guest speaker on terrorism, alongside former CIA Director James Woolsey, who has been one of the top neo-cons pushing the military option against Iran. The event was organized by top U.S. Likudnik and Likud fundraiser Steven L. Friedman, an old schoolmate of Bibi's from his early years in Pennsylvania. Friedman's role as a bagman between the Likud party and the synarchist financial interests that support Netanyahu and the Likud has been detailed in *EIR* (“A Bigger Scandal: Illegal U.S. Funding of Sharon's Likud,” June 23, 2002).

Shortly before Netanyahu's arrival in Washington, former Israeli Chief of Staff Moshe Ya'alon returned to Israel after spending a year at the pro-Israel think-tank, the Washington Institute for Near East Policy. It is widely believed Ya'alon intends to join the Likud, where he is expected to be named Minister of Defense in a new Netanyahu government. While in Washington, Ya'alon, who sees Iran as posing an existential threat to Israel, made the circuit of the many neo-conservative think-tanks. Last March, he spoke on “Confronting Iran,” at the right-wing Hudson Institute.

Giving his endorsement to the military option, Ya'alon said, “A military option has the potential to significantly damage the Iranian nuclear project. . . . I believe that Western air forces—including the U.S. Air Force, the air forces of the European Union, and the Israeli Air Force—can effectively execute such a mission.” He concluded his presentation by quoting Sen. John McCain (R-Ariz.): “There is only one thing worse than . . . a military option, and that is a nuclear Iran.”

The Next Israeli Prime Minister?

The disastrous Lebanon war, which left almost 150 Israelis dead, a third of whom were civilians, and cost Israel no less than \$5 billion, has left Israeli Prime Minister Ehud Olmert fighting for his political life. The shift to the right in the population has made Netanyahu the top beneficiary. Netanyahu has already rejected overtures by associates of Olmert inviting him to join a national unity government. He has reportedly told his associates, “I am going to replace Olmert—not save him.”

This is not just bluster. Olmert's government and his Kadima party could become history in less than two months. The manifest failures of the war have led to calls for a State Commission of Inquiry. Just such an inquiry during the 1982 Lebanon war forced Ariel Sharon to resign as Defense Minister. Olmert could suffer the same fate if a Commission of Inquiry were formed. Furthermore, State Comptroller Micha

Lindenstrauss has just completed an investigation alleging that Olmert, while Trade and Industry Minister in the last Sharon government, illegally handed out jobs to his political cronies. Lindenstrauss has already handed over the results of his probe to State Attorney Menachem Mazuz with the recommendation that a criminal investigation be opened against Olmert. Although Mazuz has yet to make a decision on the case, Lindenstrauss is conducting two additional investigations of Olmert alleging fraud, bribe-taking, and corruption.

But the most pressing problem for Olmert will be getting the 2007 budget passed in the Knesset without collapsing his coalition. A guns-not-butter budget, it calls for massive cuts in social programs in order to finance a huge increase in defense spending. Already, his coalition partners, including the Labor Party, the Shas Party, and the Pensioners Party, have announced they will oppose the budget if key social programs are cut.

Netanyahu is banking on two likely scenarios. The first, is the fact that Knesset Members themselves would be loath to hold new elections after only four months, elections that would mean the end for many of their political careers. The second, is the crack-up of the recently formed Kadima party, in which a sizable faction will run “home” to the Likud. Netanyahu believes that at that point, where Likud would become the largest party, he would be given the mandate to form a new government. He could then form a fascist government that would include the Likud, the ethnic Russian Yisrael Beitenau, led by the fascist Avigdor Lieberman, and other right-wing parties. It would be a government that would go to war. It could very well be Israel's last.

Only a Madrid II Could Save Israel

The only policy that could save Israel, and possibly Olmert's own political neck, is a Madrid II peace conference, as proposed by Meretz Party chairman Yossi Beilin, and endorsed by Lyndon LaRouche. Only such a conference could resolve all the conflicts in the region, including the Arab-Israeli conflict, the Iraq War, and the threat of war against Iran. But, this would have to be preceded by a dramatic shift in Washington, with the ouster of the synarchist cabal in the Bush Administration, led by Vice President Cheney.

Olmert has made clear that he will not deviate one inch from the Bush Administration's dictates. He has rejected calls by his own ministers for opening talks with Syria and the Palestinians. Such calls have already been made by Defense Minister Amir Peretz, Public Security Minister Avi Dichter, and Foreign Minister Tzipi Livni, but have been all rejected.

Moreover, Olmert has continued the military offensive against the Palestinians. While the guns are silent in the north, following the United Nations cease-fire agreement, Israel continues to kill Palestinians. Since Israel launched “Operation Summer Rains” on June 27, over 250 Palestinians have been killed, mostly non-combatants, including woman and

children. While the world community mobilized to send troops to the expanded United Nations force in southern Lebanon, nothing has been done to stop the killing in the Occupied Territories. This is all the more dangerous, considering that the capture of the Israeli soldiers by the Hezbollah last July, which served as a trigger for the recent war, was, in part, a reaction to the Israeli offensive in Gaza. On Aug. 28, the UN World Food Program warned that Gaza was facing an escalating economic and food crisis, in which no less than 70% of the population is suffering from a severe shortage of food. This situation has been made far worse by the international economic blockade against the Hamas government, which has made it impossible to pay the Palestinian National Authority's 165,000 employees, whose dependents number almost a million people.

Arab diplomatic sources told *EIR* that the continued offensive against the Palestinians serves only to undermine any attempts to promote a peace process such as a Madrid II. The operations are destabilizing attempts by Palestinian President Mahmoud Abbas (Abu Mazen) to form a unity government between Hamas and his own Fatah movement as a means of breaking the financial blockade against the government. The Israeli military has targetted both Hamas and Fatah operatives. Furthermore, the week of Aug. 28, an Israeli military court indicted 15 Hamas Parliamentarians who were illegally arrested in June.

Linking the continued attacks on the Palestinians to the Lebanon war, Danny Rubinstein, the leading commentator for the Israeli daily *Ha'aretz*, called on Sept. 4 for a state commission to investigate the occupation. "For all its importance, and all the shock in Israel over what happened in the Lebanon war, this war cannot be compared to what has been happening for almost 40 years in the territories occupied by Israel during the Six Day War. Such a commission would probably discover that there is a strong connection between the wars in Lebanon and what occurred between us and the Palestinians during those years, and that our control over the West Bank and Gaza contributed quite a bit to the continuing deterioration in the north."

And, there are other sane voices which continue to be heard within Israel. Former Foreign Minister Shlomo Ben-Ami, in a commentary appearing in *Ha'aretz* Sept. 7, warned that only an international peace conference could forestall the "doomsday" outcome facing the region because of the belligerent policy toward Iran of the Bush Administration and its supporters in Israel, combined with Israel's refusal to resolve its conflict with the Palestinians. Ben-Ami wrote that only "an international peace conference, which would renew the momentum for ending the Israeli-Arab conflict, would remove the basis for Iran's belligerency. Neither sanctions nor even military action can disperse the doomsday cloud hanging over the region. Only divesting Iran of nuclear arms as part of a comprehensive Israeli-Arab settlement could do so."

Russian Radio Features LaRouche, Eurasian 'Great Projects'

On Aug. 29, the "Looking for the Exit" talk show on radio Ekho Moskvyy (Echo of Moscow) was on the topic "The crisis of the dollar is a crisis for Russia." The choice of this topic for the popular, mainstream station is a sign of the times. Host Matvei Ganapolsky discussed the world financial crisis with guests Prof. Yuri Gromyko (director of the Institute for Advanced Studies), Mikhail Delyagin (director of the Institute for Problems of Globalization), and economist Mikhail Khazin, who runs the worldcrisis.ru web site.

Gromyko and Khazin stressed that the dollar crisis is a crisis of the entire world monetary system. Gromyko introduced other strategic elements, including the international momentum for a "New Bretton Woods" monetary conference. Citing Lyndon LaRouche's analysis, Gromyko noted the relationship of "the crisis of the world financial system, to a whole string of military adventures, which are essentially set in motion by the neo-cons." The further collapse of the world financial system, Gromyko said, "will inexorably be linked with a shift to asymmetric warfare." The development of these and other points is shown in the translated excerpts, below.

On the Systemic Crisis

Gromyko: "For me the central point is what Mikhail [Khazin] said. Because the question is not the crisis of the dollar, but the question of the world monetary and financial system. And therefore, there is a movement which is being discussed in all countries. For example, the Italian Parliament last year formulated a whole movement, 'Back to Bretton Woods.' What does that mean? That it's necessary to return, at the very least, to what there was in 1944 and until Nixon introduced floating exchange rates in 1971, uncoupling the dollar from gold. And there are three parts to the basic question: what's happening in the American economy as a whole, compared with other economies?; what's happening with the dollar as an internal matter of the U.S.A.?; and what's happening in the world financial system . . . ?

"Here I share the viewpoint of Lyndon LaRouche, the quite interesting American economist, in my view, who links this very real possibility [of a U.S. 'default' and total wipe-out of the dollar's value] with an array of very serious problems. But you know what I'd say? The question is really not posed correctly, . . . because asking what to do [personally] in the event of a crash of the world financial system is approxi-

mately the same as asking if you can get rich from an expensive atomic bomb landing in your back yard.”

Khazin: “When I started writing on this topic back in 1999-2000, the challenge was to explain fundamentally that there would be problems with the dollar as the basic currency of the world financial system. And by ‘crisis’, I did not mean a fall of the dollar. The dollar might even not fall, it might even rise, but what was at stake was the destruction of the world monetary system in the form it assumed during the 1990s.

On the U.S. Economy, and the War Danger

Gromyko: “Another interesting question is whether or not the U.S. social system can withstand a crisis of the world monetary system. Because what Khazin was talking about, when securities are devalued—those securities are the U.S. pension funds, so the question comes up, to what extent there could be an explosion or a breakdown of the social system. . . . And here I would say, that the main problem, as was shown by Katrina, is under-investment in basic infrastructure in the U.S.A., on a huge scale. The economy is uneven, with [growth] in the priority information technologies, but under-investment in basic infrastructure, and deindustrialization that is just monstrous.

“And another one of the most important elements of the U.S. economy is hedge funds, derivatives, and various securities (and the pension funds, among others, are invested in them), which could all just implode, . . . so I think there’s a rather serious social threat.

“Included is the interweaving of problems related to the crisis of the world financial system, with a whole string of military adventures, which are essentially set in motion by the neo-cons. And who, in effect, is running things? I’d have to say, . . . that fundamentally the decisions are being taken by certain financial families. But that doesn’t mean that there exists some ‘conspiracy,’ a plot, or ‘world government,’ of course not. These are networks, network groups, making these decisions. But it’s important to understand clearly, that these groups, including, for example, Bush’s grandfather, Prescott Bush, took part, in his time, in bringing Hitler to power. And from that standpoint, very often financial decisions in situations, close to Weimar hyperinflation—from this point of view, the point of view of Lyndon LaRouche, that what has happened over the past year with the rise of prices on natural resources, especially oil, is very close, in a number of ways, to what happened in 1921 (sic) in Germany.” (Khazin then interjected, that the U.S. elite is capable of uniting at times of danger, and that American society could solve the problems of infrastructure and deindustrialization, “if they became really critical.”)

Gromyko (later): “The collapse of the world financial system will inexorably be linked with a shift to asymmetric warfare, what the locals call insurgencies. It is quite probable that zones of insurgency could arise in Europe, and this would

happen as a result of what the neo-cons are doing in Southwest Asia.”

On Eurasian Development

Gromyko: “It seems to me that we have a more interesting challenge [than what to do in the event of a drop in the oil price], which either we shall exploit, or China will. Because really, the transformation and reorganization of the world financial system, among other things, could be connected with launching long-term infrastructure projects. Because in my view, world currencies could be stabilized through projects like Eurasian development corridors, and technological breakthroughs, and, from that standpoint, either we initiate such projects, or China will. And then there will be a certain kind of paradox, that the new focal points of monetary and financial decision-making will be based not on existing reserves, but on stable infrastructure projects of a specified quality. And here I think Russia could have a very big opportunity, to attract China into this, and Japan. If such projects, on a scale involving transport and technology solutions from Europe into Eurasia, with a huge resource potential, nuclear power development, water desalination—”

Khazin: “At the end of the 1990s, I proposed a project that would prevent all the crisis phenomena such as we’re talking about: a project for all mankind, to green the Sahara.”

Gromyko: “For example.”

Delyagin: “Good, but it’s not the Moon. That also wouldn’t be too bad.”

Gromyko: (later, in a wrap-up statement): “It seems to me that if the neo-cons remain in power . . . , meaning the group that is now advising Bush—Cheney, first and foremost, also Wolfowitz and a few others, then the crash of the world financial system is highly probable, and can entail very bad and sad scenarios. The main reserve [for use against this] is the development of the non-speculative economy in breakthrough infrastructure projects, for which our elite—and here I agree with both Mikhaels—is not prepared. But it is the only way out, the only chance. And in my view, the Shanghai [Cooperation] Organization is important in this regard; a whole array of interesting solutions are possible there.”

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Will Germany Welcome Killer 'Locust' Funds?

by Rainer Apel

On April 17, 2005, Franz Müntefering, then-chairman of the German Social Democratic Party, sparked a broad public debate when he charged that hedge, equity, and other investment funds that were swarming into Germany, were gobbling up firms like "locusts." His intervention, during the parliamentary election campaign in Northrhine-Westphalia, Germany's most populous state, followed a weeks-long campaign on this issue, by the LaRouche movement and its political party, the BÜSo (Civil Rights Movement Solidarity).

Immediately, the entire country became polarized over the issue of the "locust funds." After having followed the doctrines of globalization and deregulation for years, the Social Democrats discovered re-regulation of the economy. The then-Chancellor of Germany, Gerhard Schröder, also took the issue to the July summit meeting of the Group of Seven in England, calling for "greater transparency of hedge fund operations," and for the first steps to install controls of these funds.

This initiative was rejected, according to Schröder, by "the financial circles in New York and London," but in one of his last acts in office, Schröder in late October 2005, promoted national legislation which increased the transparency of these funds, making it easier to control them. The legislation, which went into effect in July 2006, enables the top financial regulatory agency, BaFin, to check the books of such funds, especially if there is suspicion that they are conspiring for hostile takeovers of industrial firms.

Unfortunately, not all Social Democrats were in favor of the move. One example is Peer Steinbrück, new minister of finance in the Grand Coalition government of Christian and Social Democrats, which was formed in late November 2005. Under his tenure, the wheels of re-regulation were turned back. The first indication of this was his conduct in the conflict between the European Commission and the German savings banks, over the issue of the planned sale of the Berlin Savings Bank to private investors by the cash-strapped Berlin city-state administration. The savings banks' association opposes the sale on the well-founded grounds that one cannot merge the diverging interests of private investors in short-term profits, with that of public banks which seek the common good with longer-term loans to homebuilders, medium-sized firms, and other productive sectors of the economy. The first-ever sale of a public bank like the Berlin Savings Bank would open the floodgates for a broad private banking attack on the public banking sector in Germany.

Steinbrück Reverses Gears

In this conflict, Steinbrück first gave the impression he would side with the savings banks, but he then heeded the European Commission, which wants the sale of the Berlin Savings Bank, and he proposed instead a compromise, in which the Berlin sale would go ahead as an exceptional concession, if the rest of the savings banks remained protected. The Commission said "no," and threatened legal action against Germany, at the European Court in Strasbourg, claiming that the German government would be violating deregulation rules that were already valid for all of the European Union. The Commission threatened that it would launch financial sanctions against the German government for violation of the Maastricht Treaty budgeting rule, which does not allow the government deficit to exceed 3% of GDP annually. Such sanctions could hit Germany with 10 billion euros or more in fines.

Of course, there is broad opposition in Germany against the Treaty, which is not unrelated to the LaRouche movement's campaigns for an end to Maastricht. Although there have been many calls for a profound revision of the treaty, Steinbrück is "Mr. Maastricht." He is committed to eliminate the government budget deficit by 2009 or 2010, and has just presented a draft for the Fiscal Year 2007 budget, which he vows will stay under the 3% mark. This would only be possible, if payments to the long-term unemployed are cut by 30%. Steinbrück's financial policy advisory council has just come up with a demand going in exactly that direction.

Steinbrück also announced plans that amount to a complete reversal of the 2005 policy against the "locust funds." At an Aug. 31, conference in Frankfurt, entitled "Banks in Change," organized by the German economic daily *Handelsblatt*, Steinbrück said that the planned corporate tax reform would accompany "additional legislation" on private equity deals, with the aim of "welcoming private equity transactions," instead of banning them. The measures would include tax exemptions, at least under certain pre-conditions. Steinbrück said that hedge funds are in principle "useful market participants," but due to certain risks they might pose to the financial system, he would be in favor of "some form" of regulation, while making sure that "no discrimination" existed against the funds.

In addition, Steinbrück called for a dramatic increase of "public-private partnership" (PPP) investments in German infrastructure. The share of such PPP investments would go up from a current 4% to a whopping 15% of all infrastructure investments, Steinbrück said, claiming that through such "reform," billions of fresh private investors' money would stream into Germany. These political initiatives and the applause they have received from the pro-deregulation media, have earned Peer Steinbrück the label, "Locust Man," among German critics. As an "enemy of the common good," Steinbrück is a priority target of the LaRouche movement's political campaigning—until he is forced out.

Nigerian Professors Discuss Strategies Toward Youth With LaRouche Reps

Professor G.O.M. Tasie is the chairman of the Agency for Reorientation, Integrity, Service, and Ethics (ARISE) in Rivers State, Nigeria under Gov. Peter Otunuya Odili. ARISE, which Odili founded, is an institution whose mission is to eliminate corruption and moral degeneracy in government, business, and among the general population. An important emphasis has been placed on the extermination of “cultism” and restiveness among the youth. Dr. Tasie is formerly a board member at the University of Jos in Jos, Nigeria where he was the editor of the Journal of Niger Delta Studies, which presents an in-depth history of the Niger Delta, with a special focus on the history of British colonial activity and the spread of Christianity in the region.

In a publication issued by ARISE on Rivers State government conduct, he likened its elected officials to the Apostle Paul and the Corinthians, only there, the officials are apostles of good governance, in the name of the People’s Democratic Party.

EIR’s Lawrence Freeman and Summer Shields of the LaRouche Youth Movement interviewed Professor Tasie on Aug. 3, 2006 at his office in Port Harcourt, the capital of Rivers State. Also taking part in the interview was Prof. Charles C. Okigbo, Ph.D., Department of Communication, North Dakota State University. The discussion centered largely on the moral uplifting and character development of the youth as representatives of the future United States and Nigeria.

Freeman: When we talked with Governor Odili, he pointed to your group as an important part of changing the culture, and according to your brochure, you have a mandate for moral rediscovery. So, first, could you tell us what the need was that required your group to come about, and then, two, what your group actually does?

Tasie: ARISE is the brainchild of Gov. Peter Odili, as part of his reformation, renaissance, for the state. A lot of bad habits have been formed over the years. A lot of vices have become very much part of the society, and it’s his thinking that there should be some reform, and then some restoration of the dignity of the peoples of the Niger Delta, and the Rivers State in particular. It’s easy to count on one’s achievement entirely, or basically, in times of physical development, structures, and so forth, but it is the thinking, and rightly

so, of Governor Odili, that without some moral base, all this can collapse. If the society is so much infested with corruption, laziness, people not being transparent, and not honest, and do not commit themselves to service, and have the appropriate ethical attitudes to work, and to their profession, or whatever it is, we are simply building on a sandy soil, as we tend to say.

Now, given that tall assignment, our approach to it has been first to create an awareness whereby every member of the society is encouraged or urged to look at this project, as something for everybody, in which everybody has to be involved, not just as a government program, or government agency. And so, in doing this, we have addressed issues in general, and specifically, the violence, terrorism, and the kind of crisis and ills of our society. And we do this by organizing public lectures, by organizing television interviews and programs, using jingles, using the media, print and electronic, such as—we had at one stage what we called the ARISE Half-Hour, in which people coming from different backgrounds and different experiences talked. And because we also want to reach the youth.

Freeman: What year did this program begin?

Tasie: 2003.

Freeman: And most of your work is conducted in seminars, or educationals?

Tasie: Yes. Seminars, educationals, and public enlightenment programs. We go to the villages, we encourage communities to set up their own ARISE cells within the community, the local government areas, in the villages, and even in the prisons. And we are calling on churches to preach the ARISE gospel, so to say.

Freeman: But you don’t offer any kind of jobs, or material assistance? Is it all in terms of discussion and forums and seminars?

Tasie: Yes, we have seminars. As a matter of fact, we’re in the process of publishing the proceedings, and some of the papers given in the seminars. One is already ready; we’ll give you a copy of it. That was something we organized for the local government functionaries, and people gave addresses on security, on prudence, on accountability.

Freeman: And how much of the population are you able to reach out to, in this discussion process?

Tasie: Oh, I would say the entire Rivers people, because when you have a television program, you assume that. And our programs have been quite popular. They've been presented as talks. They've also been presented as plays, drama, direct, indirect means, and then in the vernacular languages, and pidgin English, and so forth.

Freeman: You mentioned the youth. Are there particular problems in terms of crime, or drugs, or sexual promiscuity? What do you concentrate on with the youth?

Tasie: Oh, every problem imaginable in which they are involved. Some of them were presented as drama, which we found quite popular, quite interesting. . . . We work in collaboration with the Rivers State Council for Arts and Culture. They produce plays. We sell the idea to them, and tell them the particular thing we want to tackle; like we devoted one to addressing the issue of violence. And the police did something for us, and we showed them on the television and go with them to some communities. . . .

Freeman: Now, it would seem to me that to tackle the problem of the youth, which I imagine is a very, very large part of the population, that unless somehow you also had a program to provide for increasing the material standard of living, to give them jobs, to put them to work, to occupy their day, you can't really tackle it by just educational work. In the United States, growing sections of our youth are facing the same problem we are discussing. And in Nigeria, you have just an enormous number of youth, who are unemployed, or misemployed, or in the informal economy. How do you deal with that problem?

Tasie: We are concentrating on the educational, persuasive aspects of the problem. The adolescent program of the state, which was founded by Her Excellency, the wife of the governor of the state—this one concentrates on providing some kind of training, to have the youth acquire some skill, and thereafter they are given some help to start whatever skill they like and that keeps them busy and employed. And we talk to this group also while they are into their training, and so that aspect is really aiming at helping the youth to be self-employed. While, if the jobs are available, the opportunity is also there for a few, because the jobs are not multiplying for a number of factors, but the focus is how to help the young people employ themselves. They're getting into all kinds of training, how to repair televisions, sewing, even how to repair



EIRNS/Lawrence Freeman

Summer Shields of the LaRouche Youth Movement (left) with Prof. G.O.M. Tasie. Shields briefed the professor on the LYM's work in bringing Classical culture to America's youth, in the course of organizing them politically to rebuild the bankrupt world economy.

telephone sets; a variety of things and skills are being taught. And when they graduate, the students are given money and equipment to start them off.

Dialogue With the LYM

Shields: One of the questions I had in terms of the drama: In our office in the United States we've performed drama often in our office. We've performed [Shakespeare's] *Julius Caesar*, we've worked on Friedrich Schiller's *Don Carlos*, and what we do have is work on a lot of the Western Classics as a moral building mechanism, but also building of the mind. Do you engage in Shakespeare or Schiller?

Tasie: No, the drama here is of a local content, what you might say quite relevant to the experiences of the people. So you might find in some of these dramas, the marketplace, the ordinary persons of the society. It is a way out of the contemporary problems of our time. We will look at ones that address the issues of the moment.

Shields: One of the reasons we chose *Julius Caesar* is because it is a good representation of what happens to your society when your culture falls apart. What's wrong with the society's state of mind that causes your civilization to fall? Do any of the plays that you're talking about address this?

Tasie: Well, rather than that, here you will find people adopting plays like “Things Fall Apart”—something within their own experience; otherwise you’ll be leaving them imagining what it is you’re talking about.

We found that they appreciate them. Right now, home movies, as they call them here, now are becoming quite popular. Unfortunately, when you have Western movies that seem to interest the youth here, they are the violent type, which we try to discourage whenever we can. If we had our way, we would censor the movies that come from abroad to this place. But what we cannot do formally, we try to do informally by increasing interest and even encourage them to form their own groups for whatever script has been prepared for them. It’s not just for entertainment, but it’s also for education and moral building.

Shields: One of the things we did in 2003, was we ran a slate of about eight young people for local Democratic Party official status as a kind of introduction into politics, and one of the problems that we also have, as you know, is a decadent Western culture. We’ve got some of the living standards that are completely different, but the culture is generally not the healthiest thing for the mind. Is there any move towards the introduction of these youth into politics?

Tasie: In some parts, they talk about the youth parliament. Of course, we recognize the fact that the youth of today are the leaders of tomorrow. And if they want to ensure tomorrow for their survival, then they had better start now getting to it. And one area where they are doing this formally and effectively is through the Student Union. We encourage the Student Union movement. It is quite a vibrant group and they talk about anything, any issues—they try to address them and they are allowed to show interest in these matters and express their views. We also are aware that, particularly, the undergraduates sometimes get unnecessarily violent, and we will try to address those issues too, using youth, because if you had someone like myself trying to talk about youth problems—well, I have to learn about their problems from them.

So, what we’ve done is to try to identify people who ordinarily would be our informants if we were doing some research to develop the ideas themselves, and as youth, have them address their fellow youth. Because they understand the world in which they live, even if they do not totally accept what the other ones are doing. And when you have those types of people coming to talk with them, it’s far more effective than, “Ah! Those old men, their time is gone!”

Shields: This is actually one of the things Mr. [Lyndon] LaRouche brings up with our youth movement. He brings up the problem of the Baby Boomer phenomenon inside of the United States, which is, as you know, the generation born after the troops came back after World War II, that have literally had a mentality that has pretty much brought U.S. culture

down. They were the drug-rock-sex culture of the ’60s and ’70s, and which now, our generation is the drug-rock-sex culture of the United States. What our movement engages in, is we have youth cadres, youth leadership training where we work on science, constructive geometry, and youth teaching youth; and we have classes twice a week, and we are engaged politically, and we go out and recruit young people, even from the college campuses where the education isn’t as good as what they have with us. Do you have anything like the youth teaching of youth here?

Tasie: Not in the same sense as you have in the United States but, in some senses, yes. Like when the youth address or partake in some of our programs here on the television, you’ll find that whatever they are saying can be of interest to the older generation, but their target is actually the youth. In that way, or when we go out to the villages and the communities, those who are addressing the youth rallies are fellow youth. Some might be the presidents of the National Union of Rivers State Students. We certainly appreciate the value in youth addressing youth.

Then there’s the kind of music that they enjoy. If we want to attract them to the place where we are having the event, then we play the kind of music that attracts their fellow youth. Whereas, if it was for people like me, then we would be talking about Classical music or something, but they know their kind of music—reggae and all that, and hip-hop and all that—they’ll come, get introduced to the place, and then the actual program starts.

Freeman: It’s too bad that we don’t have more time, but it might be very useful if you could have Summer interact with some of the youth.

Tasie: Oh yes, oh yes. But if we had more notice that you were coming, we would have arranged for them to be here. If there is ever any opportunity and you are coming here, we can arrange that.

Shields: I would like that.

Freeman: The older people unintentionally will suffocate the younger people.

Okigbo: We hope that we can establish a relationship with you, so that with time, it might be possible to bring some people from the U.S. over here for a period of time for an orientation program, and then vice versa, to arrange for some young people to see how things are done in the U.S. for a period of time too.

Freeman: I think that would be quite phenomenal to have American youth and Nigerian youth, and the fact that it would be young people would be very revolutionary.

Soon after this interview was held, Nigeria’s President ordered a security crackdown in the region in response to a wave of kidnappings.

International Intelligence

Chile's Ruling Parties All Want Nuclear Power

All of the parties belonging to Chile's ruling coalition, the Socialist Party, the Christian Democracy, the Radical Social Democracy (PRSD), and the Democracy Party have all advocated study and development of nuclear energy, given that Argentina cannot provide Chile with the required amounts of natural gas, and Chile doesn't have sufficient hydroelectric and other resources to meet growing demand. Argentina's recent announcement that it will expand its nuclear program has provoked many leading members of Chile's scientific community, as well as legislators, to also urge the government to act quickly to start the process of building a nuclear plant.

Commenting on President Michelle Bachelet's Sept. 4 statement that she would order feasibility studies on the issue, but would *not* adopt a nuclear energy program under her administration, physicist José Maldifassi of the Adolfo Ibáñez University warned that such an approach would mean that Chile could only have a nuclear plant ready by 2015 or 2016. If the energy crisis is bad now, given oil prices and natural gas shortages, "it will be far worse in ten years," he said. "Authorities must go with a short-term approach for nuclear development."

Russia Nixes Maneuvers With U.S. Forces

Russian Defense Ministry spokesman Igor Kostyshin confirmed on Sept. 5 that the "Torgau-2006" U.S.-Russian military exercises, scheduled for Sept. 21-Oct. 8 in the Nizhny Novgorod area, are now off the agenda. The official reason is "legal technicalities" concerning foreign soldiers on Russian territory. Russian commentators cite two real factors: a mobilization by Russian political forces, and anger at U.S. Defense Secretary Donald Rumsfeld, after his recent talks with Russian Defense Minister Sergei Ivanov. About 300 American officers and soldiers had been slated to take part.

The Communist Party of the Russian Federation (CPRF) and the Anti-Globalist Resistance denounced and demonstrated against the maneuvers. Former Defense Ministry official Gen. Leonid Ivashov, in an Aug. 28 webcast on KM.ru, said it was outrageous to name maneuvers after the town where Soviet and American forces met up on the Elbe in 1945, but to hold them on the Volga, deep inside Russia. Nizhny Novgorod city officials vowed "No second Feodosiya!"—referring to anti-NATO protests in Crimea last Spring that deep-sixed the Sea Breeze-2006 NATO exercises with Ukraine—and the CPRF claims to have achieved exactly that.

Gazeta.ru on Sept. 7 quoted Alexei Arbatov, a defense expert based at the Institute of the World Economy and International Relations (IMEMO), on a link between the cancellation and Russian anger at Rumsfeld. At Rumsfeld's recent meeting with Ivanov, Arbatov said, "they couldn't even reach any preliminary agreements." Inside Russia, he added, "there is an intensifying campaign against any kind of military cooperation with the U.S.A. whatsoever."

French Premier Rejects 'Clash of Civilizations'

French Prime Minister Dominique de Villepin told the French National Assembly on Sept. 8 that the current crises in the Middle East "are doing the work of the terrorists for them. . . . [Terrorism] seeks to strike inside or beyond our borders, grafting itself onto conflicts and exploiting people's suffering. It is not a war that has to be fought against terrorism, but . . . a determined struggle based on constant vigilance and effective cooperation with our partners. We will never bring this plague to an end except by also fighting against injustice, violence, against crises. . . . It is the duty of France and Europe to show that the clash of civilizations is not an inevitability. It is only we—French and Europeans—who bear this wisdom inherited from history. It is only we who bear this hope for a region that many believe condemned to violence and fanaticism."

Two days before, Foreign Minister Philippe Douste-Blazy told Radio Monte Carlo that Paris "cannot accept a war of civilizations" between the West and the Muslim world. "Good and evil are not decreed by Westerners in a given country or on a given continent." He also criticized the Bush Administration's policy of holding prisoners at Guantanamo without trial.

Lavrov Backs Mideast 'Comprehensive' Peace

In Israel on Sept. 8, after diplomatic visits to Lebanon and Syria the previous day, Russian Foreign Minister Sergei Lavrov endorsed the Arab League proposal for a conference to seek a comprehensive peace in the region. He urged Israeli Prime Minister Ehud Olmert to call such a conference, "with the participation of all the parties." He said, "I came here from Beirut and Damascus. And today everybody wants peace more than ever. . . . Everyone wishes to reach a decision that would be suitable to all, certainly to Israel."

Israeli Foreign Minister Tzipi Livni rejected the idea, saying that Israel "does not believe that all issues of comprehensive settlement should be considered as a whole, which means that Israel does not support the idea of the conference," according to RIA Novosti. Livni did say, however, that there need not be any conditions placed on a meeting between Prime Minister Olmert and Palestinian President Abu Mazen (Mahmoud Abbas), a shift from Deputy Prime Minister Shimon Peres's statements earlier in the week, that no such meeting could be held until the return of the Israeli soldier seized in Gaza on June 25.

While travelling in Africa with President Putin, Lavrov on Sept. 6 also addressed the latest developments around Iran, stating that Russia would seek "the optimal way for advancing towards the goal of non-proliferation of WMD," but that the UN Charter must be the basis for any measures that are taken. Lavrov added that the Charter "states unequivocally that economic measures exclude the use of force."

Editorial

Only a Westphalian Approach Will Work

In response to a question about the applicability of the Treaty of Westphalia approach to solving crises such as the Southwest Asia conflict today, Lyndon LaRouche reiterated the principles behind this policy at his Sept. 6 webcast.

There is no alternative to a Westphalian peace. The Westphalian Peace—guess who did it? This was done by Cardinal Mazarin, who convened the session, and changed exactly the opposite policies, those of Richelieu. Now, what happened?

You had in France, under Jean-Baptiste Colbert, the highest rate of technological progress in all European history, in *rate*. The Colbert administration was astonishing. It was the leading driver of European civilization! He launched the science academy. Just look at what happened in science and technology under Colbert, and even the influence of Colbert on those who followed, in terms of fortifications and other things which were expressions—the Monge, Carnot development was an expression of this.

The French Revolution, which was a British operation, run by British Freemasons, and a model for Hitler, shifted the thing so Germany emerged on the back of a destroyed France, which was destroyed by the British, by the imposition of the government, by who? The Duke of Wellington. And the shutting down of the Ecole Polytechnique, or destruction of it in the process.

So, the problem here, is the nature of *man*. Man is not an animal. Therefore the fundamental interest of man lies in that kind of behavior which is not that of an animal: the behavior of *creating* something. The search for immortality. The search for the rising above bestiality. The search for progress and benefit. So, therefore, what you give people is, you give them the benefit to improve themselves. You promote their improvement, their self-improvement, and that's the basis for your agreement.

The alternative to a Westphalian approach is a Hobbesian approach, which leads to eternal conflict.

So, the idea that there's an alternative to Westphalia, or the idea that there are technical reasons why Westphalia worked—no! Westphalia worked for one reason: because of a leadership, an initiative, to end a war that nobody could end. Otherwise, there would have been no Germans left alive at all. And it was not the ruin that made it possible. All these theories—forget them, they're wrong.

Now, on the question of law and security. Again, the same thing. We've come to a period in world history—look, we're at the end of war! You can no longer conduct war on this planet! You may have to defend yourself in a war-like manner, but you don't use war as an instrument of policy! Which is what is being done by the British and by the United States—the use of war as a policy matter! The killing power of modern technology, and the alternative of the killing power of security technology, is asymmetric warfare!

What does asymmetric warfare do? It's a caustic force, it destroys society. It's denial of ground, by destruction. And no force can resist the denial of ground, the process of pure destruction. Can pure destruction, which is the only mode of warfare which is possible now, can that be a source of victory, a source of a victorious interest? You can never do it. So therefore the *only* policy, is the policy of mutual interest, the Westphalian policy.

The Westphalian policy is a matter of the *natural moral law*, and moral law has taken vengeance on the stupid, by bringing mankind to a level where the power of man is so great, that to use advanced power, for destruction, brings on the caustic force which is otherwise typified by asymmetric warfare. So, mankind is the power who is going to destroy himself in war.

Therefore, the *military* policy, of a military force is essentially a scientific, engineering policy. It's the thought of using the power which is implicit to cause people to *accept conditions which are to their benefit*. You compel people, in a sense, to accept the advantage, to accept the benefit of scientific and technological and cultural progress. That should be the *law*.